

## Guernsey introduces statutory migration regime for limited partnerships

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Guernsey has introduced a welcome and straightforward statutory regime to allow non-Guernsey registered limited partnerships to move their seat of registration to Guernsey. Guernsey limited partnerships will also be able to migrate out of Guernsey provided that they register in another jurisdiction. Importantly the migration in or out of Guernsey will not, as a matter of Guernsey law, create a new limited partnership: the partnership is deemed to continue on its registration in Guernsey and de-registration in the jurisdiction of origin (or vice versa, as the case may be).

The statutory migration regime came into force on 30 July 2020 under the Limited Partnerships (Guernsey) (Migrations) Regulations, 2020 (the "Migration Regulations").

### Migrating a non-Guernsey limited partnership to Guernsey

#### Effect of registration

On and from the date that the non-Guernsey limited partnership receives its "certificate of registration" from Guernsey's registrar of limited partnerships (the "Registrar"):

- the Limited Partnerships (Guernsey) Law, 1995 (the "Guernsey LP Law") will apply to the limited partnership; and
- it must file with the Registrar as soon as possible a certificate or other document issued in its jurisdiction of origin evidencing the fact that it has ceased to be registered as a limited partnership under the law of that jurisdiction.

Importantly, the migration of the limited partnership into Guernsey does not:

- create a new limited partnership;

- affect any partnership interest;
- affect the limited partnership's holding of any property or rights; or
- affect any act done before the migration into Guernsey or the rights, powers, authorities, functions or obligations of the limited partnership, any partner or any other person before the migration into Guernsey.

The Registrar's certificate of registration is conclusive evidence that the limited partnership has been registered as a limited partnership within Guernsey from the date specified on the certificate.

A limited partnership migrating to Guernsey may elect whether or not to have legal personality with effect from its registration in Guernsey.

#### Non-Guernsey funds structured as limited partnerships

Any fund registered as a non-Guernsey limited partnership will be able to apply to the Guernsey Financial Services Commission (the "GFSC") for the necessary regulatory consents in order to continue as a fund in Guernsey. The regulatory consents will take effect simultaneously with the fund's statutory continuance as a Guernsey limited partnership.

For Guernsey Private Investor Funds (PIFs) (maximum 50 investors), the process is expected to be especially fast with the continuing Fund limited partnership being able to take advantage of the very popular and light touch regime (see [here](#)).

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## Non-Guernsey general partner companies

A foreign general partner company may already migrate into Guernsey under the statutory migration procedure set out in the Companies (Guernsey) Law, 2008 – see [here](#) for our briefing note on company migrations.

Note that a Guernsey limited partnership is not required to have a Guernsey general partner, and a limited partnership migrating into Guernsey can retain its existing non-Guernsey general partner if preferred.

## Other principal considerations

The Migration Regulations do not expressly require limited partners to consent to a migration into Guernsey, unless limited partner consent is required by the jurisdiction of origin. However, many limited partnership agreements will require such consent and consequential amendments will need to be made to those agreements.

## Which limited partnerships can migrate into Guernsey?

Under the Migration Regulations, any non-Guernsey registered limited partnership may be registered as a limited partnership within Guernsey provided that:

- it is permitted to do so by the laws of the jurisdiction in which it was formed; and
- it has complied with the relevant requirements of that law and its limited partnership agreement or other equivalent constitutive documents, including any requirement that its limited partners or a proportion of them consent to the migration.

A non-Guernsey limited partnership may not be registered in Guernsey 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 is empowered under its constitution to issue bearer instruments of any kind. In addition, the limited partnership may only be registered in Guernsey if it would, immediately after registration, satisfy a solvency test set out in the Migration Regulations.

## Migrating a Guernsey registered limited partnership out of Guernsey

### Effect of de-registration

Following receipt of the application and accompanying documents and not less than 28 days after giving the required notice, the limited partnership will be removed from the register of limited partnerships and the Guernsey LP Law will cease to apply to it.

Importantly, the transfer of the limited partnership's registration out of Guernsey does not:

- terminate the limited partnership;
- affect any partnership interest;
- affect the limited partnership's holding of any property or rights; or
- affect any act done before the migration out of Guernsey or

the rights, powers, authorities, functions or obligations of the limited partnership, any partner or any other person before the migration out of Guernsey.

## Guernsey funds structured as limited partnerships

Any fund structured as a Guernsey limited partnership must apply to the GFSC for the necessary regulatory consents in order to transfer its registration out of Guernsey.

## Guernsey general partner companies

A Guernsey general partner company may already migrate out of Guernsey under the statutory migration procedure set out in the Companies (Guernsey) Law, 2008.

## Other principal considerations

The Migration Regulations do not expressly require limited partners to consent to a migration out of Guernsey, but many limited partnership agreements will require such consent and consequential amendments will need to be made to those agreements.

Limited partnerships may not migrate out of Guernsey without giving at least 28 days' notice to every creditor of the limited partnership of the proposed migration out.

## Which limited partnerships can migrate out of Guernsey?

Under the Migration Regulations, any Guernsey registered limited partnership may transfer its registration as a limited partnership out of Guernsey provided that it has complied with:

- the Guernsey LP Law and the Migration Regulations ; and
- the relevant requirements of its limited partnership agreement, including any requirement that its limited partners or a proportion of them consent to the migration.

A Guernsey limited partnership may not transfer its registration out of Guernsey 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. In addition, the limited partnership may only be registered in Guernsey if it would, immediately after registration, satisfy a solvency test set out in the Migration Regulations.

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