



BELIZE

**LIMITED LIABILITY PARTNERSHIP ACT
CHAPTER 258**

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CHAPTER 258

LIMITED LIABILITY PARTNERSHIP

13 of 1999.
S. I. 71 of 1999.
42 of 2002.

[1ST July, 1999]

PART I

Preliminary

1. This Act may be cited as the Limited Liability Partnerships Act.

Short title.

2.–(1) In this Act, unless the context otherwise requires,

Interpretation.

“act” includes omissions;

“annual declaration” shall be construed in accordance with section 18 of this Act;

“Attorney General” shall mean the person appointed as such under the laws of Belize;

“Bank” means a person registered under the Banks and Financial Institutions Act, Cap. 263, and any statutory modification thereto;

“business” for the purpose of section 3(2) of this Act means, in respect of,

42 of 2002.

(a) business carried on within Belize,

(i) the practice of the profession of law or accountancy; or

(ii) any other business where the capital invested or to be invested in Belize is not less than five hundred thousand dollars;

(b) business carried outside Belize, any type of business;

“charge” includes a security interest created in accordance with the International Business Companies Act, Cap. 270 and any statutory modification thereto, and cognate terms shall be construed accordingly;

“Court” means the Supreme Court of Judicature of Belize or a judge thereof;

“debt” includes obligation;

“declaration” means a declaration delivered to the Registrar pursuant to section 17 of this Act together with any statement delivered to the Registrar pursuant to section 18 or section 25(2) of this Act, specifying a change in the information stated in it;

“Deputy Registrar” means the Deputy Registrar appointment by the competent authority to act as Deputy Registrar;

“designated partner” means, in relation to a limited liability partnership, any partner identified as such in the declaration or, if none, the partner whose name first appears in the statement of partners in the declaration;

“dollar “ means the Belize dollars;

“insolvent” shall be construed in accordance with subsection (2) of this section;

“insurance company” means a company carrying on insurance business in accordance with the requirements of the International Insurance Act, Cap. 269, and any statutory modification thereto;

“limited liability partnerships” shall be construed in accordance with section 3 of this Act;

“limited liability partnership property” has the meaning given to it in section 4(1) of this Act;

“loss” includes damage and injury;

“Minister” shall mean the Minister appointed for the supervision of limited liability partnerships;

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“partner” means, in relation to a limited liability partnership, any person who is a partner and named as such in the declaration;

“partnership agreement” means any agreement of the partners as to the affairs of a limited liability partnership and the rights and obligations of the partners among themselves;

“partnership interest” means, in relation to a partner in a limited liability partnership, a share of the profits and losses of the partnership and a right to receive distributions of the limited liability partnership property, including any sum due to the partner and for the time being retained in the partnership, otherwise than by way of loan, together with any other benefit conferred by the partnership agreement other than any liability of the partnership to him by way of loan;

“prescribed” means prescribed by Order made by the Minister;

“property” means land, money, goods, things in action, goodwill, and every valuable thing, whether movable or immovable, and whether situated in Belize or elsewhere, and also means obligations, and every description of estate, interest, and profit, present or future, vested or contingent, arising out of or incidental to property;

“register” means the register maintained pursuant to section 36 (2) of this Act;

“Registrar” shall be construed in accordance with section 36 (1) Of this Act and “his seal” means a seal prepared under that section;

“registration date” means, in relation to a limited liability partnership, the date specified in the certificate issued pursuant to section 17(5) of this Act;

“Registry” means the International Business Companies Registry;

“Regulations” means regulations made by the Minister from time to time for the better carrying out of the provisions of this Act and for prescribing anything that needs to be prescribed;

“retirement” means any act or occurrence whereby a person ceases to be a partner in a limited liability partnership, other than by where the person is an individual, his death or, where the person is not an individual, its ceasing to exist.

(2) For the purposes of this Act, a limited liability partnership is insolvent if it is unable to discharge its debts, including any liability to a partner or former partner by way of loan but excluding any liability to a partner or former partner in respect of partnership interest or otherwise, as they fall due prescribed;

(3) For the purposes of this Act, any reference to a loan includes any payment of interest on the loan which has fallen due.

(4) In this Act, where a limited liability partnership has more than one designated partner,

(a) anything that a designated partner is required by this Act to do may be done by any one of the designated partners; and

(b) anything which constitutes an offence by a designated partner under this Act constitutes an offence by each of the designated partners.

(5) Where more than one person is responsible for winding-up the affairs of a limited liability partnership, subsection (4) of this section shall have effect in relation to the persons responsible for winding-up the affairs of the limited liability partnership as it has effect in relation to designated partners.

(6) In this Act, except as provided in section 7(8) of this Act, any reference to the person responsible for winding-up the affairs of a limited liability partnership shall be construed as a reference to the person so responsible by virtue of section 26(1) or (2) or section 32(5) of this Act.

(7) In this Act, any requirement to give the name and address of any person shall be construed as a requirement to give,

- (a) where the person is an individual, his full name and an address for service in Belize;
- (b) where the person is a body corporate, its full name, the place where it is incorporated, and its registered office;
- (c) where the person is a limited liability partnership, its name, as it appears in its declaration, and its registered office; and
- (d) in any other case not covered in paragraphs (a) to (c) of this subsection, its full name and principal place of business.

PART II

Essentials of a Limited Liability Partnership

3.-(1) A limited liability partnership shall only have the benefit of this Act if and for so long as it is registered in accordance with this Act.

Limited liability partnerships.

(2) A limited liability partnership may be registered where persons who wish a business to be carried on with a view of profit have agreed (with or without other terms),

- (a) that the business shall be carried on, following the registration date, in the form of a limited liability partnership;
- (b) that they shall each contribute effort and skill to the business as an agent of the limited liability partnership but not of each other, in accordance with section 16; and
- (c) that the profit of the business shall be divided between them and that they shall each have an interest in the

limited liability partnership property to the extent described in subsection (6) of this section.

(3) Registration of a limited liability partnership shall take effect upon its registration date, and shall cease to have effect upon cancellation of its registration pursuant to section 31 of this Act.

(4) Except as provided in section 26 (4) of this Act, a limited liability partnership is a legal person (other than a body corporate) distinct from the partners of whom it is for the time being composed and accordingly (but without limitation),

- (a) any contract which binds the limited liability partnership is made only with the legal person; and
- (b) any change in the limited liability partnership brought about by the admission, retirement or death of a partner, or by a partner other than an individual, ceasing to exist, shall not affect the existence, rights or liabilities of that legal person.

(5) Subsection (4)(b) of this section, shall not be construed as limiting the circumstances in which a limited liability partnership is or may be dissolved, whether in accordance with the partnership agreement or otherwise.

(6) Notwithstanding subsection (4) of this section, each partner in a limited liability partnership has, subject to this Act and to the partnership agreement, an interest in the profits of the limited liability partnership and, in accordance with section 29 of this Act, in the limited liability partnership property.

(7) Any number of persons may be partners in a limited liability partnership.

(8) Any person may be a partner in a limited liability partnership.

4.–(1) The property of a limited liability partnership consists of all property,

Limited liability partnership property.

- (a) brought into the partnership; or
- (b) created or acquired by or acquired on account of the partnership either in the course of the partnership business or with money of the partnership.

(2) Limited liability partnership property,

- (a) shall be vested in the limited liability partnership or held by any person on its behalf; and
- (b) subject to the partnership agreement, and except as provided in section 26 (4) of this Act, shall continue to be so vested or held notwithstanding any change in the persons who are partners in the limited liability partnership for the time being.

5.–(1) A limited liability partnership shall be liable for any debt or loss for which, if the limited liability partnership were an ordinary partnership, the partners would otherwise be liable; either jointly or jointly and severally.

Liability of a limited liability partnership property.

(2) There shall be available to meet any liability of a limited liability partnership its limited liability partnership property.

6.–(1) Subject to subsections (2) to (4) of this section and section 7(4) of this Act, a partner or former partner in a limited liability partnership shall not be liable for any debt or loss to which section 5 (1) of the Act applies, including any debt or loss caused by the act of another partner in the partnership.

Liability of a partner or former partner in a limited liability partnership.

(2) Subsection (1) of this section shall not affect any liability of a partner or former partner in a limited liability partnership for,

- (a) his personal debts; and

(b) any loss caused by him.

(3) Where any limited liability partnership property, including a share in the partnership profits, is withdrawn by a partner at a time when the limited liability partnership is unable to pay its debts, or if the partnership becomes unable to pay its debts as a result of the withdrawal, such a partner shall be liable for any debt or loss to which section 5(1) of this Act applies, but his liability shall be limited to an amount equal to the value of the withdrawal, less any amount previously recovered from him by virtue of this subsection or subsection (4) of this section.

(4) Where, during the period of six months preceding the time when a limited liability partnership becomes unable to pay its debts, any limited liability partnership property, including a share in the partnership profits, is withdrawn by a partner other than in the ordinary course of the affairs of the partnership, such a partner shall be liable for any debt or loss to which section 5 (1) of this Act applies, but his liability shall be limited to an amount equal to the value of the withdrawal, less any amount previously recovered from him by virtue of this subsection or subsection (3) of this section.

(5) For the purposes of this section, a limited liability partnership is unable to pay its debts at any time when it is unable to pay its debts which have fallen due, including any liability to a partner or former partner by way of loan, but excluding,

(a) any liability to a partner or former partner in respect of his partnership interest; and

(b) any debt to the extent that the partnership has *bona fide* title grounds on which to dispute it.

(6) In any proceedings, the burden of proving that a limited liability partnership has *bona fide* grounds on which to dispute a debt to any extent shall rest with the person denying liability under subsection (3) or (4) of this section.

(7) This section shall continue to apply to a person who was a partner or former partner in a limited liability partnership after that partnership's registration has been cancelled in accordance with section 31 of this Act.

7.-(1) A limited liability partnership shall, throughout the relevant period, maintain the financial provision described in subsection (2) of this section.

Requirement for and payment of financial provision.

(2) The financial provision,

(a) shall require one or more banks or insurance companies, upon dissolution of the limited liability partnership, to pay to the person responsible for winding-up the affairs of the limited liability partnership an amount, or an aggregate amount, as the case may be, which is not less than the specified sum, without set-off or retention of any kind; and

(b) shall not be assigned, charged or otherwise encumbered by the limited liability partnership.

(3) No proceedings for enforcement of any judgment or act may be taken in respect of the financial provision described in subsection (2) of this section by any creditor of the limited liability partnership or of any partner in it.

(4) Subject to subsections (5) and (6) of this section, if a limited liability partnership is dissolved and the payment described in subsection (2) (a) of the section above is not made, the following persons shall be liable to any creditor for whom the payment described in subsection (2) of this section would have been applied by virtue of section 28(1) of this Act as if section 6 (1) of the Act did not apply,

(a) the persons who were partners in the limited liability partnership immediately before its dissolution; and

(b) where subsection (1) of this section was not complied with at the time when the debt was incurred or arose

or loss caused which gave rise to the creditor's claims any person who was a partner at the time.

(5) For the purposes of subsection (4) of this section, the payment described in subsection (2)(a) of the section, shall be deemed to have been made if, upon dissolution of a limited liability partnership, an amount, or an aggregate amount, which is not less than the specified sum is paid to the person responsible for winding-up the affairs of the limited liability partnership from any source without set-off or retention of any kind.

(6) For the purposes of subsection (4)(b) of this section, a failure to maintain the financial provision described in subsection (2) of this section, which is not attributable to the default of any of the partners and which is remedied within twenty-eight days after the day on which it arises shall not constitute a failure to comply with subsection (1) of the section.

(7) In any proceedings, the burden of proving that the foregoing provisions of this section have been complied with shall rest with the person who claims the limitation of liability conferred by section 6 (1) of this Act.

(8) In this section, any reference to the person responsible for winding-up the affairs of the limited liability partnership means the Attorney General.

(9) In this section,

“the relevant period” means, in relation to a limited liability partnership, the period beginning upon its registration date and ending upon (whichever shall be the earlier of),

- (a) the payment described in (2)(a) or subsection (5) of this section being made; or
- (b) the cancellation of the registration of the limited liability partnership in accordance with section 32 of this Act;

“specified sum” means a bond in the sum of two hundred and fifty thousand dollars.

42 of 2002.

8.—(1) The name of a limited liability partnership shall end with the words “Limited Liability Partnership”.

Nature of a limited liability partnership.

(2) Notwithstanding subsection (1) of this section, a limited liability partnership may use the abbreviation “LLP” or “L.L.P.” in place of the words “Limited Liability Partnership”.

(3) A change of name of a limited liability partnership shall not take effect before a certificate in respect of it is issued by the Registrar pursuant to section 18 (3) of this Act .

(4) Where the name to be registered in respect of a limited liability partnership is in the opinion of the Registrar, in anyway misleading or otherwise undesirable, he may,

(a) where the name is stated in a declaration delivered pursuant to section 17 of this Act, refuse to register the limited liability partnership; and

(b) where the name is specified in a statement delivered pursuant to section 18 (1) of this Act, refuse to register the name and refuse to issue a certificate in respect of it pursuant to subsection (3) of that section.

(5) A change of name of a limited liability partnership does not affect any rights or obligations of the limited liability partnership or render defective any legal proceedings by or against it and any legal proceedings that might have been continued or commenced against it under its former name may be continued or commenced against it under its new name.

(6) Where a limited liability partnership, which has its name inscribed in the Registry as being the holder of, or having an interest in, immovable property, changes its name, the designated partner shall deliver to the Registrar a copy of the certificate issued by the Registrar pursuant to section 18 below (3) of this Act, within fourteen days after its issue.

(7) Upon delivery to him of the copy of the certificate referred to in subsection (6) of this section, the Registrar shall cause the new name of the limited liability partnership to be registered in the Registry.

(8) If default is made in compliance with subsection (6) of this section, the designated partner commits an offence.

(9) A limited liability partnership shall have its name, the number assigned (if any) to it by the Registrar on registration and the words “registered as a limited liability partnership in Belize” clearly stated on all its correspondence, invoices, statements and other public documents.

Registered office.

9.-(1) A limited liability partnership shall have a registered office in Belize.

(2) A change of the address of the registered office of limited liability partnership shall not take effect before the delivery to the Registrar of a statement in respect of it pursuant to section 18 (1) of this Act.

(3) Where the change of address of a limited liability partnership takes effect before the expiry of the period of fourteen days beginning on the day on which the statement in respect of it is delivered to the Registrar, a person may validly serve any document on the partnership or on any of its partners, within that period, at the limited liability partnerships’ previous registered office.

(4) A limited liability partnership shall keep at its registered office,

- (a) a list showing in alphabetical order the name and address of each partner and indicating which of them is a designated partner;
- (b) a copy of the declaration;
- (c) a copy of the most recent annual declaration;
- (d) a copy of any statement delivered to the Registrar under this Act;

- (e) a copy of any certificate issued by the Registrar under this Act; and
- (f) if the partnership agreement has been reduced to writing, a copy of the agreement and any amendment made thereto.

(5) The records kept under subsection (4) of this section shall be,

- (a) *prima facie* evidence of the particulars which are by that subsection directed to be contained in them; and
- (b) available for inspection and copying without charge during ordinary business hours at the request of a partner.

(6) The list kept under subsection (4)(a) of this section, shall be amended within twenty-eight days after any change in the particulars contained in it.

(7) If default is made in compliance with this section, the designated partner commits an offence.

10.-(1) A limited liability partnership shall keep for five years accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time its financial position.

Accounts and audit.

(2) Subject to the partnership agreement, it shall not be necessary for a limited liability partnership to appoint an auditor or have its accounts audited.

(3) If default is made in compliance with subsection (1) of this section, the designated partner commits an offence and is liable to a fine of up to a maximum amount of fifty thousand dollars or up to two years imprisonment, or to both a fine and term of imprisonment.

11.-(1) A limited liability partnership shall take reasonable precautions,

- (a) to prevent loss or destruction of;

Keeping and from of limited liability partnership records.

- (b) to prevent falsification of entries in; and
- (c) to facilitate detection and correction of inaccuracies in, the records it is required to keep in accordance with sections 9 (4) and 10 (1) of this Act .

(2) The records referred to in subsection (1) of this section, may be kept in the form of a bound or loose-leaf book, or photographic film, or may be entered or recorded by a system of mechanical or electronic data processing or any other information storage device that is capable of reproducing any required information in intelligible written form within a reasonable time.

(3) If default is made in compliance with subsection (1) of this section, the designated partner commits an offence and is liable to a fine of up to a maximum amount of fifty thousand dollars or up to two years imprisonment, or to both a fine and imprisonment.

PART III

Relationship of Partners with one another and Third Parties

Relationship of partners to one another.

12.—(1) Subject to Part I and V, the rights and duties of the partners in a limited liability partnership shall, as between themselves, be determined by the partnership agreement.

(2) Nothing in the partnership agreement may deprive the partners of the benefit of section 6 (1) of this Act.

(3) Subject to subsection (2) of this section, shall not be construed as limiting the ability of the partners in a limited liability partnership, as between themselves, to indemnify any of them or any former partner in respect of any debt or loss.

Dealings of partners with limited liability partnership.

13. A partner in a limited liability partnership may enter into any transaction with partnership, including lending money to and borrowing money from it.

14.-(1) An additional partner shall not be admitted to a limited liability partnership except in accordance with the partnership agreement.

Admission and retirement of partners.

(2) Except as described in section 25(1) of this Act, a partner may only retire from a limited liability partnership in accordance with the partnership agreement.

(3) No retirement shall have effect before a statement is delivered to the Registrar specifying the change pursuant to sections 18 (1) or 25 (2) of this Act, as the case may be.

15.-(1) A partner in a limited liability partnership may not assign the whole or part of his partnership interest, except by way of charge.

Assignments, etc.

(2) Notwithstanding subsection (1) of this section, changes may be made in the partnership interests in a limited liability partnership on the admission or retirement of a partner, on the death of a partner who is an individual, on a partner who is not an individual ceasing to exist, or in accordance with the partnership agreement.

(3) Subject to the partnership agreement, a partnership in a limited liability partnership may create a charge over his partnership interest.

16.-(1) Every partnership in a limited liability partnership is the agent of that partnership and accordingly, but subject to subsection (2) of this section, the acts of a partner in his capacity as a partner shall bind the limited liability partnership.

Agency of partners in a limited liability partnership.

(2) The acts of a partner in a limited liability partnership shall not bind the partnership where the partner is not acting as a partner or is acting without authority and the person with whom the partner is dealing knows or should know that to be the position.

(3) A partner shall act without authority unless he acts,

- (a) in the ordinary course of the business of the limited liability partnership; or

- (b) with the express authority conferred by or pursuant to the partnership agreement.

(4) For the purposes of subsection (2) of this section, no person shall be deemed to have notice of any records by reason only that they are made available by the Registrar for inspection.

PART IV

Registration of a Limited Liability Partnership

Registration of a limited partnership.

17.—(1) An application for registration as a limited liability partnership may be made by persons to whom section 3 (2) of this Act applies.

(2) An application shall be in the form of a declaration, signed by any person who is, on registration, to be the designated partner, delivered to the Registrar.

(3) The declaration shall state,

- (a) that the person(s) on whose behalf the application is made is a person to whom section 34(2) of this Act applies;
- (b) the proposed name of the limited liability partnership, such name to comply with section 8 (1) of this Act;
- (c) the intended address of the registered office of the limited liability partnership;
- (d) the name and address of each person who is to be a partner in the limited liability partnership, and specifying which of them is to be the designated partner;
- (e) the date on which it is proposed that registration of the limited liability partnership should take effect;

- (f) the term, if any, for which the limited liability partnership is to exist or, if for unlimited duration, a statement to that effect; and
- (g) such other information as may be prescribed by Regulations.

(4) The declaration shall be accompanied by such documents as may be prescribed by Regulations.

(5) Subject to section 8 (4) of this Act, upon receipt of an application complying with subsection (2) to (4) of this section, the Registrar shall register the limited liability partnership and issue a certificate specifying the date on which registration of the limited liability partnership takes effect, being a date not earlier than the date on which the certificate of registration is issued.

18.—(1) Subject to subsection (2) of this section, within twenty-eight days after any change in the information stated in the declaration, there shall be delivered to the Registrar a statement signed by the designated partner specifying the nature of the change.

Amendment of
declaration.

(2) No statement is required to be delivered under subsection (1) of this section in respect of the retirement of a partner, which is specified in a statement delivered pursuant to section 25 (2) of this Act.

(3) Subject to subsection (4) of this section and to section 8(4) of this Act, upon delivery of a statement pursuant to subsection (1) of this section, the Registrar shall register the change specified in it and issue a certificate to that effect.

(4) A statement delivered to the Registrar specifying the admission of an additional partner to the limited liability partnership shall be deemed to be delivered to the Registrar on the day on which the partner is so admitted, whether before or after the day on which the statement is delivered.

(5) If default is made in compliance with subsection (1) of this section, the designated partner shall be guilty of an offence.

Annual declaration.

19.—(1) Subject to subsection (2) of this section, before the end of February in every year following the year in which a limited liability partnership is registered, the designated partner shall deliver an annual declaration signed by him to the Registrar stating the name and address of every person who, on the first day of January in that year, was a partner in the partnership.

(2) If default is made in compliance with subsection (1) of this section, the designated partner commits an offence.

Validity and proof of registration.

20.—(1) No error in the declaration delivered to the Registrar pursuant to section 17 of this Act, the annual declaration delivered pursuant to section 19 of this Act or any statement delivered to the Registrar pursuant to this Act, nor any default in the delivery of any such annual declaration, statement or copy required to be delivered to the Registrar under this Act, shall affect the validity of the registration of a limited liability partnership.

(2) A certificate issued under section 17 (5) of this Act, shall be conclusive evidence as to the registration of a limited liability partnership.

PART V

Dissolution and Winding-Up, etc.

No dissolution upon a change in the partners of a limited liability partnership.

21. Subject to section 22 of this Act, a limited liability partnership shall not be dissolved by any change in the persons who are partners in it if the partnership agreement so stipulates.

Dissolution upon partnership ceasing to have two or more partners.

22.—(1) Notwithstanding any provision, express or implied in the partnership agreement to the contrary, a limited liability partnership shall be dissolved upon there ceasing to be two or more partners in the partnership.

(2) Where the person responsible for winding-up the affairs of the limited liability partnership is the person who, at the time of dissolution, was the last remaining partner he shall, within twenty-eight days after the dissolution, deliver a statement of dissolution signed by him to the Registrar.

(3) Where the person responsible for winding-up the affairs of the limited liability partnership is not the person described in subsection (2) of this section, he shall, within twenty-eight days after the day on which he becomes the person so responsible, deliver a statement of dissolution signed by him to the Registrar.

(4) Upon delivery to him of a statement under subsection (2) or (3) of this section, the Registrar shall register the statement and issue a certificate of dissolution.

(5) If default is made in compliance with subsection (2) of this section, the person described in that subsection commits an offence.

(6) If default is made in compliance with subsection (3) of this section, the person responsible for winding-up the affairs of the partnership commits an offence.

23.—(1) Where a limited liability partnership is dissolved by any Act of a partner or by any other occurrence, other than that described in section 22 (1) of this Act, the designated partner shall, within twenty-eight days after the dissolution, deliver to the Registrar a statement of dissolution signed by him.

Dissolution by act of partner or other occurrence.

(2) Upon delivery to him of a statement under subsection (1) of this section, the Registrar shall register the statement and issue a certificate of dissolution of the partnership.

(3) If default is made in compliance with subsection (1) of this section, the designated partner commits an offence.

Power of Court to order dissolution.

24.—(1) The Court may, on the application of any partner in a limited liability partnership, order the dissolution of the partnership in any of the following cases,

- (a) when a partner, other than the partner making the application, becomes in any way permanently incapable of performing his part of the partnership agreement;
- (b) when a partner, other than the partner making the application has been guilty of such conduct as, in the opinion of the Court, regard being had to the nature of the business, is calculated to prejudicially affect the carrying on of the business;
- (c) when a partner, other than the partner making the application, wilfully or persistently commits a breach of the partnership agreement, or otherwise so conducts himself in matters relating to the partnership business that it is not reasonably practicable for the other partner or partners to carry on the partnership business in partnership with him;
- (d) when the business of the partnership can only be carried on at a loss; or
- (e) whenever circumstances arise which, in the opinion of the Court, render it just and equitable that the partnership be dissolved.

(2) Where the Court orders the dissolution of a limited liability partnership, the partner making the application for dissolution shall deliver a copy of the order to the Registrar within twenty-eight days after it is made.

(3) A failure to comply with subsection (2) of this section shall be an offence.

25.—(1) Where, following dissolution of a limited liability partnership but before completion of the winding-up of its affairs, two or more of the partners of the limited liability partnership are to acquire the partnership interests of each of the remaining partners, either by agreement or upon a direction of the Court pursuant to section 27(2) of this Act,

- (a) the affairs of the limited liability partnership shall not be wound-up and the partnership shall continue as if it had not been dissolved; and
- (b) subject to section 14(3) of this Act, upon the acquisition taking place, the partners whose interests are intended to be acquired shall be deemed to have retired from the partnership.

(2) One of the acquiring partners shall, within twenty-eight days after the agreement or direction described in subsection (1) of this section, deliver to the Registrar a statement of cessation or dissolution of partnership signed by him specifying,

- (a) the date for the acquisition of the retiring partners' interests;
- (b) the names of the acquiring partners, indicating which of them is to become a designated partner; and
- (c) the names of the retiring partners.

(3) Upon delivery to him of a statement made pursuant to subsection (2) of this section, the Registrar shall register the statement and issue a certificate to that effect.

(4) With effect from the issue of the certificate described in subsection (3) of this section, section 6 of this Act, shall apply as if the limited liability partnership had not been dissolved.

(5) If default is made in compliance with subsection (2) of this section, each of the acquiring partners commits an offence.

Winding-up.

26.—(1) Subject to section 25(2) of this Act,

- (a) in the event of the dissolution of a limited liability partnership in the circumstances described in section 27 (1) of this Act, its affairs shall be wound-up by the person who, at the time of dissolution, was the last remaining partner or, if the partner is deceased, his personal representatives; and
- (b) in the event of the dissolution of a limited liability partnership in any other circumstances, its affairs shall be wound-up by a person appointed by the partners for that purpose or, if no such person has been appointed, by the designated partner.

(2) The Court may appoint a person to wind-up the affairs of a limited liability partnership upon the application of,

- (a) a partner of the limited liability partnership;
- (b) a creditor of the limited liability partnership; or
- (c) where the limited liability partnership is dissolved on the death of a partner, the personal representatives of the deceased partner.

(3) After the dissolution of a limited liability partnership, section 16 (2) to (4) of this Act, shall only continue to apply so far as may be necessary or desirable to achieve a beneficial winding-up of its affairs or to such lesser extent as the partnership agreement may provide.

(4) Upon the dissolution of a limited liability partnership in the circumstances described in section 22 (1) of this Act, or upon the limited liability partnership ceasing to have two or more partners at any time during the winding-up of its affairs following its dissolution in any other circumstances,

- (a) the limited liability partnership shall cease to be a legal person;
- (b) the limited liability partnership property vested in the limited liability partnership and the beneficial interest of the limited liability partnership in any limited liability partnership property held by any person on its behalf, shall vest in the person responsible for winding-up the affairs of the limited liability partnership;
- (c) any proceedings which might have been continued or commenced against the limited liability partnership may be continued or commenced against the person responsible for winding-up the affairs of the limited liability partnership in his capacity as such; and
- (d) any judgment obtained against the limited liability partnership prior to its ceasing to have two or more partners and any judgment obtained against the person responsible for winding-up the affairs of the partnership in his capacity as such in any proceedings continued or commenced in accordance with paragraph (c) of this subsection shall only be enforceable against the limited liability partnership property.

(5) Where the name of a limited liability partnership is inscribed in the Registry as the holder of, or having an interest in, immovable property, the person responsible for winding-up the affairs of the limited liability partnership, in whom that property or interest vests by virtue of subsection (4) (b) of this section, shall deliver to the Registrar notice of the name of the person responsible for winding-up the affairs of the limited liability partnership and in whom the property has vested, within twenty-eight days after the property so vests.

(6) If default is made in compliance with subsection (5) of this section, the person responsible for winding-up the affairs of the limited liability partnership commits an offence.

Power of Court to give directions as to winding-up.

27.--(1) The Court may give such directions as it thinks fit in the course of the winding-up of the affairs of a limited liability partnership upon the application of,

- (a) any partner in the limited liability partnership;
- (b) any creditor of the limited liability partnership;
- (c) the person responsible for winding-up the affairs of the limited liability partnership; or
- (d) where the limited liability partnership is dissolved upon the death of a partner, the personal representatives of the deceased partner.

(2) Without prejudice to the discretion conferred by subsection (1) of this section, on an application by the relevant majority of the partners of a limited liability partnership, the Court may give a direction that the applicants purchase the partnership interest of each of the remaining partners at such a price and otherwise upon such terms as the Court thinks fit.

(3) In subsection (2) of this section, “relevant majority” in relation to a limited liability partnership shall have the meaning assigned to it for the purposes of that subsection by the partnership agreement or, if no meaning is so assigned, shall mean a majority of the partners of which such partnership was composed at the date of its dissolution, being either,

- (a) a majority of the partners by number; or
- (b) such number of partners as were at the date of dissolution together entitled to a majority of the profits of the partnership.

(4) In subsection (2) of this section, the reference to the partnership interest of each of the remaining partners includes the partnership interest of any deceased partner and of any partner other than an individual, which ceases to exist.

28.—(1) Notwithstanding section 29 of this Act or any other enactment or law to the contrary, the person responsible for winding-up the affairs of a limited liability partnership shall apply any payment made pursuant to section 7 (2) or (5) of this Act, in the payment of creditors to whom the limited liability partnership is liable by virtue of section 5 (1) of this Act, excluding any partner or former partner in the limited liability partnership in respect of his partnership interest or in respect of any loan made by him to the partnership for any purpose.

Application of financial provisions.

(2) A failure to comply with subsection (1) of this section, shall be actionable at the suit of a creditor of the limited liability partnership who suffers loss as a result of such failure, subject to the defences and other incidents applicable to actions for breach of statutory duty.

(3) Any monies remaining after payment of the creditors as described in subsection (1) of this section, shall be distributed in accordance with section 29 of this Act.

29.—(1) Where the accounts are settled in the course of the winding-up of the affairs of a limited liability partnership, the liabilities of the partnership shall be paid in the following order of priority,

Settling accounts on winding-up.

- (a) liabilities to creditors, excluding any partner or former partner in the limited liability partnership in respect of their partnership interest or in respect of any loan made by them to the partnership for any purpose; then
- (b) subject to the partnership agreement and to any agreement between the limited liability partnership and a former partner,
 - (i) liabilities to former partners in the limited liability partnership in respect of any loans made by them to the partnership for any purpose; then
 - (ii) liabilities to former partners in the limited liability partnership in respect of their partnership interests or otherwise; then

- (c) subject to the partnership agreement,
 - (i) liabilities to partners in the limited liability partnership in respect of any loans made by them to the partnership for any purpose; then
 - (ii) liabilities to partners in the limited liability partnership in respect of their partnership interests or otherwise.

(2) Subject to the partnership agreement, any limited liability partnership property remaining after payment of the liabilities described in subsection (1) of this section, shall be distributed equally among the partners.

Completion of winding-up.

30.—(1) Within twenty-eight days after the completion of the winding-up of the affairs of a limited liability partnership, a statement to that effect signed by the person responsible for winding-up the affairs of the limited liability partnership shall be delivered to the Registrar.

(2) If default is made in compliance with subsection (1) of this section, the person responsible for winding-up the affairs of the limited liability partnership commits an offence.

Cancellation of registration following winding-up.

31.—(1) Upon receipt of a statement delivered to him pursuant to section 30 of this Act, the Registrar shall cancel the entry in the register relating to the limited liability partnership and issue a certificate of cancellation to the person delivering the statement to him or notifying him, as the case may be.

(2) A certificate issued under subsection (1) of this section, shall be conclusive evidence as to the cancellation of the registration of a limited liability partnership.

PART VI

Miscellaneous

32.—(1) This section shall apply whenever an order is made by a court outside of Belize for the dissolution or winding-up of the affairs of a limited liability partnership, and references in this section to such an order shall be construed accordingly.

Recognition of proceedings in other jurisdiction.

(2) For the purposes of this Act, limited liability partnership shall not be taken to be dissolved by an order (pursuant to subsection (1) of this section), until that order has been recognised by the Court, but, once an order has been recognised by the Court, it shall be taken to be an order for the dissolution and winding-up of the affairs of the limited liability partnership.

(3) An application to the Court for recognition of an order pursuant to subsection (1) of this section, may be made by the person appointed under it to wind-up the affairs of the limited liability partnership or, if none, the person on whose behalf the application for the order was made.

(4) In determining whether or not to recognise an order, the Court shall have regard to,

- (a) whether the grounds on which it is made would constitute grounds for dissolution in Belize; and
- (b) the arrangements made for compliance with section 28 of this Act.

(5) Where the Court decides to recognise an order, it may also appoint a person to be responsible for winding-up the affairs of the limited liability partnership and give such directions as it thinks fit.

(6) Where the Court decides to recognise an order for the dissolution or winding-up of a limited liability partnership, the designated partner shall deliver a copy of such a decision to the Registrar within twenty-eight days after it is made.

(7) Upon delivery to him of a copy of the decision referred to in subsection (6), the Registrar shall register it and issue a certificate to that effect.

(8) If default is made in compliance with subsection (6) of this section, the designated partner commits an offence.

Legal proceedings.

33.—(1) Except as provided in section 26 (4) (c) of this Act, legal proceedings by or against a limited liability partnership shall be instituted by or against the limited liability partnership and any judgment shall be made in such proceedings in favour of or against the limited liability partnership only in the partnership's name.

(2) Subject to subsection (3) of this section and except as provided in section 26(4)(d) of this Act, no judgment shall be enforced against any limited liability partnership property unless such judgment has been granted against the limited liability partnership.

(3) Subsection (1) of this section shall not affect any right of a judgment creditor or a partner in a limited liability partnership to enforcement against that partner's partnership's interest and any sum due to such a partner from the partnership by way of repayment of a loan.

(4) Where a judgment creditor of a partner in a limited liability partnership has a right of enforcement against any of the partner's assets as described in subsection (3) of this section, the other partner or partners of the limited liability partnership may prevent or stop enforcement against those assets by paying to the creditor whichever is the lesser of the amount for which enforcement is sought and an amount equal to the value of the first mentioned partner's partnership interest, and any sum which may be due to him from the partnership by way of repayment of a loan.

(5) The enforcement of a judgment obtained against a limited liability partnership pursuant to subsection (1) of this section, by way of execution, or against the person responsible for winding-up the affairs of the limited liability partnership pursuant to section 26(4)(d) of this Act, shall only be capable of being issued against and satisfied out of the property of the limited liability partnership as at the date of such execution (no account

being taken of any changes in the partners composing the limited liability partnership prior to such date).

- (6) Any person may join or otherwise institute proceedings against,
- (a) one or more of the partners and any former partner of a limited liability partnership who is liable by virtue of section 6 (3) and (4) of this Act; and
 - (b) any person holding limited liability partnership property on behalf of a limited liability partnership for the purposes of enforcement against such property.

34. For the purposes of this Act,

Service of documents.

- (a) service of a document on a limited liability partnership may be effected by sending it by post or delivering it to the registered office of the limited liability partnership; and
- (b) service of a document on a partner in his capacity as such may be effected by sending it by post or delivering it to him at the registered office of the limited liability partnership or at the address for service stated for him in the declaration.

35.—(1) Where a person who is required by this Act to sign, deliver or permit inspection or copying of any document fails to do so, any person who is aggrieved by any such failure may apply to the Court for an order directing that person to comply with the Act, and upon such application the Court may make such order as it considers appropriate in the circumstances.

Order for compliance.

(2) An application may be made by the applicant under subsection (1) of this section notwithstanding the imposition of any penalty in respect of the failure and in addition to any rights the applicant may have at law.

36.—(1) The Registrar of limited liability partnerships shall be appointed by the Minister.

Appointment and functions of Registrar.

(2) The Registrar shall maintain a register of limited liability partnerships and record in it any declaration, statement or copy delivered to him and the issue of any certificate by him pursuant to this Act.

(3) Any certificate issued by the Registrar under this Act shall be signed by him and sealed with his seal (if any).

(4) The Minister may direct a seal or seals to be prepared for the authentication of documents required for or in connection with the registration of limited liability partnerships.

(5) Any functions of the Registrar under this Act may, to the extent authorised by him, be exercised by the Deputy Registrar.

Fees and forms.

37.—(1) The Minister may by Order require the payment to the Registrar of such fees as may be prescribed in respect of,

- (a) the performance by the Registrar of such functions under this Act as may be prescribed, including the receipt by him of any document which is required to be delivered to him under this Act; and
- (b) the inspection or copying of documents or other material held by him under this Act.

(2) The Registrar may charge a fee for any services provided by him otherwise than in pursuance of an obligation imposed on him by this Act.

(3) Where a fee is provided for or charged under this section for the discharge of any function or the provision of any service by the Registrar, no action need be taken by the Registrar until the fee is paid, and where the fee is payable on the receipt by him of a document required to be delivered to him, he shall be deemed not to have received it until the fee is paid.

(4) The Minister may prescribe forms to be used for any of the purposes of this Act and the manner in which any document to be delivered to the Registrar is to be authenticated.

38.—(1) Any person may,

- (a) inspect any document delivered to and kept by the Registrar pursuant to this Act or, if the Registrar thinks fit, a copy of it; and
- (b) obtain a copy of any certificate issued by the Registrar under this Act and of all or part of any document referred to in paragraph (a) of this subsection.

Inspection and production of documents kept by the Registrar.

(2) A copy of any document kept by the Registrar or of any certificate issued by him which is certified in writing by him (whose position it is unnecessary to prove) to be an accurate copy of such document or certificate shall in all legal proceedings be admissible in evidence as of equal validity with the original and as evidence of any fact stated in it of which direct oral evidence would be admissible.

39.—(1) The Registrar may destroy any record or document relating to a limited liability partnership which has been in his possession or under his control for more than five years.

Destruction of old records, etc.

(2) Where any record or document has been in the possession of the Registrar or under his control for more than five years, no responsibility shall rest with any person in respect of that record or document not being forthcoming to any person claiming to be interested in it.

40. The Attorney General shall register in the Registry all acts and orders made under this Act affecting immovable property.

Registration in the Registry.

41.—(1) Any person who makes a statement in any document, material, evidence or information which is required to be delivered to the Registrar under this Act which, at the time and in the light of the circumstances under which it was made, is false or misleading with respect to any material fact, or which omits to state any material fact the omission of which makes the statement false or misleading, commits an offence and is liable on conviction to a fine of up to a maximum amount of fifty thousand dollars or up to two years imprisonment, or to both fine and imprisonment.

Offences.

(2) A person does not commit an offence under subsection (1) of this section, if he did not know that the statement was false or misleading and with the exercise of reasonable diligence could not have known that the statement was false or misleading.

(3) Any person who wilfully takes or uses any name, title, addition or description falsely, implying that they are partners in a limited liability partnership or implying that they are partners in a partnership which is not a limited liability partnership, shall each commit an offence and shall be liable to a fine of up to a maximum amount of fifty thousand dollars or up to two years imprisonment, or to both a fine and imprisonment.

(4) Where an offence under this Act is committed by a body corporate and is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of any director, manager, secretary, or other similar officer of the body corporate, or any person purporting to act in any such capacity, he, as well as the body corporate, shall also commit the same offence and be liable in the same manner to the penalty provided for that offence.

Aiders and abettors.

42. Any person who knowingly or wilfully aids, abets, counsels, causes, procures or commands the commission of an offence punishable by this Act shall be liable to be dealt with and tried and punished as a principal offender.

Penalty for offences.

43. Any person guilty of an offence under,

- (a) section 8(8) of this Act ;
- (b) section 9 (7) of this Act;
- (c) section 18 (5) of this At;
- (d) section 22 (5) or (6) of this Act;
- (e) section 23 (3) of this Act;
- (f) section 24 (3) of this Act;

- (g) section 25 (5) of this Act;
- (h) section 26 (6) of this Act;
- (i) section 30 (2) of this Act; or
- (j) section 32 (8) of this Act,

shall be liable to a fine of fifty dollars for each day or part thereof during which the contravention continues.

44.—(1) The Minister may make Regulations modifying all or any of the provisions of section 6(3) to (6) of this Act and the provisions of Part VI of the Act, in respect of their application to insolvent limited liability partnerships.

Regulations relating to insolvent limited liability partnerships.

(2) Regulations made under section (1) of this section may,

- (a) make different provisions for different cases and contain such incidental, supplemental and transitional provisions as appear to the Minister to be necessary or expedient; and
- (b) make a contravention of any of the provisions of the Regulations as an offence liable to a fine not exceeding the sum of fifty thousand dollars or up to two years imprisonment, or to both a fine and imprisonment.

45.—(1) The Minister may by Regulations amend, substitute or repeal section 7 of this Act.

Regulations to amend section 7.

(2) Regulations made under subsection (1) of this section, may make different provisions for different cases and contain such incidental, supplemental and transitional provisions as appear to the Minister to be necessary or expedient.

46.—(1) The Minister may by Order make provision for the purpose of carrying this Act into effect and in particular, but without prejudice to the generality of the foregoing, for prescribing any matter which is to be prescribed under this Act.

Orders.

(2) Any provision of an Order prescribing any matter for the purposes of section 7 of this Act, shall not come into force until a period of not less than three months has elapsed from the day on which the Order is made.

(3) An Order made under this Act may make different provisions for different cases and contain such incidental, supplemental and transitional provisions as appear to the Minister to be necessary or expedient.

Customary Law.

47. The rules of customary law applicable to a partnership shall apply to a limited liability partnership except in so far as they are inconsistent with the provisions of this Act.

Commencement.

48. This Act comes into force on the 1st day of July, 1999.