



MEDIA RELEASE

ACRA INVITES FEEDBACK ON PROPOSED CHANGES TO THE LIMITED PARTNERSHIPS ACT TO INTRODUCE SPECIFIC PROVISIONS FOR FUND LIMITED PARTNERSHIPS AND TO UPDATE OTHER PROVISIONS FOR ALL LIMITED PARTNERSHIPS

Singapore, 4 October 2021 – The Accounting and Corporate Regulatory Authority (ACRA) invites the public to provide feedback on proposed amendments to the Limited Partnerships Act (LP Act). The proposed amendments to the LP Act seek to make the limited partnership vehicle more attractive to fund limited partnerships, and to update existing provisions in the LP Act for all types of limited partnerships. The public consultation will run from 4 October 2021 to 1 November 2021.

Proposed amendments to the LP Act

2 Having reviewed the LP Act, ACRA proposes the following amendments:

(i) Definition of fund limited partnerships

To introduce a specific definition for a fund limited partnership (fund LP) and to apply certain provisions of the LP Act only to fund LPs, such as:

- (a) Giving greater certainty and flexibility to fund LPs in respect of the transfer of a limited partner's interest, such that the transfer of a limited partner's interest, with the consent of the general partner, will result in a replacement of the limited partner and will not amount to a dissolution of the partnership.
- (b) Providing that the restrictions on partners in the Partnership Act relating to competing businesses¹ will not apply to limited partners of fund LPs.
- (c) Providing that limited partners of fund LPs will not owe fiduciary duties to other partners or the LP.

The above proposals are subject to the LP agreement which may set out alternative positions.

¹ Section 28 (Duty of partners to render accounts) and section 30 (Duty of partner not to compete with firm) of the Partnership Act

(ii) Amendments applicable to all LPs

To update and clarify the provisions in the LP Act for all LPs, including:

- (a) Expanding the legal forms that a general or limited partner can take to include registered LPs and foreign LPs with or without a legal personality.
- (b) Clarifying that a general or limited partner can be acting in the capacity of a trustee or in a representative capacity.
- (c) Clarifying when an assignment of partnership interest can be made.
- (d) Allowing limited partners to appoint third parties to wind up the LP if the general partner is unable to do so, subject to the agreement of all partners.

(iii) Amendments to the First Schedule to the LP Act

To amend the First Schedule to the LP Act as follows:

- (a) Broadening the list of activities which limited partners of fund LPs can engage in without losing their limited liability status; and
- (b) Clarifying the existing list of activities which limited partners of all LPs can engage in without losing their limited liability status.

(iv) Proposal to introduce a re-domiciliation framework for fund LPs

To seek views on whether there is a need or demand to introduce a re-domiciliation framework for fund LPs, similar to the re-domiciliation regime for companies and variable capital companies.

Public consultation details

3 The public can access the consultation documents on ACRA's website (www.acra.gov.sg) and the REACH consultation portal (www.reach.gov.sg). Members of the public can submit their comments via email to "[ACRA Public Consultation@acra.gov.sg](mailto:ACRA_Public_Consultation@acra.gov.sg)", by indicating "LP Act Review" in the subject line.

4 ACRA will publish a summary of the comments received. The summary will not disclose the identity of the respondents and will not separately address or acknowledge every comment received.

Attachments

- Annex A: List of proposed amendments to the LP Act.
- Annex B: List of proposed amendments to the First Schedule to the LP Act (safe harbour activities).
- Annex C: List of feedback received during the previous consultation and considered, but for which no proposals for amendments to the LP Act have been made.

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About ACRA

The Accounting and Corporate Regulatory Authority (ACRA) is the regulator of business registration, financial reporting, public accountants, and corporate service providers; it also facilitates enterprise. We provide a trusted and vibrant environment for businesses to thrive and flourish, and contribute towards making Singapore the best place for business.

For more information, please visit: www.acra.gov.sg.