



Cayman publishes Limited Liability Companies Bill, 2015

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On 18 December 2015, the Limited Liability Companies Bill, 2015 (the **Bill**) was published in the Cayman Islands. The Bill is expected to be enacted in early 2016, although commencement of the law is expected to be proclaimed on a later date in 2016.

Once the Bill becomes law, a new class of Cayman Islands entity, the limited liability company (**LLC**), will be available for use in investment funds and other international structures, and in corporate transactions generally. The LLC is loosely based on the Delaware limited liability company with various amendments, resulting in a hybrid between an exempted company and an exempted limited partnership.

The Bill is the culmination of many months of development in which Ogier was centrally involved. As practitioners, we are excited about the potential uses of LLCs and not just in the investment funds context. The LLC will offer the benefits of a company in that it will be a body corporate with separate legal personality and limited liability for its members, while providing greater flexibility around management and organisation and around allocation of profits and losses than a company. We therefore expect the LLC to be a versatile and popular vehicle for many different purposes.

As proposed, the formation of an LLC will be simple and similar to that of an exempted limited partnership with only the initial registration statement required to be filed. The Bill contemplates the conversion of a Cayman Islands exempted company into an LLC, merger and consolidation and also the migration of foreign entities into the jurisdiction to register as LLCs.

Further details will follow about the specifics of an LLC once the LLC Bill has been enacted into law. If you have any questions relating to the foregoing and would like to discuss further, please reach out to your usual Ogier contact or one of the below.

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