



Isle of Man

Ellan Vannin

AT 8 OF 2012

PARTNERSHIP (AMENDMENT) ACT 2012



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PARTNERSHIP (AMENDMENT) ACT 2012

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| <i>Passed</i> | <i>16 October 2012</i> |
| <i>Received Royal Assent:</i> | <i>16 October 2012</i> |
| <i>Announced to Tynwald:</i> | <i>16 October 2012</i> |

AN ACT to amend the Partnership Act 1909 in respect of the accounting requirements for limited partnerships.

BE IT ENACTED by the Queen’s Most Excellent Majesty, by and with the advice and consent of the Council and Keys in Tynwald assembled, and by the authority of the same, as follows:—

1 Short title

The short title of this Act is the Partnership (Amendment) Act 2012.

2 Automatic repeal

- (1) This Act is automatically repealed on the day after its promulgation.
- (2) However, the repeal does not affect the continuing operation of any amendments to enactments made by this Act.

3 Section 30 amended

- (1) Section 30 of the Partnership Act 1909¹ (duty of partners to render accounts) is amended as follows.
- (2) At the end add —
 - “ (2) The additional accounting requirements specified in section 48E apply in respect of limited partnerships.”.
- (3) Accordingly, the existing provision becomes subsection (1).

¹ VIII p.327

4 New section 48E

After section 48D (consequences of legal personality) of the Partnership Act 1909 insert —

“48E Limited partnerships to keep accounting records

- (1) This section does not limit section 30.
- (2) Reliable accounting records must be kept in respect of a limited partnership which —
 - (a) correctly explain the transactions of the partnership;
 - (b) enable the financial position of the partnership to be determined with reasonable accuracy at any time; and
 - (c) allow financial statements to be prepared that give a true and fair view of the state of affairs of the partnership.
- (3) Invoices, contracts and any other information that the general partners consider necessary or expedient must be retained to ensure that the accounting records include —
 - (a) day to day entries of all sums of money received and expended by the partnership and the matters in respect of which the receipt and expenditure takes place;
 - (b) details of all sales, purchases and other transactions; and
 - (c) a record of the assets and liabilities of the partnership.
- (4) When financial statements are prepared, they must —
 - (a) be approved by the general partners;
 - (b) include —
 - (i) a written statement recording the assets and liabilities of the partnership on a specific date;
 - (ii) a written statement recording the receipts, payments and other financial transactions undertaken by the partnership for the period ending on the date of the statement referred to in sub-paragraph (i); and
 - (iii) such notes as are necessary for a reasonable understanding of the statements referred to in sub-paragraphs (i) and (ii).
- (5) The accounting records must be preserved for not less than 6 years from the end of the financial period for the partnership to which they relate.
- (6) The accounting records must be kept at the limited partnership’s principal place of business in the Island or such other place as the

general partners think fit and must be available for inspection by any partner during ordinary business hours without charge.

- (7) If the accounting records are kept at a place outside of the Island, copies must be sent to, and kept at, a place in the Island, and must be available for inspection by any partner during ordinary business hours without charge.
- (8) The copies of the accounting records mentioned in subsection (7) must be updated at intervals not exceeding every 6 months.
- (9) If the requirements of this section are not complied with, each of the general partners is guilty of an offence.
- (10) A person guilty of an offence under this section is liable —
 - (a) on conviction on information, to custody for not more than 2 years, a fine, or both;
 - (b) on summary conviction, to custody for not more than 6 months, a fine not exceeding £5,000, or both.”.