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**EXEMPTED LIMITED PARTNERSHIP (AMENDMENT)
(NO. 2) ACT, 2023**

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No. 53 of 2023

**EXEMPTED LIMITED PARTNERSHIP (AMENDMENT)
(NO. 2) ACT, 2023**

**AN ACT TO AMEND THE EXEMPTED LIMITED
PARTNERSHIP ACT, FOR CONVERTING AN
INVESTMENT CONDOMINIUM TO AN EXEMPTED
LIMITED PARTNERSHIP AND FOR CONNECTED
PURPOSES**

[Date of Assent - 8th December, 2023]

Enacted by the Parliament of The Bahamas

1. Short title.

This Act, which amends the Exempted Limited Partnership Act (*Ch. 312*) may be cited as the Exempted Limited Partnership (Amendment) (No. 2) Act, 2023.

2. Insertion of a new sections 23A and 23B into the principal Act.

The principal Act is amended by the insertion immediately after section 23 of the following new sections 23A and 23B —

"23A. Conversion of an investment condominium to an exempted limited partnership.

- (1) An investment condominium registered under the Investment Condominium Act (*Ch.369G*) may be converted to an exempted limited partnership registered under this Act in the manner prescribed in this section.
- (2) The governing administrator of an investment condominium proposing to convert to and be registered as an exempted limited partnership under this Act shall approve articles of conversion.

- (3) Notice of the conversion shall be given to all participants and articles of conversion shall also be approved by resolution of participants whose participation interests carry voting rights and the outstanding participation interests shall be entitled to vote as a class or series if the governing regulations so provide or if the articles of conversion contain any provisions that, if contained in a proposed amendment to the governing regulations would entitle the class or series to vote on the proposed amendment as a class or series.
- (4) The articles of conversion shall contain the following information —
 - (a) the name under which the investment condominium shall operate as an exempted limited partnership following the conversion;
 - (b) the date on which the investment condominium was registered as an investment condominium under the Investment Condominium Act (*Ch.369G*);
 - (c) provisions detailing the basis upon which participation interests, including classes and series of participation interests shall be converted to partnership interests, debt obligations or other securities in the exempted limited partnership along with details of any rights attaching thereto;
 - (d) the names and designations of the proposed general partner or general partners of the exempted limited partnership with at least one such general partner meeting the qualification requirements of section 4(5) of this Act;
 - (e) provisions for the valuation and accounting treatment of the assets and liabilities of the investment condominium and any retained earnings upon conversion;
 - (f) any additional terms and conditions of the conversion; and,
 - (g) an annexed copy of the partnership agreement containing the information prescribed in this Act.
- (5) The articles of conversion shall be submitted to the Registrar along with the prescribed fee within seven days of the date of approval of the articles of conversion.
- (6) Each partner and former participant shall be entitled to receive a confirmation from the general partner stating —
 - (a) the number or value of participation interests converted and the number of partnership interests held by such partner;
 - (b) that the conversion of the investment condominium to an exempted limited partnership registered under this Act has not affected the value of the capital contribution made by

such former participant or the value of the newly converted partnership interests in the exempted limited partnership.

- (7) The conversion shall be evidenced by a certificate of conversion issued by the Registrar indicating that the investment condominium has been converted to an exempted limited partnership under this Act and the investment condominium shall forthwith be struck off the register of investment condominiums under the Investment Condominium Act (*Ch.369G*) and added to the register of exempted limited partnerships maintained under this Act.

23B. Effect of Conversion.

From the date of conversion specified in the certificate of conversion —

- (a) the investment condominium to which the certificate relates shall cease to be an investment condominium registered under the Investment Condominium Act (*Ch.369G*) without dissolving or winding up;
- (b) the participation interests of the participants shall be converted in the manner indicated in the articles of conversion into partnership interests in the exempted limited partnership with all attendant rights of general or limited partners as indicated in the articles of conversion and the partnership agreement annexed to the articles of conversion;
- (c) all of the assets and liabilities of the investment condominium including property of every description and choses in action, shall be vested in the general partner(s) in trust for the exempted limited partnership and the investment condominium shall be struck off the register of investment condominiums;
- (d) all participation interests in the investment condominium that were outstanding prior to the conversion shall be converted to partnership interests in conformity with the articles of conversion, and this Act without transfer, redemption or reissue;
- (e) the partners shall remain liable for the amount unpaid on any participation interest that remains unpaid at the time of conversion;
- (f) no conviction, judgment, ruling, order, claim, debt, liability or obligation due or to become due and no cause existing against the investment condominium or any former officer, agent, governing administrator, or general administrator, is

released or impaired by its conversion to an exempted limited partnership registered under this Act.”.