



Legal Insights

Cayman Islands – Guiding Principles for General Partners of private equity funds and venture capital funds in Response to Information Requests from Limited Partners

Section 22 of the Cayman Islands Exempted Limited Partnership Act (2025 Revision) (“**ELP Act**”) provides: *“Subject to any express or implied term of the partnership agreement, each limited partner may demand and shall receive from a general partner true and full information regarding the state of the business and financial condition of the exempted limited partnership.”*

This seemingly straightforward provision has generated considerable litigation and judicial guidance, and in this Briefing, we consider why it is important that general partners of Cayman Islands private equity funds and venture capital funds, which are structured as exempted limited partnerships (“**ELPs**”), are aware of these issues. The key legal issues are as follows:

1. What is the Nature and Breadth of the Right Given to LPs by Section 22?

In *Abraaj General Partner VIII Ltd v Abraaj ABOF IV SPV Ltd [2025] CICA (Civ) 8*, the Cayman Islands Court of Appeal (“**CICA**”) clarified the scope of a limited partner’s statutory right to receive “*true and full information*” under section 22 of the ELP Act. The CICA provided guidance by stating that the section provides a fundamental safeguard for limited partners who are otherwise not entitled to interfere with the business of the ELP, with its purpose being to enable the limited partners to have a “comprehensive understanding” of the business decisions being made on their behalf and the financial consequences of those decisions. What is meant by “full information” in section 22 is to be determined in this context.

How does Section 22 impact on Section 21 of the ELP Act?

Section 21 of the ELP Act requires the general partner (“**GP**”) of an ELP to keep or cause to be kept proper books of account including, where applicable, material underlying documentation including contracts and invoices, with respect to:

- i. all sums of money received and expended by the ELP and matters in respect of which the receipt of expenditure takes place;

- ii. all sales and purchases of goods by the ELP; and
- iii. the assets and liabilities of the ELP.

Section 21(2) of the ELP Act states that the proper books of account required to be maintained under section 21 will not be deemed to be properly kept if there are not kept in such a manner as are necessary to give a “*true and fair view of the business and financial condition of the exempted limited partnership and to explain its transactions*”.

In terms of the connection between the two sections, it is clear that section 22 is very wide in scope and will include all of the books and records maintained by the GP pursuant to its statutory obligation under section 21 of the ELP Act. However, it is also clear that section 22 is wider in scope than section 21 as it requires “information” to be provided, not just documents (books of accounts and underlying documentation), and it requires the information to be “true and full”, not merely “true and fair” as is the case with section 21. The CICA re-confirmed the previous Grand Court decision in *Dorsey Ventures Limited v. XIO GP Limited (FSD 38 of 2018, unreported 22 October 2018)* that section 22 is much wider in scope than section 21.

In most cases, where proper accounts of the ELP have been maintained with the material underlying documentation, these will provide a substantial part of the information needed by the limited partners to understand “*the state of the business and financial condition*” of the ELP in response to the section information request.

Interaction with the Limited Partnership Agreement (“LPA”) – can the LPA restrict or exclude the Section 22 right?

Section 22 expressly states that a limited partner’s right to information is subject to the express or implied terms of the LPA. Accordingly, the statutory right to information may be restricted by the terms of the LPA.

In the *Dorsey Ventures* case, the GP argued that by expressly conferring a right to audited and unaudited quarterly accounts in the LPA, the parties had impliedly excluded any broader right under section 22. The Grand Court rejected this, holding that there was nothing in the LPA inconsistent with an overriding general right to information under section 22, and that the reasonable man could not have understood the parties to have meant that the limited partner’s right to demand information would be excluded. Accordingly, it would seem that for an ELP to effectively restrict or exclude the right to receive true and full information, it would be prudent to expressly do so in the LPA and use clear and unambiguous language in doing so.

2. The Motive or Purpose of the Requesting Limited Partner is Irrelevant

A significant issue is whether GP can refuse a section 22 request from a limited partner by challenging the limited partner’s motive or intentions.

The Court in *In the Matter of Gulf Investment Corporation et al v The Port Fund LP et al – FSD 235 of 2019 and FSD 13 of 2020 (RPJ)* concluded that the intentions or motives for a limited partner's request for information are irrelevant. This was supported by the principle that because the statutory right of inspection is expressed in unqualified terms, the motives and bona fides of the partner seeking to exercise it, will be irrelevant. There is no duty of good faith on the limited partner with respect to such requests. Section 19(2) of the ELP Act states that (subject to any express provisions of the LPA to the contrary) a limited partner does not owe any fiduciary duty in exercising any of its rights or authorities or otherwise in performing any of its obligations under the LPA to the ELP or any other partner.

There is no requirement for a limited partner to provide reasons for the initial information request. It is only if there is a proper basis for contending that categories of information demanded fall outside the operation of section 22 that a limited partner's right would fail. For example, this would be where the information sought clearly did not relate to the business and financial affairs of the ELP. However, the CICA in the *Abraaj case* was of the view that once a GP provides information about what documents exist in response to a section 22 request, the onus shifts to the LP to explain why those documents are insufficient, or to identify other documents that exist and would be just as material as those identified by the GP. The LP cannot simply identify a particular document and demand all other documents falling within the same category. A fact-specific investigation is required as to what else is necessary to comply with the statutory obligation. Relevant factors to consider in this investigation will be (i) the nature of the ELP's business, (ii) its mode of conduct, and (iii) the terms of the governing documents read in the light of current business practice.

3. Guiding Principles for Section 22 Information Requests:

- i. **Ongoing Nature of the Obligation.** Once a limited partner makes a relevant demand under section 22, the GP has an ongoing obligation to provide the material, provided it falls within the section. This means the duty does not lapse once a response is given; it continues as new relevant information becomes available.
- ii. **Initial breadth of requests.** In ordinary circumstances, the GP may be required to accept a limited partner's request for information, however widely expressed and this will most likely be the case because of the conceptual difficulty of applying section 22 without knowing what documentation actually exists.
- iii. **Shifting of the evidential burden.** The CICA in the *Abraaj case* was of the view that if the GP provides information about what documents exist, the onus will shift to the limited partner to indicate in what respects the available documentation is insufficient and the existence of other documents which would be just as material as those provided. It will not

be sufficient for the limited partner simply to identify the existence of a particular document and demand all documents falling within that category.

- iv. **The “functional test.”** The CICA held in the *Abraaj case* that the test is a functional one, with the focus being on the function of the documents that actually exist, and more broadly, whether the information sought is properly required to allow the limited partner a “comprehensive understanding” of the state of the business and of its investment in it, and of the risks attaching to that investment.
- v. **Relief must address “real and substantial” issues.** Once it is established in principle that relief should be granted, the Court should also be satisfied that any disclosure order made is appropriate to address “real and substantial” issues (and not merely theoretical issues).
- vi. **Third-party information subject to reasonableness.** In an appropriate case, the Court does have power to require the GP to obtain information within its power from third parties (e.g. service providers), provided this can be done without incurring unreasonable expense.
- vii. **Rejection of the Grand Court’s “Level Playing Field” Approach.** The CICA held that the Judge’s observations in the Grand Court hearing of the *Abraaj case* – to the effect that section 22 is a “very wide target to aim at” and entitles a limited partner to be put on a “level playing field” – was an overly broad interpretation of the scope of section 22. The CICA decision confirms that there are limitations to the statutory entitlement under section 22. The entitlement does not extend to the limited partner being entitled to “everything” that the GP and/or Manager can obtain, or require them to provide “everything they had or could get”.
- viii. **Summary Judgment is not appropriate.** The CICA also indicated that disputes relating to section 22 information requests are not appropriate for disposal by summary judgment where the GP has arguable defences which will have to be tested. The factual disputes over whether documents had already been provided, existed at all, or were necessary need to be resolved at trial.

4. Practical Implications of the *Abraaj case*.

The CICA’s decision could represent a shift towards balancing the interests of GPs, following a previous run of decisions which tended to be pro-investor. Going forward:

- GPs should maintain proper accounts with supporting documentation, as providing these will go a long way toward discharging their section 22 obligations;
- LPs cannot simply identify that a document exists and demand everything in that category. They must demonstrate the insufficiency of what has already been provided and

- Courts will apply a purposive, functional, fact-sensitive approach, with no one-size-fits-all answer.

Further Assistance

This publication is not intended to be a substitute for specific legal advice or a legal opinion. If you require further advice relating to the matters discussed in this Briefing, please contact us. We would be delighted to assist.

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