

BERMUDA LIMITED LIABILITY COMPANY LEGISLATION 2016



- > Industry has welcomed the Limited Liability Company (LLC) Act, adopted into Bermuda law in 2016
- > The LLC is the most recent corporate-law legislative development in Bermuda, effective since October 1, 2016
- > The LLC is a hybrid vehicle that enhances the considerable freedom of contract already offered by Bermuda exempted companies and limited partnerships, combining key characteristics from each
- > The Bermuda act follows Delaware's LLC statute closely, yet also includes a number of Bermuda optional variants
- > Same-day formation: as with Bermuda companies and partnership formations, LLCs can be formed within 24 hours
- > LLCs are commonly used in the US for private-equity funds and other asset-management structures, as well as trusts and private client vehicles
- > LLCs are particularly attractive to sponsors and promoters from the US looking for a vehicle closely aligned with the Delaware limited liability company

Key features:

- > corporate vehicle with separate legal personality
- > can be self-managed by sole member or by appointed manager(s) or by members or class of members
- > possible to expand, contract out of or alter common law rules regarding fiduciary duties. Managers and officers of LLCs can contract out from fiduciary duties and other common law constrictions

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