



ADVISORY
Industry Information

Guernsey Adopts New Statutory Regime For Migration of Limited Partnerships

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Limited partnerships which are registered overseas may now migrate into Guernsey under the Limited Partnerships (Guernsey) (Migration) Regulations, 2020 (the "LP Migration Regulations"), which came into force on 30 July 2020.

The LP Migration Regulations mirror the migration procedures already in force for companies under the Companies (Guernsey) Law, 2008 (the "Companies Law"), which allow companies to migrate into and out of the jurisdiction. The LP Migration Regulations are a further step to simplify the procedure for moving existing overseas funds into Guernsey, following the introduction by the Guernsey Financial Services Commission (the "GFSC") of a fast track application regime for the migration of fund managers in June 2020 (the "Fast Track Regime").

Effect of migration

Migration of a limited partnership into Guernsey does not affect the continuity of the limited partnership, nor does it of itself create a new legal person. The application may contain a declaration that the limited partnership shall have legal personality upon registration of the limited partnership in Guernsey. Such election is irrevocable and cannot be changed following registration.

Following migration, the limited partnership and all partners maintain their existing property rights, remain subject to all liabilities, contracts and obligations. Any existing legal proceedings, convictions and judgments in favour of or against the limited partnership may be continued or enforced following registration in Guernsey.

General partner

It may be preferred that the limited partnership keeps its existing overseas general partner. A Guernsey limited partnership may continue to operate with an overseas general partner, albeit that the Guernsey limited partnership will need to have a Guernsey registered office. However, under the LP Migration Regulations, it is also possible, as part of the application for migration, to appoint a new general partner. This would not affect the continuity of the existing limited partnership.

Alternatively, it may be preferable to migrate the existing overseas general partner into Guernsey alongside the limited partnership. This may be done by reference to the Companies Law, and where GFSC consents are required, the Fast Track Regime.

Procedure and eligibility for migration into Guernsey

An application must be made to the Registrar to register an overseas limited partnership as a Guernsey limited partnership.

In order for the migration to be approved by the Registrar, the limited partnership must meet a number of criteria. In particular, the law of the jurisdiction where the limited partnership is registered, and the limited partnership's constitutive documents, must permit the migration. The limited partnership cannot be the subject of any insolvency proceedings and must, immediately after registration in Guernsey, satisfy the Guernsey solvency test. Additionally, the limited partnership's constitutive documents may not allow it to issue bearer instruments of any kind.

Limited partnerships which are subject to supervision will need to obtain the consent of the GFSC in order to migrate into Guernsey.



The issuance by the Registrar of a certificate of registration in respect of the limited partnership is conclusive evidence that the limited partnership has been registered in Guernsey with effect from the date on the certificate.

Migration of Limited Partnerships out of Guernsey

The LP Migration Regulations also permit the migration of a limited partnership out of Guernsey into a foreign jurisdiction, provided the laws of such foreign jurisdiction permit such migration.

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