

EXEMPTED LIMITED PARTNERSHIP (AMENDMENT) BILL, 2011

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EXEMPTED LIMITED PARTNERSHIP (AMENDMENT) BILL, 2011

**A BILL FOR AN ACT TO AMEND THE EXEMPTED LIMITED
PARTNERSHIP ACT TO PROVIDE FOR THE MAINTENANCE OF
ACCOUNTING RECORDS AND FOR CONNECTED MATTERS**

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Exempted Limited Partnership Act¹, may be cited as the Exempted Limited Partnership (Amendment) Act, 2011.
- (2) This Act shall come into force on a date to be appointed by the Minister by notice published in the Gazette.

2. Amendment of section 7 of the principal Act.

Section 7 of the principal Act is amended in subsection (9) by the deletion of the words “twenty-five” and the substitution of the words “two hundred and fifty”.

3. Amendment of section 12 of the principal Act.

Section 12 of the principal Act is amended by —

- (a) the re-numbering of the section as subsection (5) of section 12; and
- (b) the insertion immediately before subsection (5) of the following new subsections —

“(1) A general partner shall cause reliable accounting records to be kept in relation to —

- (a) all sums of money received and expended by the exempted limited partnership and the matter in respect

¹(Ch. 312)

- of which such receipt and expenditure takes place, inclusive of all sales, purchases and other transactions;
- (b) the assets and liabilities of the exempted limited partnership.
- (2) For the purposes of subsection (1), accounting records shall —
- (a) correctly explain all transactions;
- (b) enable the financial position of the exempted limited partnership to be determined with reasonable accuracy at any time;
- (c) allow financial statements to be prepared; and
- (d) include the underlying documentation, including invoices, contracts and receipts, necessary to facilitate (a), (b) and (c).
- (3) Accounting records maintained pursuant to this section shall be kept for a minimum period of five years from the date of the transaction to which such records relate.
- (4) Each general partner, where there is a contravention or failure to comply with any provision of this section, commits an offence and shall be liable on summary conviction to a fine not exceeding ten thousand dollars.”

OBJECTS AND REASONS

The purpose of the Bill is to remedy the deficiencies identified in the OECD Phase I Peer Review of The Bahamas by imposing express obligations on the general partners in an exempted limited partnership to maintain reliable accounting records for a minimum period of five years as well as update sanctions for a failure to maintain such records.