

Cayman Islands 2017 Annual Client Memo

October 2017

Continuing Statutory Obligations of Cayman Islands Limited Liability Partnerships Annual filings

Annual returns are required to be filed by January 31 each year.

Proper books of account

The Law imposes on an LLP the obligation to cause to be kept proper books of account so as to give a true and fair view of the business and financial condition of the LLP and to explain its transactions. These books of account must be retained for at least five years from the date on which they are prepared. Unless it is a requirement under the LLP agreement or any regulatory laws applicable to the LLP, an LLP need not appoint an auditor or have the LLP's accounts audited.

Register of Partners

The LLP shall maintain a register of partners showing the name and address (which may be a business address) of each partner and indicate if any partner is a managing partner (which register is to be updated within 30 days of any change in the particulars in the register). The Register shall be kept at the LLP's Registered Office open for public inspection during normal business hours.

Register of Mortgages

The LLP shall maintain a register of mortgages showing all mortgages specifically affecting the LLP property, including in respect of each mortgage a short description of the property mortgaged, the amount of the mortgage and the names of the mortgagees or persons entitled to the mortgage.

The Register shall be kept at the LLP's Registered office open for public inspection during normal business hours.

Change in Registered Particulars

Changes to any information included in the registration statement should be notified to the Registrar within 30 days of the change.

Penalties

Failure to file changes to information in the registration statement will incur a penalty of CI\$25 for each day that the default continues.

Penalties for Late Payment of Annual Fees or Late Filing of Returns

(Based on the amount of the annual fee)	
Up to 31 March	Nil
Between 1 April and 30 June	33.33%
Between 1 July and 30 September	66.67%
Between 1 October and 31 December	100%

Winding Up, Dissolution and Strike-Off

An LLP is automatically wound up if at any time there are fewer than two partners.

The Law provides for the winding up of an LLP either voluntarily (if termination or registration is permitted under the terms of the LLP Agreement) or compulsorily by the Court. Where the Registrar has reasonable cause to believe that an LLP is not carrying on business or is not in operation, the Registrar may strike the LLP off the Register. Any property held by the LLP that is struck off the Register and not restored within 10 years shall vest in the government of the Cayman Islands.