



**AN ACT TO FURTHER AMEND THE ASSOCIATIONS LAW, TITLE 5 OF THE LIBERIAN CODE OF LAWS REVISED, TO EXPAND THE REQUIREMENTS FOR KEEPING ACCOUNTING AND OTHER RECORDS, RIGHT OF ACCESS TO SUCH RECORDS, AND THE REGULATION OF BUSINESS ASSOCIATIONS AND EXTRACTING THEREFROM PART VII, CHAPTER 70, TO REPEAL AND DELETE IN ITS ENTIRETY PROVISION RELATING TO THE INCORPORATION OF REGISTERED BUSINESS COMPANIES AND ALL THEIR CONDUCT OF BUSINESS INCLUDING LIQUIDATION AND ALL MATTERS INCIDENTAL THERETO.**

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**AN ACT TO FURTHER AMEND THE ASSOCIATIONS LAW, TITLE 5 OF THE LIBERIAN CODE OF LAWS REVISED, TO EXPAND THE REQUIREMENTS FOR KEEPING ACCOUNTING AND OTHER RECORDS, RIGHT OF ACCESS TO SUCH RECORDS, AND THE REGULATION OF BUSINESS ASSOCIATIONS AND EXTRACTING THEREFROM PART VII, CHAPTER 70, TO REPEAL AND DELETE IN ITS ENTIRETY PROVISIONS RELATING TO THE INCORPORATION OF REGISTERED BUSINESS COMPANIES AND ALL THEIR CONDUCT OF BUSINESS INCLUDING LIQUIDATION AND ALL MATTERS INCIDENTAL THERETO.**

WHEREAS, certain provisions of the Associations Law, Title 5, Liberian Code of Laws Revised, have become obsolete and inadequate to address issues and gaps in our corporate laws relative to the preparation and preservation of records, access to information and adequate regulation of business associations;

WHEREAS, the inadequacies of such provisions necessitate amendments to the Associations Law, Title 5, Liberian Code of Laws Revised;

WHEREAS, Part VII, Chapter 70, containing provisions relating to the incorporation of registered business companies of the Associations Law, Title 5, Liberian Code of Laws Revised, has not been used and is associated with issues and gaps in the corporate laws of the Republic of Liberia relative to the preparation and preservation of records, access to information and adequate regulation of business associations; and

WHEREAS, the non-usage of such provisions necessitates deletion from the Associations Law, Title 5, Liberian Code of Laws Revised to repeal same;

Now, Therefore, It Is Enacted by the Senate and the House of Representatives of the Republic of Liberia in Legislature Assembled:

**PART I**

Section 1: That from and immediately upon the passage of this Act, the following provisions (or subsections of such provisions) of the Associations Law, Title 5, Liberian Code of Laws Revised, are hereby amended as is herein after provided

Section 2. **Amendments:** Section 1.2, Definitions of Chapter 1, General Provisions; Section 8.1, Requirement for Keeping Books of Account, Minutes and Records of Shareholders, of Chapter 8, Corporate Records and Reports; Section 11.3, Dissolution on Failure to Pay Annual Registration Fee or Appoint or Maintain Registered Agent of Chapter 11, Dissolution; Section 12.12, Applicability to Foreign Corporations of Other Provisions, of Chapter 12, Foreign Corporations, Sections 14.3.5, Access to and Confidentiality of Information; Records; 14.8.2, Involuntary Dissolution, and 14.10.5, Foreign Limited Liability Companies of Chapter 14, Limited Liability Companies; Sections 30.21, Partnership Books, 30.22, Duty of Partner to Render Information, and 30.33, Causes of Dissolution of Chapter 30, Partnerships; and Sections

60.42, Keeping of Books of Accounts, 60.54, Revocation of Registration, and 60.64 Offenses of Chapter 60, Private Foundations. **Addition:** Section 31.38, Admission of Additional Limited Partner of Chapter 31, Limited Partnerships. **Repeal:** Part VII, Chapter 70 Registered Business Companies Act.

**PART II**  
**AMENDMENT TO PART I, BUSINESS CORPORATIONS AND LIMITED LIABILITY COMPANIES, OF THE ASSOCIATIONS LAW**

Sections or subsections of Chapter 1, General Provisions, Definitions; Chapter 8, Corporate Records and Reports; Chapter 11, Dissolution; Chapter 12, Foreign Corporations, and Chapter 14, Limited Liability Companies, are hereby amended as herein below recited, word for word, as follows:

The amended sections or subsections of the Association Law are set out word for word. An ellipsis ("\*\*\*") is used to indicate omitted text not affected by this Amendment.

**Chapter 1: General Provisions**

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**§ 1.2. Definitions:** As used in this Act, unless the context otherwise requires, the term:

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- (d) **“Erroneously revoked”** means the mistaken action of a Registrar revoking the articles of incorporation or other formation instrument authorizing a business to operate in Liberia.
- (e) **“Foreign corporation”** \*\*\*
- (f) **“Hybrid corporation”** \*\*\*
- (g) **“Insolvent”** \*\*\*
- (h) **“In writing”** and **“written”** \*\*\*
- (i) **“Minister of Foreign Affairs”** \*\*\*
- (j) **“Non-resident domestic corporation”** \*\*\*
- (k) **“Re-domiciled”** \*\*\*
- (l) **“Registrar”** means the designated officer of the Government of Liberia authorized to register and regulate business associations in the Republic of Liberia as provided in this

Act.

(m) **“Resident domestic corporation” \*\*\***

(n) **“Signature” and “signed” \*\*\***

(o) **“Treasury shares” \*\*\***

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## **Chapter 8: Corporate Records and Reports**

### **§ 8.1. Requirement for Keeping Accounting Records, Minutes and Records of Shareholders**

1. *Accounting records.* Every domestic corporation and foreign corporation authorized to do business in Liberia shall keep reliable and complete accounting records. Accounting records must be sufficient to correctly explain all transactions, enable the financial position of the corporation to be determined with reasonable accuracy at any time, and allow financial statements to be prepared. Additionally, every domestic corporation and foreign corporation authorized to do business in Liberia shall keep underlying documentation for accounting records maintained pursuant to this subsection, such as, but not limited to, invoices and contracts, which shall reflect all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; all sales, purchases, and other transactions; and the assets and liabilities of the corporation. A resident domestic corporation shall keep all accounting records and underlying documentation as described in this subsection in the Republic of Liberia.
2. *Minutes.* Every domestic corporation and foreign corporation authorized to do business in Liberia shall keep minutes of all meetings of shareholders, of actions taken on consent by its shareholders, of all meetings of the board of directors, of actions taken on consent by directors and of meetings of the executive committee, if any. Resident domestic corporations shall keep such minutes in the Republic of Liberia.
3. *Records of shareholders.* Every domestic corporation and foreign corporation authorized to do business in Liberia shall keep up-to-date records containing the names and

addresses of all registered shareholders, the respective number and class of shares held by each and the dates of ownership thereof. In addition, any such corporation which issues bearer shares subject to the provisions of Section 5.8 of the Associations Law shall maintain a record of all certificates issued in bearer form, including the number, class, and dates of issuance of such certificates. A resident domestic corporation shall keep the records required to be maintained by this subsection in the Republic of Liberia.

4. *Forms of records.* Any records maintained by a domestic corporation and foreign corporation authorized to do business in Liberia in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs or any other information storage device, provided that the records so kept can be converted into clearly legible written form within seven working days upon instruction of the appropriate authority of the Government of Liberia or upon the request of any person entitled to inspect the same. When records are kept in such manner, a clearly legible written form produced from the cards, tapes, photographs, microphotographs or other information storage device shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original written record of the same information would have been, provided the written form accurately portrays the record.
5. *Retention Period.* All records required to be kept, retained, or maintained under this section shall be kept, retained, or maintained for a minimum of five years.
6. *Failure to maintain records.* Any corporation which knowingly fails to keep, retain, or maintain records as required under this section shall be liable to a fine not less than Three Thousand United States Dollars (US\$3,000) but not exceeding Five Thousand United States Dollars (US\$5,000), or subject to revocation of the corporation's articles of incorporation, certificate to do business, or dissolution, or any combination of the penalties herein prescribed.
7. *Right to Inspection.* The Registrar may request from any domestic corporation any

records of shareholders, ownership information and books of account as the Registrar shall deem necessary to ensure that the corporation is in compliance with applicable law. Any failure to respond to an official request by the Registrar for records of shareholders, ownership information or books of account on or before the stated due date shall subject the corporation to a fine of not less than One Thousand United States Dollars (US\$1,000) and render the corporation not in good standing, and Subsections 1.7.3 and 1.7.4 of this Title shall apply, until the Registrar is satisfied that the corporation has complied with such enquiry. Notwithstanding the above, a continued failure to provide such records after sufficient notice from the Registrar to provide such records, shall, on the determination of the Registrar, be subject to dissolution.

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## **Chapter 11: Dissolution**

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### **§ 11.3. Dissolution on Failure to Pay Annual Registration Fee or Appoint or Maintain Registered Agent.**

#### **§ 11.3.1**

- 1. Procedure for dissolution.* On failure of a domestic corporation to pay the annual registration fee or to maintain a registered agent for a period of one year or to provide records requested in accordance with Subsection 8.1.7 after six months has elapsed since the request to provide such records, the Registrar shall cause a notification to be sent to the corporation through its last recorded registered agent that its articles of incorporation will be revoked unless within ninety days of the date of the notice, payment of the annual registration fee has been received or a registered agent has been reappointed or the records requested have been provided, as the case may be. On the expiration of the ninety day period, the Registrar, in the event the corporation has not remedied its default, shall issue a proclamation declaring that the articles of incorporation have been revoked and the corporation dissolved as of the date stated in the proclamation. The proclamation of the Registrar shall be filed in his office and he shall mark on the record of the articles of incorporation of the corporation named in the proclamation the date of revocation and dissolution, and the Registrar shall give notice thereof to the last recorded registered

agent. Thereupon the affairs of the corporation shall be wound up in accordance with the procedure provided in this Chapter.

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### § 11.3.3

3. *Reinstatement following dissolution.* Whenever the articles of incorporation of a domestic corporation have been revoked and the corporation dissolved pursuant to this section, the corporation may request the Registrar to reinstate the corporation. After being satisfied that all arrears of statutory fees have been paid, that the corporation has retained a registered agent, that the corporation has provided requested records and that fees in respect of the period from the date of dissolution to the date on which rescission is to take place have been paid to the former registered agent, the corporation may be restored to full existence.

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## **Chapter 12: Foreign Corporations**

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### **§ 12.12. Applicability to Foreign Corporations of Other Provisions.**

In addition to Chapter 1 (General provisions), Chapter 3 (Service of process), and the other sections of Chapter 12, the following provisions to the extent provided therein, shall apply to a foreign corporation doing business in Liberia, its directors, officers and shareholders:

- (a) Section 7.16 (Shareholders' derivative actions);
- (b) Section 8.1 (Requirement for keeping accounting records, minutes and records of shareholders);
- (c) Section 10.5 (Merger or Consolidation of Domestic and Foreign Corporations);
- (d) Section 10.8 (Procedure to Enforce Shareholder's Right to Receive Payment for Shares); and
- (e) Section 11.3 (Dissolution on Failure to Pay Annual Registration Fee or Appoint or Maintain Registered Agent).

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## **Chapter 14: Limited Liability Companies**

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### **§ 14.3.5. Requirements for keeping accounting records, minutes, and records of members; access to and confidentiality of information.**

#### *1. Requirement for keeping accounting records, minutes, and records of members.*

(a) *Accounting records.* Every domestic limited liability company or foreign limited liability company authorized to do business in Liberia shall keep reliable and complete accounting records, to include correct and complete books and records of account. Accounting records must be sufficient to correctly explain all transactions, enable the financial position of the limited liability company to be determined with reasonable accuracy at any time, and allow financial statements to be prepared. Additionally, every limited liability company shall keep underlying documentation for accounting records maintained pursuant to this subsection, such as, but not limited to, invoices and contracts, which shall reflect all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; all sales, purchases, and other transactions; and the assets and liabilities of the limited liability company. A resident domestic limited liability company shall keep all accounting records and underlying documentation as described in this subsection in the Republic of Liberia.

(b) *Minutes.* Every limited liability company shall keep minutes of all meetings of members, of actions taken on consent by members, of all meetings of the managers, and of actions taken on consent by managers. A resident domestic limited liability company shall keep such minutes in the Republic of Liberia.

(c) *Records of members.* Every limited liability company shall keep up-to-date records containing the names and addresses of all members. A resident domestic limited liability company shall keep the records required to be maintained by this subsection in the Republic of Liberia.

(d) *Form of records.* Any records maintained by a limited liability company in the regular course of its business, including its record of members, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible written form within seven working days upon instruction of the appropriate authority of the Government of Liberia or upon the request of any person entitled to inspect such records. When records are kept in such manner, a clearly legible written form produced from the cards, tapes, photographs, micro photographs, or other information storage device shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original written record of the same information would have been, provided the written form accurately portrays the record.

(e) *Retention period.* All records required to be kept, retained, or maintained under this section shall be kept, retained, or maintained for a minimum of five years.

(f) *Failure to maintain records.* Any limited liability company which knowingly fails to keep, retain, and maintain records as required under this section shall be liable to a fine not less than Three Thousand United States Dollars (US\$3,000.00) but not exceeding Five Thousand United States Dollars (US\$5,000), or cancellation of the certificate of formation, or both.

2. *Right of member to information, etc.* Each member of a limited liability company has the right, subject in such reasonable standards (including standards governing what information and documents are to be furnished at what time and location and at whose expense) as may be set forth in a limited liability company agreement or otherwise established by the manager or, if there is no manager, then by the members, to obtain from the limited liability company from time to time upon reasonable demand for any purpose reasonably related to the member's interest as a member of the limited liability company:

(a) True and full information regarding the status of the business and financial condition of the limited liability company;

(b) Promptly after becoming available a copy of the limited liability company's tax returns if applicable for each year;

(c) A current list of the name and last known business, residence or mailing address of each member and manager;

(d) A copy of any written limited liability company agreement and certificate of formation and amendments thereto, together with executed copies of any written powers of attorney pursuant to which the limited liability company agreement and any certificate and all amendments thereto have been executed;

(e) True and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each member and which each member has agreed to contribute in the future, and the date on which each became a member; and

(f) Other information regarding the affairs of the limited liability company as is just and reasonable.

*3. Right of manager to examine information.* Each manager of a limited liability company shall have the right to examine all of the information described in subsection 2 for a purpose reasonably related to his position as a manager.

*4. Confidentiality.* The manager of a limited liability company shall have the right to keep confidential from the members, for such period of time as the manager deems reasonable, any information which the manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the manager in good faith believes is not in the best interest of the limited liability company or could damage the limited liability company or its business or which the limited liability company is required by law or by agreement with a third party to keep confidential.

5. *Demand shall be in writing.* Any demand by a member under this section shall be in writing and shall state the purpose of such demand.

6. *Action to enforce rights.* Any action to enforce any rights arising under this section shall be brought to the circuit court.

7. *Right to Inspection.* The Registrar may request from any limited liability company any records of members, ownership information and books of account as the Registrar shall deem necessary to ensure that the limited liability company is in compliance with applicable laws. Any failure to respond to an official request by the Registrar for records of members, ownership information or books of account on or before the stated due date shall subject the limited liability company to a fine of not less than One Thousand United States Dollars (US\$1,000) and render the limited liability company to be not in good standing, and Subsections 1.7.3 and 1.7.4 of section 1.7 of Chapter 1 of Part I of this Title shall apply with the exception that the word “corporation” in such sections is replaced with “limited liability company”, until the Registrar is satisfied that the limited liability company has complied with such enquiry. A continued failure to provide such records, after sufficient notice from the Registrar, shall, on the determination of the Registrar, be subject to cancellation of the limited liability company’s certificate of formation.

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#### **§ 14.8.2. Involuntary dissolution.**

1. *Dissolution on failure to comply.* On failure of a limited liability company to pay the annual registration fee or to maintain a registered agent for a period of one year or to provide records requested in accordance with Subsection 14.3.5 after six months has elapsed since the request to provide such records, the Registrar or the Deputy Registrar shall cause a notification to be sent to the limited liability company through its last recorded registered agent that its certificate of formation will be revoked unless within 90 days of the date of the notice, payment of the annual registration fee has been received, a registered agent has been reappointed or the Registrar is satisfied that the records requested have been provided, as the case may be. On the expiration of the 90 day period, the Registrar, in the event the limited liability company has not remedied its

default, shall issue a proclamation declaring that the certificate of formation of the limited liability company has been revoked, and the limited liability company dissolved, as of the date stated in the proclamation. The proclamation of the Registrar shall be filed in his office and he shall mark on the certificate of formation of the limited liability company, named in the proclamation the date of dissolution or revocation, and shall give notice thereof to the last recorded registered agent. Thereupon the affairs of the limited liability company shall be wound up in accordance with the procedures provided in this Chapter.

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### § 14.8.2.3

3. *Petition to reinstate.* Whenever the certificate of formation of a limited liability company has been revoked and the limited liability company dissolved pursuant to this section, the limited liability company may request the Registrar to reinstate the limited liability company. After the Registrar is satisfied that all arrears of statutory fees have been paid, that the limited liability company has retained a registered agent, that the limited liability company has provided the requested records and that fees in respect of the period from the date of dissolution or revocation to the date on which rescission is to take place have been paid to the former registered agent, the Registrar may restore the limited liability company to full existence or reinstate the foreign limited liability company's authorization to do business, as the case may be.

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### § 14.10.5: Foreign limited liability companies.

1. The provisions of Chapter 12 of Part I of this Title shall apply to foreign limited liability companies seeking to be authorized or authorized as they apply to foreign corporations with the substitution of references to limited liability companies for references to corporations and references to members and managers for references to shareholders and directors and officers and with substitution of references to relevant sections of this Chapter for references therein to provisions in respect of corporations.

2. To the extent provided for therein, the provisions of Sections 14.3.5 and 14.8.2 of this Act shall apply to foreign limited liability companies authorized to do business in the Republic of Liberia.

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### **PART III AMENDMENT TO PART III, PARTNERSHIPS, OF THE ASSOCIATIONS LAW**

Chapter 30, Partnerships, is hereby amended by deleting Sections 30.21 and 30.22 in their entirety, and replacing them with new Sections 30.21 and 30.22 below, and adding new Sections 30.33.7 through 30.33.9 thereto.

Chapter 31, Limited Partnerships is amended by adding thereto a new Section 31.38.

#### **Chapter 30: Partnerships**

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#### **§ 30.21. Requirement for Keeping Accounting Records, Minutes, and Records of Partners.**

1. *Requirement for keeping accounting records, minutes, and records of partners.*

(a) Accounting records. Every (domestic) partnership shall keep reliable and complete accounting records, to include correct and complete books and records of account. Accounting records must be sufficient to correctly explain all transactions, enable the financial position of the partnership to be determined with reasonable accuracy at any time, and allow financial statements to be prepared. Additionally, every domestic partnership shall keep underlying documentation for accounting records maintained pursuant to this subsection, such as, but not limited to, invoices and contracts, which shall reflect all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; all sales, purchases, and other transactions; and the assets and liabilities of the partnership. A (resident) domestic partnership shall keep all accounting records and underlying documentation as described in this subsection in the Republic of Liberia.

- (b) *Minutes.* Every domestic partnership shall keep minutes of all meetings of

partners and of actions taken on consent by partners. A resident domestic partnership shall keep such minutes in the Republic of Liberia.

(c) *Records of partners.* Every domestic partnership shall keep an up-to-date record containing the names and addresses of all partners. A resident domestic partnership shall keep the records required to be maintained by this subsection in the Republic of Liberia.

(d) *Form of records.* Any records maintained by a domestic partnership in the regular course of its business, including its record of partners, books of account, and minute books, may be kept on, or be in the form of, a computer hard drive, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible written form within a reasonable time. Any domestic partnership shall convert any records so kept upon the request of any person entitled to inspect such records. When records are kept in such manner, a clearly legible written form produced from the hard drive, cards, tapes, photographs, micro photographs, or other information storage device shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original written record of the same information would have been, provided the written form accurately portrays the record.

(e) *Retention period.* All records required to be kept, retained, or maintained under this section shall be kept, retained, or maintained for a minimum of five years.

(f) *Failure to maintain records.* Any person who knowingly fails to keep, retain, and maintain records as required under this section shall be liable to a fine not less than Three Thousand United States Dollars (US\$3,000.00) but not exceeding Five Thousand United States Dollars (US\$5,000), or cancellation of the certificate of partnership, or both.

2. *Right to Inspection.* The Registrar may request from any partnership any records of partners, ownership information and books of account as the Registrar shall deem necessary to ensure that the partnership is in compliance with applicable law. Any failure to respond to an official request by the Registrar for records of partners, ownership information or books of

account on or before the stated due date shall subject the partnership to a fine of not less than One Thousand United States Dollars (US\$1,000) and render the partnership not in good standing, and Subsections 1.7.3 and 1.7.4 of section 1.7 of Chapter 1 of Part I of this Title shall apply with the exception that the word “corporation” in such section is replaced with “partnership”, until the Registrar is satisfied that the partnership has complied with such enquiry. A continued failure to provide such records, after sufficient notice from the Registrar to provide such records, shall, on the determination of the Registrar, warrant dissolution of the partnership.

**§30.22: Partner's rights and duties with respect to information.**

(a) Each partner and partnership shall provide partners, former partners and the legal representative of a deceased partner or partner under a legal disability and their agents and attorneys, access to the books and records of the partnership and other information concerning the partnership’s business and affairs (in the case of former partners, only with respect to the period during which they were partners) upon reasonable demand, for any purpose reasonably related to the partner’s interest as a partner in the partnership. The right of access shall include access to:

- (i) True and full information regarding the status of the business and financial condition of the partnership;
- (ii) Promptly after becoming available, a copy of the partnership’s financial statements or tax filings, if applicable, for each year;
- (iii) A current list of the name and last known business, residence or mailing address of each partner;
- (iv) A copy of any certificate and written partnership agreement and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which the certificate or the partnership agreement and any amendments thereto have been executed;

- (v) True and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each partner and which each partner has agreed to contribute in the future, and the date on which each partner became a partner; and
- (vi) Other information regarding the affairs of the partnership as is just and reasonable. The right of access includes the right to examine and make extracts from books and records and other information concerning the partnership's business and affairs. The partnership agreement may provide for, and in the absence of such provision in the partnership agreement, the partnership or the partner from whom access is sought may impose, reasonable standards (including standards governing what information and documents are to be furnished at what time and location and at whose expense) with respect to exercise of the right of access.

(b) A partnership agreement may provide that the partnership shall have the right to keep confidential from partners for such period of time as the partnership deems reasonable, any information which the partnership reasonably believes to be in the nature of trade secrets or other information the disclosure of which the partnership in good faith believes is not in the best interest of the partnership or could damage the partnership or its business or affairs or which the partnership is required by law or by agreement with a third party to keep confidential.

(c) A partnership and its partners may maintain the books and records and other information concerning the partnership in other than a written form if such form is capable of conversion into written form within a reasonable time.

(d) Any demand by a partner under this section shall be in writing and shall state the purpose of such demand.

(e) Any action to enforce any right arising under this section shall be brought in the

circuit court. If the partnership or a partner refuses to permit access as described in subsection (a) or does not reply to a demand that has been made within five business days after the demand has been made, the demanding partner, former partner, or legal representative of a deceased partner or partner under a legal disability may apply for an order to compel such disclosure. The circuit court is hereby vested with jurisdiction to determine whether or not the person making the demand is entitled to the books and records or other information concerning the partnership's business and affairs sought. The circuit court may summarily order the partnership or partner to permit the demanding partner, former partner or legal representative of a deceased partner or partner under a legal disability and their agents and attorneys to provide access to the information described in subsection (a) and to make copies or extracts therefrom; or the circuit court may summarily order the partnership or partner to furnish to the demanding partner, former partner or legal representative of a deceased partner or partner under a legal disability and their agents and attorneys the information described in subsection (a) on the condition that the partner, former partner or legal representative of a deceased partner or partner under a legal disability first pay to the partnership or to the partner from whom access is sought the reasonable cost of obtaining and furnishing such information and on such other conditions as the circuit court deems appropriate. When a demanding partner, former partner or legal representative of a deceased partner or partner under a legal disability seeks to obtain access to information described in subsection (a), the demanding partner, former partner or legal representative of a deceased partner or partner under a legal disability shall first establish (i) that the demanding partner, former partner or legal representative of a deceased partner or partner under a legal disability has complied with the provisions of this section respecting the form and manner of making demand for obtaining access to such information and (ii) that the information the demanding partner, former partner or legal representative of a deceased partner or partner under a legal disability seeks is reasonably related to the partner's interest as a partner in the partnership. The circuit court may, in its discretion, prescribe any limitations or conditions with reference to the access to information, or award such other or further relief as the circuit court may deem just and proper.

(f) The rights of a partner to obtain information as provided in this section may be restricted in an original partnership agreement or in any subsequent amendment approved or

adopted by all of the partners and in compliance with any applicable requirements of the partnership agreement.

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**§ 30.33: Causes of Dissolution.**

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7. *Dissolution on failure to comply.* On failure of a partnership to pay the annual registration fee or to maintain a registered agent for a period of one year or to provide records requested in accordance with Subsection 30.21.3 after six months has elapsed since the request to provide such records, the Registrar or the Deputy Registrar shall cause a notification to be sent to the partnership through its last recorded registered agent that its partnership agreement will be revoked and a dissolution of the partnership will be effectuated unless within 90 days of the date of the notice, payment of the annual registration fee has been received or a registered agent has been reappointed or the Registrar or Deputy Registrar is satisfied that records requested have been provided, as the case may be. On the expiration of the 90 day period, the Registrar or Deputy Registrar, in the event the partnership has not remedied its default, shall issue a proclamation declaring that the partnership agreement of the partnership has been revoked, and the partnership dissolved as of the date stated in the proclamation. The proclamation of the Registrar shall be filed in his office and he shall mark on the record of the partnership agreement of the partnership named in the proclamation the date of revocation and dissolution, and shall give notice thereof to the last recorded registered agent. Thereupon the affairs of the partnership shall be wound up in accordance with the procedures provided in this Chapter.

8. *Erroneous annulment.* Whenever it is established to the satisfaction of the Registrar or the Deputy Registrar that the partnership agreement was erroneously revoked, the Registrar or the Deputy Registrar may restore the partnership to full existence by publishing and filing a proclamation to that effect.

9. *Petition to reinstate.* Whenever the partnership agreement of a partnership has been revoked and the partnership dissolved pursuant to this section, the partnership may request that the Registrar reinstate the partnership. After being satisfied that all arrears of statutory fees have been paid, that the partnership has retained a registered agent, requested records provided and

that fees in respect of the period from the date of dissolution to the date on which rescission is to take place have been paid to the former registered agent, the Registrar may restore the partnership to full existence.

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## **Chapter 31: Limited Partnership**

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### **§ 31.38. Requirements for Keeping Accounting Records, Minutes, and Records of Partners, Access to, and, Confidentiality of Information.**

1. *Requirement for keeping accounting records, minutes, and records of partners.*

(a) *Accounting records.* Every (domestic) limited partnership shall keep reliable and complete accounting records, to include correct and complete books and records of account. Accounting records must be sufficient to correctly explain all transactions, enable the financial position of the limited partnership to be determined with reasonable accuracy at any time, and allow financial statements to be prepared. Additionally, every domestic limited partnership shall keep underlying documentation for accounting records maintained pursuant to this subsection, such as, but not limited to, invoices and contracts, which shall reflect all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; all sales, purchases, and other transactions; and the assets and liabilities of the limited partnership. A (resident) domestic limited partnership shall keep all accounting records and underlying documentation as described in this subsection in the Republic of Liberia.

(b) *Minutes.* Every domestic limited partnership shall keep minutes of all meetings of partners and of actions taken on consent by partners. A resident domestic limited partnership shall keep such minutes in the Republic of Liberia.

(c) *Records of partners.* Every domestic limited partnership shall keep an up-to-date record containing the names and addresses of all partners. A resident domestic limited partnership shall keep the records required to be maintained by this subsection in the Republic of Liberia.

(d) *Form of records.* Any records maintained by a limited partnership in the regular course of its business, including its record of partners, books of account, and minute books, may be kept on, or be in the form of, a computer hard drive, punch cards, magnetic tape, photographs, micro- photographs, or any other information storage device, provided that the records so kept can be converted into clearly legible written form within a reasonable time. Any limited partnership shall so convert any records so kept upon the request of any person entitled to inspect such records. When records are kept in such manner, a clearly legible written form produced from the computer hard drive, cards, tapes, photographs, microphotographs, or other information storage device shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original written record of the same information would have been, provided the written form accurately portrays the record.

(e) *Retention period.* All records required to be kept, retained, or maintained under this section shall be kept, retained, or maintained for a minimum of five years.

(f) *Failure to maintain records.* Any (person) who knowingly or recklessly fails to keep, retain, and maintain records as required under this section shall be liable to a fine not less than Three Thousand United States Dollars (US\$3,000.00) but not exceeding Five Thousand United States Dollars (US\$5,000), or cancellation of the certificate of limited partnership, or both.

2. *Right to Inspection.* The Registrar may request from any domestic limited partnership any records of partners, ownership information and books of account as the Registrar shall deem necessary to ensure that the limited partnership is in compliance with applicable law. Any failure to respond to an official request by the Registrar for records of partners, ownership information or books of account on or before the stated due date shall subject the limited partnership to a fine of not less than One Thousand United States Dollars (US\$1,000) and render the limited partnership not in good standing, and Subsections 1.7.3 and 1.7.4 of section 1.7 of Chapter 1 of Part I of this Title shall apply with the exception that the word “corporation” in such sections is replaced with “limited partnership”, until the Registrar is satisfied that the limited partnership has complied with such enquiry. A continued failure to provide such records, after

sufficient notice from the Registrar to provide such records, shall, on the determination of the Registrar, be subject to dissolution of the domestic limited partnership.

3. *Access to and confidentiality of information.*

(a) Each limited partner has the right, subject to such reasonable standards (including standards governing what information and documents are to be furnished, at what time and location and at whose expense) as may be set forth in the partnership agreement or otherwise established by the general partners, to obtain from the general partners from time to time upon reasonable demand for any purpose reasonably related to the limited partner's interest as a limited partner:

(i) True and full information regarding the status of the business and financial condition of the limited partnership;

(ii) Promptly after becoming available, a copy of the limited partnership's financial statements or income tax returns, if applicable, for each year;

(iii) A current list of the name and last known business, residence or mailing address of each partner;

(iv) A copy of any written partnership agreement and certificate of limited partnership and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which the partnership agreement and any certificate and all amendments thereto have been executed;

(v) True and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each partner and which each partner has agreed to contribute in the future, and the date on which each became a partner; and

(vi) Other information regarding the affairs of the limited partnership as is just and reasonable.

(b) A general partner shall have the right to keep confidential from limited partners for such period of time as the general partner deems reasonable, any information which the general partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the general partner in good faith believes is not in the best interest of the limited partnership or could damage the limited partnership or its business or which the limited partnership is required by law or by agreement with a third party to keep confidential.

(c) A limited partnership may maintain its records in other than a written form if such form is capable of conversion into written form within a reasonable time.

(d) Any demand under this section shall be in writing and shall state the purpose of such demand.

(e) Any action to enforce any right arising under this section shall be brought in the circuit court. If a general partner refuses to permit a limited partner to obtain from the general partner the information described in subsection 3(a) or does not reply to the demand that has been made within five business days after the demand has been made, the limited partner may apply to the circuit court for an order to compel such disclosure. The circuit court is hereby vested with exclusive jurisdiction to determine whether or not the person seeking such information is entitled to the information sought. The circuit court may summarily order the general partner to permit the limited partner to obtain the information described in subsection 3(a) and to make copies or abstracts therefrom, or the circuit court may summarily order the general partner to furnish to the limited partner the information described in subsection 3(a) on the condition that the limited partner first pay to the limited partnership the reasonable cost of obtaining and furnishing such information and on such other conditions as the circuit court deems appropriate. When a limited partner seeks to obtain the information described in subsection 3(a), the limited partner shall first establish (i) that the limited partner has complied with the provisions respecting the form and manner of making demand for obtaining such

information, and (ii) that the information the limited partner seeks is reasonably related to the limited partner's interest as a limited partner. The circuit court may, in its discretion, prescribe any limitations or conditions with reference to the obtaining of information, or award such other or further relief as the circuit court may deem just and proper. The circuit court may order books, documents and records, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought and kept in Liberia upon such terms and conditions as the order may prescribe.

(f) The rights of a limited partner to obtain information as provided in this section may be restricted in an original partnership agreement or in any subsequent amendment approved or adopted by all of the partners and in compliance with any applicable requirements of the partnership agreement. The provisions of this subsection shall not be construed to limit the ability to impose restrictions on the rights of a limited partner to obtain information by any other means permitted under this section.

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**PART IV  
AMENDMENT TO PART VI, PRIVATE FOUNDATIONS, OF THE ASSOCIATIONS  
LAW**

Chapter 60, Establishment of Private Foundations, is hereby amended in the following sections, as herein below recited, word for word:

**Chapter 60: Establishment of Private Foundations**

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**§ 60.42: Keeping of Books of Account**

1. *Obligation to keep books of account.* A private foundation shall cause to be kept proper books of account with respect to:

- (a) All sums of money received, expended and distributed by the foundation and the matters in respect of which the receipt and expenditure takes place;
- (b) All sales and purchases of goods, and other transactions by the foundation;
- (c) The assets and liabilities of the foundation;

and that the accounting records must be sufficient to correctly explain all transactions, enable the

financial position of the foundation to be determined with reasonable accuracy at any time, and allow financial statements to be prepared. Additionally, every domestic foundation shall keep underlying documentation for accounting records maintained pursuant to this subsection, such as, but not limited to, invoices and contracts. A resident foundation shall keep all accounting records and underlying documentation as described in this subsection in the Republic of Liberia.

2. *Retention period.* All records required to be kept, retained, or maintained under this section shall be kept, retained, or maintained for a minimum of five years.

3. *Right to inspect.* The books of account of a private foundation shall be kept at the office of the secretary of the foundation or at such other place as the officers think fit, and shall at all times be open to inspection by the officers, the members of the supervisory board or any other supervisory person and the auditor, if any.

4. *Registrar's Right to Inspection.* The Registrar may request from any Liberian private foundation any records of officers, beneficiary information and books of account as the Registrar shall deem necessary to ensure that the foundation is in compliance with applicable law. Any failure to respond to an official request by the Registrar for records of officers, beneficiary information or books of account on or before the stated due date shall subject the foundation to a fine of not less than US\$1,000 and render the foundation not in good standing, and Subsections 1.7.3 and 1.7.4 of section 1.7 of Chapter 1 of Part I of this Title shall apply with the exception that the word "corporation" in such sections is replaced with "foundation", until the Registrar is satisfied that the foundation has complied with such enquiry. A continued failure to provide such records, after sufficient notice from the Registrar to provide such records, shall, on the determination of the Registrar, be subject to dissolution.

5. *Default by officer.* A person who, being an officer of a private foundation, fails to take all reasonable steps to secure compliance by the foundation with the requirements of this section, or has by his own willful act been the cause of any default by the foundation thereunder, is himself in default and shall be liable to a fine not exceeding US\$5,000.

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## **§ 60.54: Revocation of Registration**

*1.Procedure.* On the failure of a foundation to:

- (a) Change its name as required by the Registrar under section 60.19 or 60.20; or
- (b) For a period of two years:
  - (i) Make the annual filing required by section 60.56; or
  - (ii) Pay the annual registration fee; or
  - (iii) Maintain a registered agent; or
  - (iv) Provide records requested in accordance with Subsection 60.42.4,

the Registrar shall cause a notification to be sent to the foundation through its last recorded registered agent that its registration will be revoked unless within 90 days of the date of the notice:

- (c) The name is changed; or
- (d) Outstanding annual returns have been filed; or
- (e) Payment of the annual registration fee has been received; or
- (f) A registered agent has been appointed; or
- (g) Requested records have been provided,

as the case may be.

*2.Failure to remedy.* On the expiration of the 90 day period, in the event the foundation has not remedied its default, the Registrar shall:

- (a) Issue a notice specifying the date of revocation and dissolution to the last recorded registered agent declaring that registration has been revoked and the foundation dissolved as of the date stated in the notice; and
- (b) File a copy of the notice in the index in respect of the foundation,

and thereupon the affairs of the foundation shall be wound up in accordance with the procedure provided in sections 60.52 and 60.53.

*3. Erroneous revocation.* Whenever it is established to the satisfaction of the Registrar that the revocation of the foundation was done in error, he may restore the foundation to full existence and shall:

- (a) Issue a notice to the registered agent specifying the date of restoration declaring that the foundation has been restored to full existence on the date stated in the notice and that it shall therefore be deemed to have been in full existence from the date of initial registration under section 60.21; and
- (b) File a copy of the notice in the index in respect of the foundation.

*4. Petition to reinstate.* Whenever the certificate of a foundation has been revoked and the foundation dissolved pursuant to this section, the foundation may request that the Registrar reinstate the foundation. After the Registrar is satisfied that all arrears of statutory fees have been paid, that the foundation has retained a registered agent, that the foundation has provided the requested records and that fees in respect of the period from the date of dissolution to the date on which rescission is to take place have been paid to the former registered agent, the Registrar may restore the foundation to full existence.

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**§ 60.64. Offenses.**

An officer, member of the supervisory board, other supervisory person or an auditor of a private foundation shall be guilty of a felony of a second degree, as defined in Chapter 50 of the New Penal Law if such person knowingly and with intent to deceive:

- (a) Falsely represents the financial position of the foundation to any person;

- (b) Withholds information relating to the financial position of the foundation or any other matter regulated by this Law from any person entitled to receive that information; or
- (c) Falsifies any document:
  - (i) To be delivered under the Law to the Registrar;
  - (ii) Required by the Law to be prepared in respect of the foundation; or
- (d) Fails to respond to a request for records made by the Registrar.

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## **PART V**

### **REPEAL OF PART VII CHAPTER 70, REGISTERED BUSINESS COMPANIES ACT OF THE ASSOCIATIONS LAW**

#### **Chapter 70: Registered Business Companies:**

Section 1: All provisions relating to the incorporation of Registered Business Companies and all their conduct of business including liquidation and matters incidental thereto are hereby extracted from the Associations law and deleted in their entirety.

## **PART VI**

Section 1: **Effective Date:** This Act shall take effect immediately upon publication into handbills.

**ANY LAW TO THE CONTRARY NOTWITHSTANDING**