

CAYMAN ISLANDS



LIMITED LIABILITY COMPANIES (AMENDMENT) BILL, 2022

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A BILL FOR AN ACT TO AMEND THE LIMITED LIABILITY COMPANIES ACT (2021 REVISION) TO VARY THE INFORMATION REQUIRED IN THE REGISTRATION STATEMENT OF A LIMITED LIABILITY COMPANY; TO REQUIRE A LIMITED LIABILITY COMPANY TO KEEP A RECORD OF THE INTEREST HELD BY AND THE VOTING RIGHTS OF EACH MEMBER OF A LIMITED LIABILITY COMPANY; TO REMOVE THE PENALTY FOR FAILURE TO COMPLY WITH A REQUEST BY THE COMPETENT AUTHORITY FOR ADDITIONAL INFORMATION; AND FOR INCIDENTAL AND CONNECTED PURPOSES

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Commerce (FSC)



Memorandum of OBJECTS AND REASONS

This Bill amends the Limited Liability Companies Act (2021 Revision) (“the principal Act”) in order to —

- (a) vary the information required in the registration statement of a limited liability company;
- (b) require a limited liability company to keep a record of the interest held by and the voting rights of each member of a limited liability company; and
- (c) remove the penalty for failure to comply with a request by the competent authority for additional information.

Clause 1 provides the short title of the legislation.

Clause 2 amends section 5 of the principal Act to provide for the names and addresses of the initial members of a limited liability company to be included in the registration statement of the limited liability company.

Clause 3 amends section 61 of the principal Act by repealing subsection (1) and substituting a new subsection (1) to require a limited liability company to maintain in the register kept at its registered office or at any other place within or outside the Islands, information on the interest held by each member of the limited liability company.

Clause 3 also amends section 61(2) of the principal Act to require a limited liability company to maintain the information contained in the register of members under section 61(1) at its registered office where the register of members is kept at a place other than its registered office.

Clause 4 amends section 90A of the principal Act by repealing subsection (3) which prescribes the penalty for a limited liability company or corporate services provider which fails to comply with a request for additional information by the competent authority.

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ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Act may be cited as the Limited Liability Companies (Amendment) Act, 2022.

Amendment of section 5 of the Limited Liability Companies Act (2021 Revision) - formation

2. The *Limited Liability Companies Act (2021 Revision)*, in this Act referred to as “the principal Act”, is amended in section 5(2)(ba) by inserting after the words “addresses of the” the word “initial”.



Amendment of section 61 - register of members

3. The principal Act is amended in section 61 as follows —

- (a) by repealing subsection (1) and substituting the following subsection —
- “(1) A limited liability company shall maintain at its registered office or at any other place within or outside the Islands, a register of its members which shall contain —
- (a) the name and address of each member of the limited liability company;
 - (b) the date on which each person became a member of the limited liability company;
 - (c) the date on which a member ceased to be a member of the limited liability company; and
 - (d) information on the interest held by each member specifying —
 - (i) each group or class, if any, of LLC interest held by the member;
 - (ii) whether the LLC interest held by the member confers the right to vote on any matter which is to be voted on;
 - (iii) whether the member has the right to vote as a consequence of membership of any group of members or otherwise; and
 - (iv) whether such right is conditional,and the register shall be updated within twenty-one days of any change in the particulars contained in the register.”; and
- (b) in subsection (2), by deleting the words “a record of the address at which the register of members is maintained, which record” and substituting the words “the information contained in the register of members under subsection (1), which”.



Amendment of section 90A - request for additional information

4. The principal Act is amended in section 90A by repealing subsection (3).

Passed by the Parliament the day of , 2022.

Speaker

Clerk of the Parliament

