

Limited Partnerships Act 1907

Chapter 24

1 Short title

This Act may be cited for all purposes as the Limited Partnerships Act 1907.

3 Interpretation of terms

In the construction of this Act the following words and expressions shall have the meanings respectively assigned to them in this section, unless there be something in the subject or context repugnant to such construction—

“Firm,” “firm name,” and “business” have the same meanings as in the Partnership Act 1890;

“General partner” shall mean any partner who is not a limited partner as defined by this Act.

4 Definition and constitution of limited partnership

- (1) Limited partnerships may be formed in the manner and subject to the conditions by this Act provided.
- (2) A limited partnership must consist of one or more persons called general partners, who shall be liable for all debts and obligations of the firm, and one or more persons to be called limited partners, who may make one or more capital contributions (whether in cash or in kind) to the firm at any time, and who shall not be liable for the debts or obligations of the firm beyond the amount of that limited partner’s capital contributions (if any) (and without recourse to the personal assets of that limited partner other than such capital contributions).
- (3) Subject to any agreement to the contrary among the partners, where a limited partner has made one or more capital contributions to the firm, that limited partner is entitled to withdraw all or any portion of its capital in the firm at any time. Subject to any agreement to the contrary among the partners and subject to any enactment or rule of law relating to insolvency, a limited partner that withdraws all or a portion of its capital contribution shall have no liability to return the amount so withdrawn to satisfy the debts and obligations of the firm.
- (4) A body corporate may be a limited partner.

5 Registration of limited partnership required

Every limited partnership must be registered as such in accordance with the provisions of this Act.

6 Modifications of general law in case of limited partnerships

- (1) A limited partner shall not take part in the management of the partnership business, and shall not have power to bind the firm,

Provided that a limited partner may by himself or his agent at any time inspect the

books of the firm and examine into the state and prospects of the partnership business, and may advise with the partners thereon.

If a limited partner takes part in the management of the partnership business he shall be liable for all debts and obligations of the firm incurred while he so takes part in the management as though he were a general partner.

- (2) A limited partnership shall not be dissolved by the death or bankruptcy of a limited partner, and the lunacy of a limited partner shall not be a ground for dissolution of the partnership by the court unless the lunatic's share cannot be otherwise ascertained and realised.
- (3) In the event of a dissolution of a limited partnership, and subject to any order made by the Court providing for a different arrangement or procedure—
 - (a) subject to any agreement among the partners to the contrary, the general partners shall wind up the affairs of the limited partnership or shall appoint a suitably qualified person (which may be a third party) to do so; and
 - (b) if there are no general partners then, subject to any agreement among the partners to the contrary, the limited partners shall wind up the affairs of the limited partnership or shall appoint a suitably qualified person (which may be a third party) to do so.
- (5) Subject to any agreement expressed or implied between the partners—
 - (a) Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the general partners;
 - (b) A limited partner may, with the consent of the general partners, assign his share in the partnership, and upon such an assignment the assignee shall become a limited partner with all the rights of the assignor;
 - (c) The other partners shall not be entitled to dissolve the partnership by reason of any limited partner suffering his share to be charged for his separate debt;
 - (d) A person may be introduced as a partner without the consent of the existing limited partners;
 - (e) A limited partner shall not be entitled to dissolve the partnership by notice.
- (6) A limited partner shall not be treated as taking part in the management of the partnership business merely by doing one or more of the following—
 - (a) taking part in a decision about the variation of the partnership agreement;
 - (b) taking part in a decision about whether to approve or veto—
 - (i) a type of investment;
 - (ii) a particular investment by the limited partnership; or
 - (iii) the participation by the relevant limited partner in a particular investment by the limited partnership;

- (c) taking part in a decision about whether the general nature of the partnership business should change;
- (d) taking part in a decision about whether to dispose of the partnership business or to acquire another business;
- (e) taking part in a decision about whether a person should become or cease to be a partner;
- (f) taking part in a decision about whether the term of the limited partnership should end, and/or whether the limited partnership should be wound up;
- (g) taking part in a decision about how the limited partnership should be wound up;
- (h) enforcing his rights under the partnership agreement (unless those rights are to carry out management functions);
- (i) approving the accounts of a limited partnership;
- (j) approving the valuation of the limited partnership's assets;
- (k) being engaged under a contract by the limited partnership or by a general partner in the limited partnership (unless the contract is to carry out managerial functions);
- (l) acting in his capacity as a director, member or employee of, or a shareholder in, a general partner or any person appointed to manage or advise the limited partnership in relation to the affairs of the limited partnership;
- (m) taking part in a decision which involves actual or potential conflicts of interests that affect or relate to the limited partnership or its business or any partner in the limited partnership;
- (n) discussing the prospects of the partnership business;
- (o) consulting or advising a general partner, or the general partners, or any person appointed to manage the limited partnership in relation to the affairs of the limited partnership or advising in relation to the activities of the limited partnership or about its accounts (including doing so as a member of an advisory committee of the limited partnership);
- (p) taking part in any decision regarding any changes in the persons responsible for the day-to-day management of the limited partnership;
- (q) taking part in any decision authorising any action by or on behalf of the limited partnership that is not otherwise prohibited by the terms of the partnership agreement; and
- (r) inspecting the books of the limited partnership and examining into the state and prospects of the partnership business, and advising partners thereon.

The fact that a limited partner undertakes, or engages in, any activity not expressly referred to above shall not necessarily constitute that limited partner as taking part in

the management of the partnership business.

7 Law as to private partnerships to apply where not excluded by this Act

Subject to the provisions of this Act, the Partnership Act 1890 and the rules of equity and of common law applicable to partnerships, except so far as they are inconsistent with the express provisions of the last-mentioned Act, shall apply to limited partnerships.

Notwithstanding the preceding sentence, and subject to any agreement among the partners to the contrary, limited partners shall not be subject to the duties contained in sections 28 and 30 of the Partnership Act 1890, or subject to equitable and common law duties (if any) of similar effect.

8 Duty to register

The registrar shall register a limited partnership if an application is made to the registrar in accordance with section 8A.

8A Application for registration

- (1) An application for registration must—
 - (a) specify the firm name, complying with section 8B, under which the limited partnership is to be registered;
 - (b) contain the details listed in subsection (2);
 - (c) be signed or otherwise authenticated by or on behalf of each partner; and
 - (d) be made to the registrar.
- (2) The required details are—
 - (a) the name of each general partner;
 - (b) the address of the proposed principal place of business of the limited partnership; and
 - (c) an election as to whether the limited partnership is to have legal personality (such an election being irrevocable and not subject to change).

8B Name of limited partnership

- (1) This section sets out conditions which must be satisfied by the firm name of a limited partnership as specified in the application for registration.
- (2) The name must end with—
 - (a) the words “limited partnership” (upper or lower case, or any combination); or
 - (b) the abbreviation “LP” (upper or lower case, or any combination, with or without punctuation).

8C Certificate of registration

- (1) On registering a limited partnership the registrar shall issue a certificate of registration.
- (2) The certificate must be—
 - (a) signed by the registrar; or
 - (b) authenticated with the registrar's seal.
- (3) The certificate must state—
 - (a) the firm name of the limited partnership given in the application for registration;
 - (b) the limited partnership's registration number;
 - (c) the date of registration; and
 - (d) that the limited partnership is registered as a limited partnership under this Act.
- (4) The certificate is conclusive evidence that a limited partnership came into existence on the date of registration.
- (5) Where the application for registration of a limited partnership includes, in accordance with Section 8A, an election that the limited partnership have legal personality, then the certificate of registration shall specify that the limited partnership has legal personality and the certificate shall be conclusive evidence of such legal personality.

9 Registration of changes in partnerships

- (1) If during the continuance of a limited partnership any change is made or occurs in—
 - (a) the firm name;
 - (c) the principal place of business;
 - (d) the general partners or the name of any general partner,a statement, signed by the firm, specifying the nature of the change shall within seven days be sent by post or delivered to the registrar.
- (2) If default is made in compliance with the requirements of this section, the registrar may impose a fine not exceeding level 2 on the standard fines scale on each of the general partners.

13 Registrar to file statement and issue certificate of registration

On receiving any statement made in pursuance of this Act the registrar shall cause the same to be filed, and he shall provide the firm from whom such statement shall have been received a certificate of the registration thereof.

14 Register and index to be kept

- (1) The registrar shall keep a register and an index of all the limited partnerships registered as aforesaid, and of all the statements registered in relation to such partnerships.
- (2) The Registrar shall be empowered to—
 - (a) remove a limited partnership from the register and index, on receipt by the Registrar of an application from the general partners of the limited partnership (or from the former general partners of the limited partnership in the case of a dissolved limited partnership) confirming that the limited partnership is to be removed from the register and index (and where applicable that the limited partnership has been dissolved) by, and in accordance with, the agreement of the partners;
 - (b) remove a limited partnership from the register and index on its own initiative upon or following the dissolution of the limited partnership;
 - (c) make a correction to the register and index in respect of a limited partnership, on receipt by the Registrar of an application from the general partners of that limited partnership or as may be directed by the Court.
- (3) In relation to each registered limited partnership, the register and index shall specify whether or not that limited partnership has legal personality.

15 The registrar

- (1) The Registrar is the registrar of limited partnerships.
- (2) In this Act references to the registrar are to be read as references to the Registrar established under the ADGM Founding Law.

16 Inspection of statements registered

- (1) Any person may inspect the statements filed by the registrar; and any person may require a certificate of the registration of any limited partnership, or a copy of or extract from any registered statement, to be certified by the registrar, in each case for such fee as the registrar may from time to time determine.
- (2) A certificate of registration or a copy of or extract from any statement registered under this Act, if duly certified to be a true copy under the hand of the registrar (whom it shall not be necessary to prove to be the registrar) shall, in all legal proceedings, and in all cases whatsoever be received in evidence.

17 Power to Board to make rules

The Board may make rules concerning any of the following matters—

- (b) The duties or additional duties to be performed by the registrar for the purposes of this Act;
- (c) The performance by assistant registrars and other officers of acts by this Act required to be done by the registrar;

- (d) The forms to be used for the purposes of this Act;
- (e) Generally, the conduct and regulation of registration under this Act and any matters incidental thereto.