



23 December 2016

## NOTICE

### Requirements Related To Conversion Applications

Recently, via the passage of new legislation or amendments made to existing legislation, the Bermuda Government has enabled the conversion of certain Bermuda legal entities. Specifically, conversion-related provisions are now included within the following statutes (the “Acts”):

- The Companies Act 1981 (the “CA”)
- The Limited Partnership Act 1883 (the “LPA”)
- The Exempted Partnerships Act 1992 (the “EPA”)
- The Limited Liability Company Act 2016 (the “LLCA”).

As a result of the above legislative changes it is now possible for:

- a Bermuda Exempted Company to convert to a Bermuda Exempted Limited Partnership, and vice versa;
- a Bermuda Company (Exempted or Local) to convert to a Bermuda Limited Liability Company (Exempted or Local), and vice versa; and
- a Bermuda Exempted Limited Liability Company to convert to a Bermuda Exempted Limited Partnership, and vice versa.

The Acts detail the steps to be taken with the Bermuda Monetary Authority (the “Authority”) and the Registrar of Companies (the “Registrar”) when making an application for conversion. Please note that the Authority’s consent will be required regardless of the nature of the conversion sought or the Registrar’s involvement. The Acts state that an application for the Authority’s consent “shall be in such form, and accompanied by such documents, as the Authority may require”.

By way of this Notice, the Authority advises that an application for its consent should be submitted in a letter to the Corporate Authorisations Department. It should be accompanied by the information specified below and the requisite application fee as prescribed in the relevant Act:

- Full current ownership structure of the entity (i.e., prior to conversion), including direct, intermediate and ultimate beneficial owners of the entity \*\*

- Full ownership structure of the proposed new entity (once converted), including direct, intermediate and ultimate beneficial owners of the new entity (including completed personal declaration forms for any individuals)\*\*

*(\*\* For the above two points, pre- and post-conversion organisation/structure charts would assist the Authority)*

- Description of the activity of the proposed new entity
- A statement on whether the new entity will have a physical presence in Bermuda
- Address of the registered office and names of registered representatives
- Any other information that may be useful in processing the application.

The Authority will confirm the outcome of an application for consent in an email to the applicant. In cases where consent is granted, the email will confirm non-resident designation and address exchange control considerations as applicable.

Schedule 1 to this Notice details the other documentation to be filed in support of specific conversion applications, pursuant to the respective Acts.

Should you have questions concerning any aspect of this matter, please contact:

- Leslie Robinson, Assistant Director, Department of Licensing & Authorisations, 278-0277
- Oronde Walker, Principal, Department of Licensing & Authorisations, 278-0317

## Schedule 1

Existing Structure	Structure upon conversion	Information required when making application
Exempted Company	Exempted Limited Partnership	<p>Pursuant section 132N(3) of the CA, an application for conversion must include:</p> <ul style="list-style-type: none"> <li>• the name of the exempted company;</li> <li>• the date of its certificate of incorporation;</li> <li>• the name of such exempted company as altered;</li> <li>• the future effective date or time (which shall be a date or time certain) of the conversion if it is not to be effective as of the filing date of the certificates referred to in subsection 132N(1)(c));</li> <li>• confirmation that the conversion has been approved by the board of directors and by the shareholders of such exempted company in such manner as may be authorized by the bye-laws of such exempted company;</li> <li>• the registered office address of the partnership; and confirmation that the members have approved a form of partnership agreement of the partnership.</li> </ul>
Exempted Limited Partnership	Exempted Company`	<p>Pursuant to section 13C(3) of the EPA, an application for conversion must include:</p> <ul style="list-style-type: none"> <li>• the name of the exempted partnership;</li> <li>• the date of the filing of its original certificate of exempted partnership pursuant to section 5(1) of the EPA;</li> <li>• the name of such exempted partnership as altered to include the word Limited or its abbreviation Ltd.;</li> <li>• the future effective date or time (which shall be a date or time certain) of the conversion if it is not to be effective as of the filing date of the certificate required by section 5(1) of the EPA;</li> <li>• that the conversion has been approved in such manner as may be</li> </ul>

## Schedule 1

		<p>authorized by the partnership agreement of the exempted partnership;</p> <ul style="list-style-type: none"> <li>• the memorandum of association of the exempted company;</li> <li>• the registered office address of the exempted company; and</li> <li>• confirmation that the partners have approved in writing the form of byelaws of the continuing exempted company which conform to the requirements of the CA and any other applicable law of Bermuda</li> </ul>
Company	Limited Liability Company	<p>Section 132P of the CA states that the requirements of section 101 of the LLCA must be satisfied. Section 101(2) of the LLCA confirms the documents to be filed. Note that a certificate of conversion, required pursuant to section 101(2)(a) of the LLCA, must include:</p> <ul style="list-style-type: none"> <li>• the name of the limited liability company and, if applicable, its secondary name;</li> <li>• the address of the registered office of the limited liability company;</li> <li>• the name of the company and, if applicable, its secondary name;</li> <li>• the future effective date or time (which shall be a date or time certain) of the conversion of the company to a limited liability company if it is not to be effective upon the filing of the certificate of conversion of company to limited liability company; and</li> <li>• any other matters the members determine to include therein.</li> </ul>
Limited Liability Company	Company	<p>Section 132Q of the CA states that the requirements of conversion set out in section 100 of the CA must be satisfied. Section 100(2) confirms the documents to be filed. Note that a certificate of conversion, required pursuant to section 100(2)(a) of the LLCA, must state:</p> <ul style="list-style-type: none"> <li>• the name of the limited liability company and, if applicable, its secondary name;</li> <li>• the effective date of the conversion; and</li> <li>• the name of the company and, if applicable, its secondary name.</li> </ul>

## Schedule 1

Exempted Limited Liability Company	Exempted Limited Partnership	<p>Section 102(2) of the LLCA confirms the documents to be filed. Note that a certificate of conversion, required pursuant to section 102(2)(a) of the LLCA, must state:</p> <ul style="list-style-type: none"><li>• the name of the exempted LLC and, if applicable, its secondary name;</li><li>• the effective date of the conversion; and</li><li>• the name of the exempted limited partnership and, if applicable, its secondary name.</li></ul>
Exempted Limited Partnership	Exempted Limited Liability Company	<p>Section 103(2) of the LLCA confirms the documents to be filed. Note that a certificate of conversion, required pursuant to section 103(2)(a) of the LLCA, must state:</p> <ul style="list-style-type: none"><li>• the name of the exempted LLC and, if applicable, its secondary name;</li><li>• the address of the registered office of the exempted LLC;</li><li>• the name of the exempted limited partnership and, if applicable, its secondary name.</li><li>• the future effective date or time (which shall be a date or time certain) of the conversion of the exempted limited partnership to an exempted LLC if it is not to be effective upon the filing of the certificate of conversion of exempted limited partnership to exempted LLC; and</li><li>• any other matters the members determine to include therein.</li></ul>