COLLAS CRILL

Re ATP Life Science Ventures LP [2025] CIGC (FSD) 106

NOVEMBER 2025

Court: Grand Court (Cayman Islands)
Subject: Exempted limited partnership, winding up on just and equitable basis, application of CWR O.3, r.12(1)(a) or (b) to winding up of exempted limited partnership (**ELP**), whether court can order petition to proceed against partnership or against general partner, with partnership as subject matter
Judges: Asif J

Summary

This Cayman Grand Court decision explains how winding up petitions for Cayman exempted limited partnerships (**ELPs**) should be framed and how defence costs are addressed. This decision is of practical significance to parties in proceedings brought by limited partners (**LPs**) of ELPs.

The Court held that an ELP cannot be named as the respondent and the Companies Winding Up Rules (**CWR**) cannot be used to direct an ELP to "participate" because an ELP has no separate legal personality. Proceedings must be brought against the general partner (**GP**).

The provisions of CWR O.3, r.12 and O.24, r.8 are inconsistent with the ELA Act (**ELP Act**) and the latter must prevail.

The *prima facie* liability for defending the petition sits with the GP. Whether the GP can draw on partnership assets depends on the wording of the limited partnership agreement (**LPA**).

Further details

Petitioning LPs sought a just and equitable winding up, alleging inter alia mismanagement and a breach of fiduciary duty by the GP.

At a directions hearing, the petitioning LPs asked the Court to apply CWR O.3 r.12(b) - so the case would be treated as an inter partes dispute, a contest directly between them and the GP as this reflected the substance of the dispute. The GP opposed the LPs, arguing that the Court should direct that the partnership itself should participate in the petition. This was important due to the cost consequences under CWR O.24, r.8.

The Court held that, because an ELP is not a separate legal person, the Court cannot direct an ELP to participate; by ELP Act s.33(1), proceedings are 'by or against' the GP only. Under ELP Act s.36(3), company

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winding up rules apply to ELPs only where consistent with the ELP Act, so treating an ELP like a company for these directions would be inconsistent. Accordingly, the provisions of CWR O.3, r.12 and O.24, r.8 are inconsistent with the ELP Act and the ELP Act must prevail. Therefore, the Court could not make an order under CWR O.3, r.12(b) or (b) in this case.

Therefore, it was ordered that the petition would continue as between the LPs and the GP.

On costs, the Court clarified that the **prima facie liability for defending the petition sits with the GP**. Whether the GP can **draw on partnership assets** depends on the wording of the LPA – that indemnity question will be decided at trial if disputed.

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