

PARTNERSHIP AMENDMENT ACT, 1984**CHAPTER 7**

Assented to March 30, 1984.

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

1. Section 48 of the *Partnership Act*, R.S.B.C. 1979, c. 312, is repealed and the following substituted:

Interpretation**48.** In this Part

"certificate" means a certificate filed under section 51 and includes all amendments made to the certificate;

"partnership agreement" includes all amendments made to the agreement;

"security issuer" means security issuer as defined in the *Securities Act*;

"superintendent" means superintendent as defined in the *Securities Act*.

2. Section 51 is repealed and the following substituted:

Formation of limited partnership

51. (1) A limited partnership is formed when there is filed with the registrar a certificate, signed by each person who is, on the formation of the partnership, to be a general partner.

(2) A certificate shall state

- (a) the business name under which the limited partnership is to be conducted,
- (b) the general nature of the business carried on or intended to be carried on,
- (c) the full name and resident address of each general partner or, in the case of a general partner other than an individual, the name and address in the Province,
- (d) the term for which the limited partnership is to exist,
- (e) the aggregate amount of cash and the nature and fair value of any other property to be contributed by all of the limited partners,
- (f) the aggregate amount of any additional contributions agreed to be made by limited partners and the times at which or events on the happening of which the additional contributions are to be made, and
- (g) the basis on which limited partners are to be entitled to share profits or receive other compensation by way of income on their contributions.

(3) A certificate may state the full name and last known resident address of a limited partner or, in the case of a limited partner other than an individual, the name and address in the Province.

(4) Where a partnership agreement contains provisions respecting

- (a) the times when contributions of limited partners are to be returned,
- (b) the right of a limited partner to substitute an assignee as contributor in his place, and the terms and conditions of the substitution,
- (c) the right to admit additional limited partners,

- (d) the extent to which one or more of the limited partners has greater rights than the others,
- (e) the right of a remaining general partner to continue the business on the bankruptcy, death, retirement, mental incompetence or dissolution of a general partner,
- (f) the right of a limited partner to demand and receive property other than cash in return for his contribution, or
- (g) the right of the limited partners or any of them to admit an additional general partner to the partnership or to permit or require a general partner to retire from the partnership,

the certificate filed in respect of that agreement shall also contain provisions respecting those matters.

3. Section 54 (2) is repealed and the following substituted:
 - (2) A limited partnership shall keep at its registered office
 - (a) a register showing in alphabetical order for each limited partner
 - (i) the full name and last known resident address of each limited partner or, in the case of a limited partner other than an individual, the name and address in the Province, and
 - (ii) where the participation by limited partners is defined by percentage interests or by the number of units or other similar rights held by them, the percentage interest or the number and class of units or other rights held,
 - (b) a copy of the certificate of limited partnership and each amendment made to it, and
 - (c) a copy of the partnership agreement and each amendment made to it.
4. Section 54 (3) is amended by striking out "The records" and substituting "Subject to subsection (3.1), the records".
5. Section 54 is amended by adding the following subsection:
 - (3.1) The records kept under subsection (2) by a limited partnership which is a security issuer must be available for inspection and copying during ordinary business hours at the request of any person.
6. Section 58 is amended
 - (a) by striking out "A limited partner has" and substituting "Subject to subsection (2), a limited partner has", and
 - (b) by renumbering it as section 58 (1) and by adding the following:
 - (2) The superintendent may, in whole or in part, exempt a limited partnership which is a security issuer from the rights granted under subsection (1) (a) or (b), or both, where he considers that it is in the public interest to do so.
7. Section 60 is amended
 - (a) in subsection (2) by adding ", with respect to anything done under subsection (1)," after "having",
 - (b) by adding the following subsection:
 - (2.1) For the purposes of this section, a claim described in subsection (2) does not include a claim for a return of capital contributions. , and
 - (c) by repealing subsection (3).

8. Section 61 is repealed and the following substituted:

Limited partners' rights as between themselves

61. (1) Subject to subsection (2), limited partners, in relation to one another, share in the limited partnership assets in respect of

- (a) their claims
 - (i) for capital, and
 - (ii) for profits or compensation by way of income on their contributions in proportion to the respective amounts of their claims, and
- (b) all claims, other than those referred to in paragraph (a), equally.

(2) Where there is more than one limited partner, the partnership agreement may provide that one or more of the limited partners is to have greater rights than the other limited partners as to

- (a) the return of contributions,
- (b) profits or compensation by way of income on their contributions, or
- (c) any other matter.

9. Section 62 is amended

- (a) in subsection (1) (c) by striking out "set forth" and substituting "reflect", and
- (b) by adding the following subsection:

(5) Where one or more partners of a limited partnership make an application seeking to have the partnership dissolved and wound up, and where the court considers that the applicant is entitled to the relief sought, the court may, in addition to any other relief it may give, order on terms it considers appropriate that, instead of dissolution and winding up, the interest in the partnership of each partner making the application be purchased by the partnership.

10. Section 65 is repealed and the following substituted.

Admission of additional limited partners

65. An additional limited partner shall not be admitted to a limited partnership except in accordance with the partnership agreement and by entry in the register under section 54 (2) (a).

11. Section 66 is repealed and the following substituted:

Assignments

66. (1) A limited partner shall not assign his interest, in whole or in part, in the limited partnership unless

- (a) all the limited partners and all the general partners consent or the partnership agreement permits it, and
- (b) the assignment is made in accordance with the terms of the consent or partnership agreement, as the case may be.

(2) An assignee of the interest, in whole or in part, of a limited partner does not become a limited partner in the limited partnership until his ownership of the assigned interest is entered in the register referred to in section 54 (2) (a), and until so entered he has none of the rights of a limited partner exercisable against the partnership or against any of the partners other than the assignor.

(3) Subject to subsection (4), on becoming a limited partner, an assignee acquires the rights and powers and is subject to all the restrictions and liabilities that his assignor had in respect of the assigned interest immediately before the assignment.

(4) On becoming a limited partner, an assignee does not acquire the liabilities of the assignor of which the assignee is unaware and which are not specified in the certificate or in the partnership agreement, as the case may be.

(5) Subject to subsection (6), an assignor is not released from liability under section 63 or 74 or from a liability referred to in subsection (4).

(6) Subject to subsection (4), where a limited partnership is not a security issuer and an interest, in whole or in part, is assigned and at the time that the assignment is entered under subsection (2) an unpaid contribution in respect of it—

(a) is not due, and

(b) has no due date fixed,

the assignee is solely liable for that unpaid contribution.

(7) Where a limited partnership is a security issuer and an interest, in whole or in part, is to be assigned and at the time that the assignment is to be entered under subsection (2) an unpaid contribution in respect of it

(a) is not due, and

(b) has no due date fixed,

the superintendent shall require the assignor to observe any requirement of the superintendent to make the assignee aware of that unpaid contribution, and the assignee is solely liable where the assignor complies with that requirement, but the assignee is not liable in any other case.

12. Section 70 (1) is amended

(a) in paragraph (a) by striking out “contribution of a limited partner” and substituting “contributions of limited partners”,

(b) by repealing paragraphs (b) and (c), and

(c) by repealing paragraph (j) and substituting the following:

(j) necessary to reflect accurately the partnership agreement as amended from time to time.

13. Section 70 (2) and (3) is repealed and the following substituted:

(2) An amendment to a certificate with respect to matters referred to in subsection (1) or section 51 (2), (3) or (4) is not effective until a revised form of certificate incorporating the amendment and certified as correct under subsection (3) of this section is filed with the registrar.

(3) For the purposes of subsection (2), certification as correct or as being a true copy shall be made by

(a) every general partner who is not withdrawing involuntarily, and

(b) in the case of an amendment to substitute or add a general partner, the person to be substituted or added.

14. Section 78 is amended by adding the following subsections:

(3) Notwithstanding section 8 and unless the partnership agreement otherwise provides, where a general partner executes a document under seal or otherwise, on behalf of the limited partnership or its members under authority granted by the partnership agreement,

- (a) that general partner shall be conclusively deemed to have the authority under which he purports to act, and
 - (b) the executed document shall be conclusively deemed to be validly executed.
- (4) Subsection (3) applies notwithstanding
- (a) the death or incapacity of any limited partner,
 - (b) the fact that the execution of the partnership agreement by any partner was not under seal, or
 - (c) that any limited partner is not named, as limited partner or otherwise, as a party to the executed document referred to in subsection (3) (b).

Consequential Amendment

Logging Tax Act Amendment

15. Section 6 of the *Logging Tax Act*, R.S.B.C. 1979, c. 248, is amended by adding "Subject to subsection (2)," at the beginning of the section, by renumbering it as section 6 (1). and by adding the following subsection.

(2) A general partner in a limited partnership may, with the approval of the commissioner and where no tax is payable for the taxation year, file a single return on behalf of all limited partners in the partnership, and where he does so, the limited partners need not file returns in respect of that partnership.

Commencement

16. This Act comes into force by regulation of the Lieutenant Governor in Council.