

CAYMAN ISLANDS



SECURITIES INVESTMENT BUSINESS (AMENDMENT) (NO.2) BILL, 2020

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A BILL FOR A LAW TO AMEND THE SECURITIES INVESTMENT BUSINESS LAW (2020 REVISION) TO INCLUDE LIMITED LIABILITY PARTNERSHIPS IN THE DEFINITION OF PARTNERSHIP; TO INCLUDE INTERESTS IN A LIMITED LIABILITY PARTNERSHIP AS A SECURITY; AND FOR INCIDENTAL AND CONNECTED PURPOSES SUPPLEMENT NO. 2 PUBLISHED WITH LEGISLATION GAZETTE NO. 63 DATED 3RD SEPTEMBER, 2020.

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Home Affairs (FSHA)



Memorandum of OBJECTS AND REASONS

This Bill seeks to amend the Securities Investment Business Law (2020 Revision) (the “principal Law”) to include limited liability partnerships in the definition of a partnership and to include interests in a limited liability partnership as a security. The Bill would also provide for incidental and connected purposes.

Clause 1 of the Bill provides the short title and commencement provisions.

Clause 2 amends section 2 of the principal Law by deleting the definition of the word “partnership” and substituting a new definition which defines partnership as a general or limited partnership established under the Partnership Law (2013 Revision), an exempted limited partnership registered under the Exempted Limited Partnership Law (2018 Revision), a limited liability partnership formed and registered under the Limited Liability Partnership Law, 2017 or a partnership or limited liability partnership established under the laws of a jurisdiction other than the Islands.

Clause 3 amends Schedule 1 of the principal Law to include as a security which constitutes a share, interests in a limited liability partnership which is formed and registered under the Limited Liability Partnership Law, 2017 and interests in a limited partnership, an exempted limited partnership or a limited liability partnership which is established under the laws of a jurisdiction other than the Islands.

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A BILL FOR A LAW TO AMEND THE SECURITIES INVESTMENT BUSINESS LAW (2020 REVISION) TO INCLUDE LIMITED LIABILITY PARTNERSHIPS IN THE DEFINITION OF PARTNERSHIP; TO INCLUDE INTERESTS IN A LIMITED LIABILITY PARTNERSHIP AS A SECURITY; AND FOR INCIDENTAL AND CONNECTED PURPOSES

ENACTED by the Legislature of the Cayman Islands.

Short title and commencement

- (1) This Law may be cited as the Securities Investment Business (Amendment) (No.2) Law, 2020.
- (2) This Law comes into force immediately after the Limited Liability Partnership (Amendment) (No.2) Law, 2020 comes into force.

Amendment of section 2 of the Securities Investment Business Law (2020 Revision) - definitions

- The *Securities Investment Business Law (2020 Revision)* is amended in section 2 by deleting the definition of the word “**partnership**” and substituting the following definition —

“**partnership**” means —



- (a) a general or limited partnership established under the *Partnership Law (2013 Revision)*;
- (b) an exempted limited partnership registered under the *Exempted Limited Partnership Law (2018 Revision)*;
- (c) a limited liability partnership formed and registered under the *Limited Liability Partnership Law, 2017*; or
- (d) a partnership or limited liability partnership established under the laws of a jurisdiction other than the Islands;”.

Amendment of Schedule 1 of the Securities Investment Business Law (2020 Revision) - securities

3. The *Securities Investment Business Law (2020 Revision)* is amended in Schedule 1, under the heading “Shares”, in paragraph 1 as follows —
- (a) by inserting after subparagraph (c), the following subparagraph —
 - “(ca) interests in a limited liability partnership which is formed and registered under the *Limited Liability Partnership Law, 2017*; and
 - (b) by repealing subparagraph (d) and substituting the following subparagraph —
 - “(d) interests in —
 - (i) a limited partnership;
 - (ii) an exempted limited partnership; or
 - (iii) a limited liability partnership,which is established under the laws of a jurisdiction other than the Islands; and”.

Passed by the Legislative Assembly the day of , 2020.

Speaker

Clerk of the Legislative Assembly

