

## **LIMITED PARTNERSHIPS (CONTINUANCE) (JERSEY) REGULATIONS 2020 - FREQUENTLY ASKED QUESTIONS (“FAQ”)**

### **1. When did the DRAFT LIMITED PARTNERSHIPS (CONTINUANCE) (JERSEY) REGULATIONS 2020 (the “Regulations”) come into force?**

The Regulations came into force on 17 July, 2020

### **2. What do these Regulations achieve?**

These Regulations formalise a continuance pathway for non-Jersey limited partnerships wishing to continue into Jersey. In practice, this means that lawyers can provide a clean legal opinion that the foreign limited partnership continued as a limited partnership within Jersey.

### **3. What requirements must a foreign limited partnership fulfil to continue as a Jersey law governed limited partnership?**

To be eligible for continuance, the foreign limited partnership must satisfy the following conditions:

- the foreign law under which it is currently established does not prohibit its continuance within Jersey;
- the limited partnership is solvent;
- the limited partnership is not in a state of being wound up or put into administration; and/or
- the limited partnership is not in the process of being deregistered other than in respect of its continuance to Jersey.

The general partner of the limited partnership will be required to make a declaration confirming that:

- it has applied for registration under the LP Law and for the consent of the Jersey Financial Services Commission (“JFSC”) under Art 10 of the Control of Borrowing (Jersey) Order 1958;
- it is solvent;
- the limited partnership will not have legal personality on its continuance.

The JFSC will also require evidence that the application to continue has been approved by the general partner; and if the law of the jurisdiction under which the eligible foreign limited partnership is or was formed requires an authorisation to continue as a limited partnership within Jersey, that the limited partnership has obtained that authorisation.

A non-Jersey limited partnership may not continue into Jersey if it is being wound up, a receiver has been appointed in relation to its assets, it is subject to liquidation or insolvency proceedings in another jurisdiction, or it has been deregistered for a purpose other than continuing into Jersey.

#### **4. What is the effect of the Certificate of Continuance?**

The issue of the Certificate of Continuance by the Jersey Registrar is conclusive evidence that a foreign limited partnership has complied with the requirements of the Regulations and that it has continued as a limited partnership within Jersey.

From the date of the Certificate of Continuance, the limited partnership is not treated as a limited partnership formed under the laws of a foreign jurisdiction and all assets and other property (including choses in action and rights to make capital calls) previously held or acquired by or on behalf of the limited partnership are taken to be the property of the limited partnership, held in accordance with the Limited Partnerships (Jersey) Law 1994 (the LP Law).

Critically, pursuant to the Regulations, continuance does not:

- create a new legal entity;
- affect any partnership interest; or
- affect any act or thing done before the continuance or the rights, powers, authorities, functions or obligations of the limited partnership, any partner or other person before its continuance.

#### **5. What happens if the general partner (GP) wants to migrate and is an incorporated foreign law company?**

Jersey law already contains provisions for incorporated foreign law companies to continue into Jersey, meaning general partners of unincorporated foreign law limited partnerships can already apply for continuance into Jersey.

#### **6. What happens if the limited partnership operates as a fund?**

If the continuing limited partnership operates as an investment fund, additional regulatory applications will need to be made and authorisations obtained before the continuance has effect. It is expected that many continuing limited partnerships will seek approval as Jersey Private Funds (“JPF”). The application process for a JPF is easy and straightforward and the Jersey administrator and Jersey lawyers advising on the continuance will be able to facilitate this application process.

Our JPF fact sheet is available [here](#).

There will be application forms and guidance available from the JFSC.

<https://www.jerseyfsc.org/>