



Guernsey Limited Partnerships

Limited Partnerships in Guernsey were introduced by The Limited Partnerships (Guernsey) Law, 1995. A Guernsey Limited Partnership provides its Limited Partners with the tax transparency of a partnership together with the limited liability advantages more often associated with companies.

Features of a Guernsey Limited Partnership

A Guernsey Limited Partnership must have one or more General Partners who are responsible for the conduct and management of the business of the partnership and have unlimited liability.

A Guernsey Limited Partnership must also have one or more Limited Partners who ordinarily cannot participate in the conduct and management of the business of the partnership without losing limited liability status (although there are some exceptions to this rule). As the name suggests their liability is limited, specifically to the funds the Limited Partner has contributed to the partnership.

A Partner may be both a General Partner and a Limited Partner.

A Guernsey Limited Partnership is required to be registered at the Guernsey Registry. The registration is undertaken by a declaration providing limited details including the name of the partnership, the name of the General Partner and the registered office address. There is no requirement to deliver a copy of the partnership agreement. The Guernsey Registry issue a certificate of registration to record the partnership's name and date of registration.

A Limited Partnership comes into existence when the Guernsey Registry issue a certificate of registration. Prior to registration it has the status of a 'general partnership'.

A return is required to be filed on an annual basis at the Guernsey Registry and accompanied by the appropriate filing fee.

A Guernsey Limited Partnership must maintain a Registered Office on the Island at all times. The General Partners must also appoint an auditor to act in relation to the affairs of the partnership.

Advantages

- Guernsey Law provides an up-to-date framework for the formation and administration of Limited Partnerships
- Normally regarded by HMRC as tax transparent
- Used in Family Limited Partnerships as wealth preservation structures
- No requirement for the General Partner to participate in any profits
- The circumstances under which a Limited Partner is required to repay capital distributions are strictly restricted
- Unlike the UK, the names of the Limited Partners do not appear on a public registry
- As indicated above and unlike UK Law, Guernsey Law provides a list of exceptional circumstances under which a Limited Partner may enjoy some administrative powers without losing limited liability status

For further information contact

Ian Rouget on +44 (0)1481 731204
ian.rouget@ardeltrust.com

Ardel Trust Company (Guernsey) Limited

PO Box 175, Frances House, Sir William Place, St Peter Port, Guernsey GY1 4HQ
T +44 (0)1481 723573 F +44 (0)1481 732121

The information contained within these notes is necessarily limited in scope and statements made are consequently general in effect. Although every effort has been made to ensure the accuracy of the information on the product sheet, Ardel Trust Company (Guernsey) Limited cannot accept responsibility for any loss suffered as a result of persons relying thereon. The company advises all clients to consult their own professional advisor on all legal, tax and fiscal matters as necessary. Regulated by the Guernsey Financial Services Commission in accordance with The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 as amended 2008. Company Registration Number: 5487.