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## **PARTNERSHIP ACT**

### **[RSBC 1996] CHAPTER 348**

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### **Definitions**

#### **1** In this Act:

**"business name"** means the name under which a business is carried on or is to be carried on and includes a firm name;

**"firm"** is the collective term for persons who have entered into partnership with one another;

**"firm name"** means the style or name under which the business of a firm is carried on;

**"principal place of business"** means the principal premises in British Columbia where the business is or is to be carried on;

**"registrar"** means the registrar of companies appointed under the *Business Corporations Act*;

**"writ of execution"** includes an order for seizure and sale issued under the Small Claims Rules.

## **Part 1 — The Nature of Partnership**

### **Partnership defined**

- 2** Partnership is the relation which subsists between persons carrying on business in common with a view of profit.

### **Persons who are not a partnership**

**3** The relation between members of a company or association that is

- (a) incorporated under an Act for the time being in force and relating to the incorporation of joint stock companies, or licensed or registered under an Act relating to the licensing or registration of extraprovincial companies, or
- (b) formed or incorporated by or under any other statute or letters patent or Royal Charter

is not a partnership within the meaning of this Act.

**Rules for determining partnership**

**4** In determining whether a partnership does or does not exist, regard must be had to the following rules:

- (a) joint tenancy, tenancy in common, joint property, common property or part ownership does not of itself create a partnership as to any property that is so held or owned, whether the tenants or owners do or do not share any profits made by the use of the property;
- (b) the sharing of gross returns does not of itself create a partnership, whether the persons sharing the returns have or have not a joint or common right or interest in property from which or from the use of which the returns are derived;
- (c) the receipt by a person of a share of the profits of a business is proof in the absence of evidence to the contrary that he or she is a partner in the business, but the receipt of a share, or of a payment contingent on or varying with the profits of a business, does not of itself make him or her a partner in the business, and in particular
  - (i) the receipt by a person of a debt or other liquidated amount by installments or otherwise out of the accruing profits of a business does not of itself make him or her a partner in the business or liable as a partner,
  - (ii) a contract for the remuneration of an employee or agent of a person engaged in a business by a share of the profits of the business does not of itself make the employee or agent a partner in the business or liable as a partner,
  - (iii) the spouse or child of a deceased partner who receives by way of annuity a portion of the profits made in the business in which the deceased person was a partner is not merely because of the receipt a partner in the business or liable as a partner,
  - (iv) the advance of money by way of loan to a person engaged or about to engage in a business, on a contract between that person and the lender under which the lender is to receive a rate of interest varying with the profits or is to receive a share of the profits arising from carrying on the business, does not of itself make the lender a partner with the person carrying on the business or liable as a partner, as long as the contract is in writing and signed by or on behalf of all the parties to it, and
  - (v) a person receiving by way of annuity or otherwise a portion of the

profits of a business in consideration of the sale by him or her of the goodwill of the business is not, merely because of the receipt, a partner in the business or liable as a partner.

### **Creditors priorities after loan or sale of goodwill**

**5** If a person to whom money has been advanced by way of loan on a contract referred to in section 4, or if a buyer of a goodwill in consideration of a share of the profits of the business, is insolvent and enters into an arrangement to pay his or her creditors less than 100¢ on the dollar, or dies in insolvent circumstances, the lender of the loan is not entitled to recover anything in respect of his or her loan, and the seller of the goodwill is not entitled to recover anything in respect of the share of profits contracted for, until the claims of the other creditors of the borrower or buyer for valuable consideration in money or money's worth have been satisfied.

## **Part 2 — General Partnerships**

### **Definitions**

**6** In this Part:

"**business**" includes every trade, occupation or profession;

"**court**" includes every court and judge having jurisdiction in the case;

"**partnership property**" means property and rights and interests in property

(a) originally brought into the partnership stock,

(b) acquired, whether by purchase or otherwise, on account of the firm, or

(c) acquired for the purposes and in the course of the partnership business.

### **Liability of partners**

**7** (1) A partner is an agent of the firm and the other partners for the purpose of the business of the partnership.

(2) The acts of every partner who does any act for carrying on in the usual way business of the kind carried on by the firm of which he or she is a member bind the firm and his or her partners, unless

(a) the partner so acting has in fact no authority to act for the firm in the particular matter, and

(b) the person with whom he or she is dealing either knows that the partner has no authority, or does not know or believe him or her to be a partner.

### **Acts or instruments in firm name**

**8** (1) An act or instrument relating to the business of the firm and done or executed in the firm name, or in any other manner showing an intention to bind the firm, by any person

authorized to do so, whether a partner or not, is binding on the firm and all the partners.

(2) This section does not affect any general rule of law relating to the execution of deeds or negotiable instruments.

### **No pledge of credit for nonfirm business**

**9** (1) If one partner pledges the credit of the firm for a purpose apparently not connected with the firm's ordinary course of business, the firm is not bound unless the partner is in fact specially authorized by the other partners.

(2) This section does not affect any personal liability incurred by an individual partner.

### **Notice of restriction of power of partner**

**10** If it has been agreed between the partners that a restriction is to be placed on the power of any one or more of them to bind the firm, an act done in contravention of the agreement is not binding on the firm with respect to persons having notice of the agreement.

### **Liability of partners for firm debts**

**11** A partner in a firm is liable jointly with the other partners for all debts and obligations of the firm incurred while he or she is a partner, and after his or her death his or her estate is also severally liable in a due course of administration for those debts and obligations, so far as they remain unsatisfied, but subject to the prior payment of his or her separate debts.

### **Liability of firm**

**12** If, by any wrongful act or omission of any partner acting in the ordinary course of the business of the firm or with the authority of his or her partners, loss or injury is caused to any person who is not a partner in the firm or any penalty is incurred, the firm is liable for that loss, injury or penalty to the same extent as the partner so acting or omitting to act.

### **Liability for misapplication**

**13** A firm must make good any loss arising in the following cases:

- (a) if one partner acting within the scope of his or her apparent authority receives the money or property of a third person and misapplies it;
- (b) if a firm in the course of its business receives money or property of a third person, and the money or property so received is misapplied by one or more of the partners while it is in the custody of the firm.

### **Liability under 2 preceding sections**

**14** A partner is jointly and severally liable with his or her partners for everything for which the firm, while he or she is a partner in it, becomes liable under either section 12 or 13.

### **Liability for trust funds**

**15** (1) If a partner, who is a trustee, improperly employs trust property in the business or on the account of the partnership, no other partner is liable for the trust property to the persons beneficially interested in it.

(2) This section does not affect any liability that is incurred by any partner because of his or her having notice of a breach of trust.

(3) Nothing in this section prevents trust money from being followed and recovered from the firm if it is still in its possession or under its control.

### **Person representing himself or herself as partner**

**16** (1) A person who, by words spoken or written, or by conduct, represents himself or herself, or who knowingly allows himself or herself to be represented, as a partner in a particular firm is liable as a partner to any one who has, on the faith of any such representation, given credit to the firm.

(2) Subsection (1) applies whether the representation has or has not been made or communicated to the person so giving credit by or with the knowledge of the apparent partner making the representation or allowing it to be made.

(3) If, after a partner's death, the partnership business is continued in the old firm name, the continued use of that name, or of the deceased partner's name, as part of it does not of itself make his or her executor's or administrator's estate or effects liable for any partnership debts contracted after his or her death.

### **Partner's evidence**

**17** An admission or representation made by any partner concerning the partnership affairs, if made in the ordinary course of its business, is evidence against the firm.

### **Notice to partner**

**18** Notice to any partner who habitually acts in the partnership business of any matter relating to partnership affairs operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner.

### **Liability of partners**

**19** (1) A person who is admitted as a partner into an existing firm does not become liable to the creditors of the firm for anything done before he or she became a partner.

(2) A partner who retires from a firm does not cease to be liable for partnership debts or obligations incurred before his or her retirement.

(3) A retiring partner may be discharged from any existing liabilities by an agreement to that effect between the retiring partner and the members of the firm as newly constituted and the creditors.

(4) An agreement under subsection (3) may be either express or inferred as a fact from the course of dealing between the creditors and the firm as newly constituted.

### **Effect of change in constitution on guaranty**

**20** A continuing guaranty or cautionary obligation given to a firm or to a third person in respect of the transactions of a firm is, in the absence of agreement to the contrary, revoked as to future transactions by any change in the constitution of the firm to which, or of the firm in respect of the transactions of which, the guaranty or obligation was given.

### **Variation of rights and duties by consent**

**21** The mutual rights and duties of partners, whether ascertained by agreement or defined by this Part, may be varied by the consent of all the partners and the consent may be either express or inferred from a course of dealing.

### **Fairness and good faith**

**22** (1) A partner must act with the utmost fairness and good faith towards the other members of the firm in the business of the firm.

(2) The duties imposed by this section are in addition to, and not in derogation of, any enactment or rule of law or equity relating to the duties or liabilities of partners.

### **Application of partnership property**

**23** (1) Subject to subsection (2), all partnership property must be held and applied by the partners exclusively for the purposes of the partnership and in accordance with the partnership agreement.

(2) The legal estate or interest in land that belongs to the partnership devolves according to its nature and tenure and the general rules of law applicable to it, but in trust so far as necessary, for the persons beneficially interested in the land under this section.

(3) If co-owners of an estate or interest in any land, that is not partnership property, are partners as to profits made by the use of that land or estate, and purchase other land or estate out of the profits to be used in a similar manner, the land or estate so purchased belongs to them, in the absence of an agreement to the contrary, not as partners, but as co-owners for the same respective estates and interests as are held by them in the land or estate first mentioned at the date of the purchase.

### **Property bought with firm money**

**24** Unless the contrary intention appears, property bought with money belonging to a firm is deemed to have been bought on account of the firm.

### **Partnership property treated as personalty**

**25** If land or any heritable interest in it has become partnership property, it must, unless the contrary intention appears, be treated as between the partners, including the representative of a deceased partner, and also as between the heirs of a deceased partner and his or her executors or administrators, as personal or movable and not real or heritable estate.

## **Execution against partnership property**

- 26** (1) A writ of execution must not issue against partnership property except on a judgment against the firm.
- (2) The Supreme Court within its territorial jurisdiction, may,
- (a) on the application by summons of any judgment creditor of a partner, make an order charging that partner's interest in the partnership property and profits with payment of the amount of the judgment debt and interest on it, and
  - (b) by the same or a subsequent order appoint a receiver of that partner's share of profits, whether already declared or accruing, and of any other money that may be coming to him or her in respect of the partnership, and direct all accounts and inquiries, and give all other orders and directions that might have been directed or given if the charge had been made in favour of the judgment creditor by the partner, or that the circumstances of the case may require.
- (3) The other partner or partners is or are at liberty at any time to redeem the interest charged, or, in case of a sale being directed, to purchase it.

## **Rules for determining rights and duties of partners in relation to partnership**

- 27** Subject to any agreement express or implied between the partners, the interests of partners in the partnership property and their rights and duties in relation to the partnership must be determined by the following rules:
- (a) all the partners are entitled to share equally in the capital and profits of the business and must contribute equally towards the losses, whether of capital or otherwise, sustained by the firm;
  - (b) the firm must indemnify every partner in respect of payments made and personal liabilities incurred by him or her
    - (i) in the ordinary and proper conduct of the business of the firm, or
    - (ii) in or about anything necessarily done for the preservation of the business or property of the firm;
  - (c) a partner making, for the purpose of the partnership, any actual payment or advance beyond the amount of capital that he or she has agreed to subscribe is entitled to interest at a fair rate from the date of the payment or advance;
  - (d) a partner is not entitled, before the ascertainment of profits, to interest on the capital subscribed by him or her;
  - (e) every partner may take part in the management of the partnership business;
  - (f) a partner is not entitled to remuneration for acting in the partnership business;
  - (g) a person may not be introduced as a partner without the consent of all existing partners;
  - (h) any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners, but no change may be made in the nature of the partnership business without the consent of all existing

partners;

(i) the partnership books are to be kept at the place of business of the partnership, or the principal place, if there is more than one, and every partner may, when he or she thinks fit, have access to and inspect and copy any of them;

(j) a partner may refer a difference concerning the interpretation or application of the partnership agreement to arbitration for a final and binding decision under the *Commercial Arbitration Act*.

### **Majority cannot expel partner**

**28** A majority of the partners can not expel any partner unless a power to do so has been conferred by express agreement between the partners and the power is exercised in good faith.

### **Ending the partnership**

**29** (1) If no set term has been agreed on for the duration of the partnership, any partner may end the partnership at any time on giving notice to all the other partners of his or her intention to do so.

(2) If the partnership has originally been constituted by deed, a notice in writing, signed by the partner giving it, is sufficient for this purpose.

### **Continuation of partnership after expiry**

**30** (1) If a partnership entered into for a set term is continued after the term has expired, and without any express new agreement, the rights and duties of the partners remain the same as they were at the expiration of the term, so far as is consistent with the incidents of the partnership at will.

(2) A continuance of the business by the partners or those of them as habitually acted in it during the term, without any settlement or liquidation of the partnership affairs, is presumed to be a continuance of the partnership.

### **Partners must render accounts**

**31** Partners are bound to render true accounts and full information of all things affecting the partnership to any partner or his or her legal representatives.

### **Partner must account for benefits**

**32** (1) A partner must account to the firm for any benefit derived by the partner without the consent of the other partners from any transaction concerning the partnership, or from any use by the partner of the partnership property, name or business connection.

(2) This section applies also to transactions undertaken, after a partnership has been dissolved by the death of a partner and before the affairs of the partnership have been completely wound up, by any surviving partner or by the representatives of the deceased partner.

### **Profits of partner carrying on similar business**

**33** If a partner, without the consent of the other partners, carries on any business of the same nature as and competing with that of the firm, the partner must account for and pay over to the firm all profits made by him or her in that business.

### **Assignment by partner of a share**

**34** (1) An assignment by any partner of the partner's share in the partnership, either absolute or by way of mortgage or redeemable charge, does not, as against the other partners, entitle the assignee, during the continuance of the partnership, to interfere in the management or administration of the partnership business or affairs, or to require any accounts of the partnership transactions or to inspect the partnership books, but entitles the assignee only to receive the share of profits to which the assigning partner would otherwise be entitled, and the assignee must accept the account of profits agreed to by the partners.

(2) In case of a dissolution of the partnership, whether as respects all the partners or as respects the assigning partner, the assignee is entitled to receive the share of the partnership assets to which the assigning partner is entitled as between that partner and the other partners and, for the purpose of ascertaining that share, to an account as from the date of the dissolution.

(3) The assignee may enforce his or her rights under subsection (2) against the assigning partner, the other partners, or both.

### **Dissolution of partnership**

**35** (1) Subject to any agreement between the partners, a partnership is dissolved

- (a) if entered into for a set term, by the expiration of that term,
- (b) if entered into for a single adventure or undertaking, by the termination of that adventure or undertaking, or
- (c) if entered into for an undefined time, by any partner giving notice to the other or others of his or her intention to dissolve the partnership.

(2) In a case referred to in subsection (1) (c) the partnership is dissolved as from the date mentioned in the notice as the date of dissolution or, if no date is so mentioned, as from the date of the communication of the notice.

### **Dissolution by bankruptcy, death, dissolution of partner or charging order**

**36** (1) On the death, bankruptcy or dissolution of a partner,

- (a) a partnership of 2 partners is dissolved, and
- (b) subject to agreement among the partners, a partnership of more than 2 partners is dissolved as between the bankrupt, dead or dissolved partner and the other partners.

(2) If the share in the partnership property of a partner is charged under section 26 for the separate debt of the partner, the other partners may by notice in writing to the partner

whose share is charged,

- (a) dissolve the partnership, or
- (b) if there are 3 or more partners, dissolve the partnership as between the partner whose share is charged and the other partners.

(3) A notice under subsection (2) takes effect at the time specified in the notice or immediately if no time is specified.

### **Dissolution by event making business unlawful**

**37** A partnership is in every case dissolved by the happening of any event which makes it unlawful for the business of the firm to be carried on, or for the members of the firm to carry it on, in partnership.

### **Power of court to decree dissolution in certain cases**

**38** (1) On application by a partner, the court may decree a dissolution of the partnership in any of the following cases:

- (a) if a partner is declared under the *Patients Property Act* to be incapable of managing his or her affairs or if it is shown that a partner is, because of mental infirmity, incapable of discharging his or her duties as a partner;
- (b) when a partner, other than the partner suing, becomes in any other way permanently incapable of performing his or her part of the partnership contract;
- (c) when a partner, other than the partner suing, has been guilty of conduct that, in the opinion of the court, regard being had to the nature of the business, is calculated to affect prejudicially the carrying on of the business;
- (d) when a partner, other than the partner suing, wilfully or persistently commits a breach of the partnership agreement or otherwise so conducts himself or herself in matters relating to the partnership business that it is not reasonably practicable for the other partner or partners to carry on the business in partnership with him or her;
- (e) when the business of the partnership can only be carried on at a loss;
- (f) whenever circumstances have arisen that, in the opinion of the court, render it just and equitable that the partnership be dissolved.

(2) If there are 3 or more partners, the partnership may be dissolved or may be dissolved as between the partner whose condition or conduct gave rise to the application and the remaining partners.

### **Change in firm**

**39** (1) If a person deals with a firm after a change in its constitution, the person is entitled to treat all apparent members of the old firm as still being members of the firm until the person has notice of the change.

(2) An advertisement in the Gazette as to a firm is notice to persons who had no dealings with the firm before the date of the advertised dissolution or change.

(3) The estate of a partner who dies or who becomes insolvent, or of a partner who, not having been known to the person dealing with the firm to be a partner, retires from the firm, is not liable for partnership debts contracted after the date of the death, insolvency or retirement.

## **Dissolution**

**40** On the dissolution of a partnership or the retirement of a partner, any partner may publicly notify the other partners or the retiring partner and may require the other partner or partners to concur for that purpose in all necessary or proper acts, if any, that cannot be done without his, her or their concurrence.

## **Authority of partners after dissolution**

**41** (1) Subject to subsections (2) and (3), after the dissolution of a partnership, the authority of each partner to bind the firm and the other rights and obligations of the partners continue despite the dissolution so far as may be necessary to wind up the affairs of the partnership, and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise.

(2) The firm is not bound by the acts of a partner who has become insolvent.

(3) Subsection (2) does not affect the liability of any person who has after the insolvency represented himself or herself or knowingly allowed himself or herself to be represented as a partner of the insolvent.

## **Application of assets on dissolution**

**42** (1) On the dissolution of a partnership, every partner is entitled, as against the other partners in the firm and all persons claiming through them in respect of their interests as partners,

(a) to have the property of the partnership applied in payment of the debts and liabilities of the firm, and

(b) to have the surplus assets after the payment applied in payment of what may be due to the partners respectively after deducting what may be due from them as partners to the firm.

(2) For the purposes of subsection (1), any partner or the partner's representatives may, on the termination of the partnership, apply to the court to wind up the business and affairs of the firm.

## **Return of premium**

**43** If one partner has paid a premium to another on entering into a partnership for a set term, and the partnership is dissolved before the expiration of that term otherwise than by the death of a partner, the court may order the repayment of the premium, or of a part of it as it thinks just, having regard to the terms of the partnership contract and to the length of time during which the partnership has continued, unless

(a) the dissolution is, in the judgment of the court, wholly or chiefly due to the

misconduct of the partner who paid the premium, or

(b) the partnership has been dissolved by an agreement containing no provision for a return of any part of the premium.

### **Rescission of partnership for fraud**

**44** If a partnership contract is rescinded on the ground of the fraud or misrepresentation of one of the parties to it, the party entitled to rescind is, without prejudice to any other right, entitled

(a) to a lien on, or a right to retention of, the surplus of the partnership assets, after satisfying the partnership liabilities, for any sum of money paid by him or her for the purchase of a share in the partnership and for any capital contributed by him or her,

(b) to stand in the place of the creditors of the firm for any payments made by him or her in respect of the partnership liabilities, and

(c) to be indemnified by the person committing the fraud or making the representation against all the debts and liabilities of the firm.

### **Rights where partnership dissolved by death or retirement**

**45** (1) Subject to subsections (2) and (3), if any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with its capital or assets without any final settlement of accounts as between the firm and the outgoing partner or his or her estate, then, in the absence of any agreement to the contrary, the outgoing partner or the estate is entitled, at the option of himself or herself or his or her representatives, to

(a) the share of the profits made since the dissolution that the court may find to be attributable to the use of his or her share of the partnership assets, or

(b) interest at a fair rate on the amount of his or her share of the partnership assets.

(2) If, by the partnership contract, an option is given to surviving or continuing partners to purchase the interest of a deceased or outgoing partner and that option is exercised, the estate of the deceased partner, or the outgoing partner or his or her estate is not entitled to any further or other share of profits.

(3) If any partner, assuming to act in exercise of an option referred to in this section, does not in all material respects comply with the terms of it, he or she is liable to account under this section.

### **Debts at date of dissolution or death**

**46** Subject to any agreement between the partners, the amount due from surviving or continuing partners to an outgoing partner, or the representatives of a deceased partner, in respect of the outgoing or deceased partner's share, is a debt accruing at the date of the dissolution or death.

## Settlement of accounts on dissolution

**47** Subject to any agreement, in settling accounts between the partners after a dissolution of partnership, the following rules must be observed:

- (a) losses, including losses and deficiencies of capital, must be paid first out of profits, next out of capital, and lastly, if necessary, by the partners individually in the proportion in which they were entitled to share profits;
- (b) the assets of the firm, including the sums, if any, contributed by the partners to make up losses or deficiencies of capital, must be applied in the following manner and order:
  - (i) in paying the debts and liabilities of the firm to persons who are not partners;
  - (ii) in paying to each partner rateably what is due from the firm to that partner for advances as distinguished from capital;
  - (iii) in paying to each partner rateably what is due from the firm to that partner in respect of capital;
  - (iv) the ultimate residue, if any, must be divided among the partners in the proportion in which profits are divisible.

## Part 3 — Limited Partnerships

### Definitions

**48** In this Part:

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

**"executive director"** means the executive director appointed under section 8 of the *Securities Act*;

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

**"reporting issuer"** means reporting issuer as defined in the *Securities Act*.

### Application of Part

**49** The provisions of this Act must in the case of limited partnerships be read subject to this Part.

### Limited partnership

**50** (1) Subject to this Part, a limited partnership may be formed to carry on any business that a partnership without limited partners may carry on.

(2) A limited partnership consists of

- (a) one or more persons who are general partners, and

- (b) one or more persons who are limited partners.

### **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 must state the following:

- (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 residential address of each general partner or, in the case of a general partner other than an individual, the name and address in British Columbia;
- (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;
- (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 residential address of a limited partner or, in the case of a limited partner other than an individual, the name and address in British Columbia.

(4) If a partnership agreement contains provisions respecting any of the following, the certificate filed in respect of that agreement must also contain provisions respecting those matters:

- (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 or her 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;
- (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.

## General and limited partners

**52** (1) A person may be a general partner and a limited partner at the same time in the same limited partnership.

(2) A person who is at the same time a general partner and a limited partner has the same rights and powers and is subject to the same restrictions as a general partner but in respect of the person's contribution as a limited partner, the person has the rights against the other partners that the person would have had if he or she were not also a general partner.

## Name of partnership

**53** (1) The business name of each limited partnership must end with the words "Limited Partnership" in full or the French language equivalent.

(2) The surname of a limited partner must not appear in the firm name of the limited partnership unless

(a) that surname is also the surname of one of the general partners, or

(b) the business of the limited partnership has been carried on under that name before the admission of that partner as a limited partner.

(3) The corporate name or a significant part of the corporate name of a limited partner must not appear in the firm name of a limited partnership unless the business of the limited partnership has been carried on under that name before the admission of that corporate partner as a limited partner.

(4) A limited partner whose surname or corporate name appears in the firm name contrary to subsection (2) or (3) is liable as a general partner to any creditor of the limited partnership who has extended the credit without actual knowledge that the limited partner is not a general partner.

## Registered office

**54** (1) A limited partnership must have a registered office in British Columbia.

(2) A limited partnership must keep at its registered office

(a) a register showing in alphabetical order for each limited partner

(i) the full name and last known residential address of each limited partner or, in the case of a limited partner other than an individual, the name and address in British Columbia, and

(ii) if 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.

(3) Subject to subsection (4), the records kept under subsection (2) must be available for inspection and copying during ordinary business hours at the request of a partner and, in

the case of the list of names and addresses of the partners, any other person.

(4) The records kept under subsection (2) by a limited partnership that is a reporting issuer must be available for inspection and copying during ordinary business hours at the request of any person.

(5) A limited partnership must give notice in writing to the registrar

(a) of the location of the registered office at the time the certificate is filed under section 51 (1), and

(b) promptly, of every change in the location of the registered office.

### **Contribution of limited partner**

**55** (1) A limited partner may contribute money and other property to the limited partnership, but not services.

(2) A limited partner's interest in the limited partnership is personal property.

### **Rights of general partners**

**56** A general partner in a limited partnership has all the rights and powers and is subject to all the restrictions and liabilities of a partner in a partnership without limited partners except that, without the written consent to or ratification of the specific act by all the limited partners, a general partner has no authority to do any of the following:

(a) to do an act which makes it impossible to carry on the business of the limited partnership;

(b) to consent to a judgment against the limited partnership;

(c) to possess limited partnership property, or to dispose of any rights in limited partnership property, for other than a partnership purpose;

(d) to admit a person as a general partner or to admit a person as a limited partner, unless the right to do so is given in the certificate;

(e) to continue the business of the limited partnership on the bankruptcy, death, retirement, mental incompetence or dissolution of a general partner, unless the right to do so is given in the certificate.

### **Liability of limited partner**

**57** Except as provided in this Part, a limited partner is not liable for the obligations of the limited partnership except in respect of the amount of property he or she contributes or agrees to contribute to the capital of the limited partnership.

### **Rights of limited partner**

**58** (1) Subject to subsection (2), a limited partner has the same right as a general partner to do any of the following:

(a) to inspect and make copies of or take extracts from the limited partnership books at all times;

(b) to be given, on demand, true and full information of all things affecting the limited partnership and to be given a formal account of partnership affairs whenever circumstances render it just and reasonable;

(c) to obtain dissolution and winding up of the limited partnership by court order.

(2) The executive director may, in whole or in part, exempt a limited partnership from the rights granted under subsection (1) (a) or (b) or both if the executive director considers that it is in the public interest to do so.

### **Share of profits**

**59** (1) Subject to this Act and the partnership agreement, a limited partner has the right

(a) to a share of the profits or other compensation by way of income, and

(b) to have his or her contribution to the limited partnership returned.

(2) A limited partner may receive from the limited partnership the share of the profits or the compensation by way of income stipulated for in the certificate if, after payment is made, whether from the property of the limited partnership or that of a general partner, the limited partnership assets exceed all the limited partnership liabilities, except liabilities to limited partners on account of their contributions and to general partners.

### **Business dealings by partner with partnership**

**60** (1) A limited partner may lend money to, borrow money from and transact business with the limited partnership.

(2) Unless the limited partner is also a general partner, a limited partner having, with respect to anything done under subsection (1), a claim against the assets of the limited partnership may receive a proportionate share of the assets along with other creditors.

(3) For the purposes of this section, a claim described in subsection (2) does not include a claim for a return of capital contributions.

### **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) If 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.

### **Return of limited partner's contribution**

- 62** (1) A limited partner is not entitled to receive from a general partner or out of the limited partnership property any part of his or her contribution until
- (a) all liabilities of the limited partnership, excepting liabilities to general partners and to limited partners on account of their contributions, have been paid or there remains sufficient limited partnership property to pay them,
  - (b) the consent of all partners is obtained, unless the return of the contribution may be rightfully demanded under subsection (2), and
  - (c) the certificate is cancelled or amended to reflect the withdrawal or reduction.
- (2) Subject to subsection (1), a limited partner may rightfully demand the return of his or her contribution
- (a) on the dissolution of the limited partnership,
  - (b) when the time specified in the certificate for its return has arrived, or
  - (c) after he or she has given 6 months' notice in writing to all other partners, if no time is specified in the certificate either for the return of the contribution or for the dissolution of the limited partnership.
- (3) A limited partner has, despite the nature of his or her contribution, only the right to demand and receive cash in return for it, unless
- (a) there is a statement to the contrary in the certificate, or
  - (b) all the partners consent to some other manner of returning the contribution.
- (4) A limited partner is entitled to have the limited partnership and its affairs wound up if
- (a) the limited partner rightfully but unsuccessfully demands the return of his or her contribution, or
  - (b) the other liabilities of the limited partnership have not been paid, or the limited partnership property is insufficient for their payment as required by subsection (1) (a), and the limited partner seeking dissolution would otherwise be entitled to the return of his or her contribution.
- (5) If one or more partners of a limited partnership make an application seeking to have the partnership dissolved and wound up, and if 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.

### **Limited partner's liability to partnership**

- 63** (1) A limited partner is liable to the limited partnership
- (a) for the difference, if any, between the amount of his or her contribution as actually made and the amount stated in the certificate as having been made, and
  - (b) for any unpaid contribution that he or she agreed in the certificate to make in

the future at the time and on the conditions, if any, stated in the certificate.

(2) A limited partner holds as trustee for the limited partnership

- (a) specific property stated in the certificate as contributed by him or her but that has not in fact been contributed or that has been wrongfully returned, and
- (b) money or other property wrongfully paid or conveyed to him or her on account of his or her contribution.

(3) Subject to subsection (4), the liabilities of a limited partner as set out in this section may be waived or compromised, only with the consent of all partners.

(4) A waiver or compromise agreed to under subsection (3) does not affect the right of a creditor of the limited partnership to enforce a liability arising from credit that was extended or a claim that arose

- (a) subsequent to the filing of the certificate by which the limited partnership was formed, but
- (b) before the cancellation or amendment of the certificate by which the waiver or compromise was effected.

(5) If a limited partner has rightfully received the return, in whole or in part, of the capital of his or her contribution, he or she is nevertheless liable to the limited partnership for any sum, not in excess of that return with interest, necessary to discharge the limited partnership's liabilities to all creditors who extended credit or whose claims otherwise arose before the return.

### **Liability to creditors**

**64** A limited partner is not liable as a general partner unless he or she takes part in the management of the business.

### **Admission of additional limited partners**

**65** An additional limited partner must 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).

### **Assignments**

**66** (1) A limited partner must not assign his or her 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.

(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 or her ownership of the assigned interest is entered in the register referred to in section 54 (2) (a), and until so entered he or she

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 or her 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.

(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), if a limited partnership is not a reporting 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 set,

the assignee is solely liable for that unpaid contribution.

(7) If a limited partnership is a reporting 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 set,

the executive director must require the assignor to observe any requirement of the executive director to make the assignee aware of that unpaid contribution, and the assignee is solely liable if the assignor complies with that requirement, but the assignee is not liable in any other case.

### **Dissolution of limited partnership**

**67** The bankruptcy, retirement, death, mental incompetence or dissolution of a general partner dissolves a limited partnership unless the business is continued by the remaining general partners

(a) under a right specified in the certificate, or

(b) with the consent of all the remaining partners.

### **Death of limited partner**

**68** (1) The executor or administrator of the estate of a deceased limited partner has

(a) all the rights and powers of a limited partner for the purpose of settling the estate of the deceased limited partner, and

(b) the powers under section 66 that the deceased person held.

(2) The estate of a deceased limited partner is liable for all his or her liabilities as a limited partner.

## **Cancellation of certificate**

**69** A certificate must be cancelled when

- (a) the limited partnership is wound up, or
- (b) no person remains a limited partner in the partnership.

## **Amendment of certificate**

**70** (1) A certificate must be amended when any of the following circumstances occur:

- (a) there is a change in the name of the limited partnership or in the amount or character of the contributions of limited partners not provided for in the certificate;
- (b) a person is added as a general partner;
- (c) a general partner becomes bankrupt, retires, dies, becomes mentally incompetent or is dissolved and the business is continued under section 67;
- (d) there is a change in the nature of the business of the limited partnership;
- (e) a false or erroneous statement is discovered in the certificate;
- (f) there is a change in the time as stated in the certificate for the dissolution of the limited partnership or for the return of a contribution;
- (g) a time is set for the dissolution of the limited partnership or for the return of a contribution, no time having been specified in the certificate;
- (h) it is necessary to reflect accurately the partnership agreement as amended from time to time.

(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 must 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.

## **Order directing cancellation or amendment of certificate**

**71** (1) If a person designated by section 70 as being a person who must sign a notice to cancel or amend a certificate refuses to do so, a person desiring the cancellation or amendment may apply to the Supreme Court for an order directing the cancellation or amendment.

(2) On hearing an application brought under subsection (1), the court, if it finds that the applicant is entitled to have the notice in question signed, must by order direct the registrar to record the cancellation or amendment of the certificate as set out in the order.

### **Time cancellation or amendment takes effect**

**72** A certificate is cancelled or amended when there is filed with and recorded in the office of the registrar

- (a) a notice signed as required by this Part, or
- (b) a certified copy of a court order made under section 71.

### **Settling accounts on dissolution**

**73** If accounts are settled after the dissolution of a limited partnership, the liabilities of the partnership to creditors, excepting

- (a) to limited partners on account of their contributions, and
- (b) to general partners

must be paid first and then, subject to a statement in the certificate or to subsequent agreement, the other liabilities of the partnership must be paid in the following order:

- (c) to limited partners in respect of the capital of their contributions;
- (d) to limited partners in respect of their share of the profits and other compensation by way of income on their contributions;
- (e) to general partners other than for capital and profits;
- (f) to general partners in respect of capital;
- (g) to general partners in respect of profits.

### **Effect of false statement in certificate**

**74** If a certificate contains a false statement, a person suffering loss as a result may hold liable as a general partner every party to the certificate who

- (a) knew when he or she signed the certificate that the statement relied on was false, or
- (b) became aware, subsequent to the time when he or she signed the certificate, but within a sufficient time before the false statement was relied on to enable him or her to have the certificate cancelled or amended and failed to promptly have the certificate cancelled or amended.

### **Liability of person mistakenly believing he or she is a limited partner**

**75** A person who contributes to the capital of a business conducted by a person or partnership mistakenly believing that he or she has become a limited partner in a limited partnership

- (a) is not, by exercising the rights of a limited partner, a general partner with the person or in the partnership carrying on the business, and
- (b) is not bound by the obligations of the person or partnership carrying on the business

if, on ascertaining the mistaken nature of his or her belief, he or she promptly renounces his or her interest in the profits or other compensation by way of income from the business.

## **Judgment against limited partner**

- 76** (1) On application by a judgment creditor of a limited partner the Supreme Court may
- (a) charge the interest of the indebted limited partner with payment of the unsatisfied amount of the judgment debt,
  - (b) appoint a receiver of that interest, and
  - (c) make all other orders, directions and inquiries that the circumstances of the case require.
- (2) Property of a limited partnership may not be disposed of in order to obtain the release of a charge created under subsection (1).
- (3) The remedies conferred by subsection (1) are additional to others that may exist in law or equity.

## **Parties to proceedings**

- 77** In a legal proceeding against a limited partnership it is not necessary to name any of the limited partners.

## **Authority to sign**

- 78** (1) A general or proposed general partner or limited or proposed limited partner may give written authority to a person to execute on his or her behalf a document under this Part.
- (2) A document executed under an authority referred to in subsection (1) must be filed with the registrar and a copy of the authority must be filed with it.
- (3) Despite section 8 and unless the partnership agreement otherwise provides, if 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 is conclusively deemed to have the authority under which he or she purports to act, and
  - (b) the executed document is conclusively deemed to be validly executed.
- (4) Subsection (3) applies despite
- (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) the fact 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).

## **Application to existing partnerships**

- 79** (1) A limited partnership in existence on or before November 24, 1978 may become a limited partnership under this Part on the filing of a certificate under section 51 on or after November 24, 1978 if the certificate states

(a) the amount of the original contribution of each limited partner and the time when the contribution was made, and

(b) that the property of the partnership exceeds the amount sufficient to discharge its liabilities to persons not claiming as general or limited partners by an amount greater than the sum of the contributions of the limited partners.

(2) A limited partnership

(a) in existence on or before November 24, 1978, and

(b) that does not become a limited partnership under this Part,

continues to be governed by sections 48 to 66 of the *Partnership Act* in force on March 28, 1978 and for the purposes of this subsection, those sections are not repealed.

### **Limited partnerships formed outside British Columbia**

**80** (1) A limited partnership formed outside British Columbia may carry on business in British Columbia if it is registered under this Act.

(2) If persons form a limited partnership in and under the laws of a place outside British Columbia, the name under which they carry on business must not be registered unless

(a) the place is designated by the Lieutenant Governor in Council, and

(b) they file with the registrar, in addition to a declaration in prescribed form,

(i) a true copy of the original certificate of limited partnership or equivalent document and of all amendments to it verified by the proper authority of the jurisdiction in which the limited partnership was formed,

(ii) evidence to the satisfaction of the registrar that the limited partnership still exists as a limited partnership in the jurisdiction where it was formed,

(iii) the full names and residential addresses of the general partners, and

(iv) a notice of the location of the registered office required by section 54.

(3) A limited partnership registered under this section or under regulations made in accordance with Part 7 has rights and privileges the same as but no greater than, and is subject to the same duties, restrictions, penalties and liabilities as are imposed on, a limited partnership formed under section 51.

## **Part 4 — Registration of General Partnerships and Proprietorships**

### **Definition**

**80.1** In this Part, "**registration statement**" means

(a) a registration statement in the prescribed form, or

(b) prescribed information submitted to the registrar in the prescribed manner.

### **Duty of general partnership to file registration statement**

**81** (1) All persons associated in partnership for trading, manufacturing or mining purposes

must, unless the firm has been registered as a limited liability partnership under Part 6, cause to be filed with the registrar a registration statement.

(2) Any person who has received the approval of all of the partners of a firm to do so may, on behalf of the partners, submit, in the prescribed manner, a registration statement to the registrar for filing in relation to the firm.

(3) If a registration statement submitted to the registrar for filing under subsection (2) is satisfactory to the registrar, the registrar must

- (a) maintain the information contained in the registration statement,
- (b) send, by mail, fax or electronic means, to each of the persons identified in the registration statement as partners of the firm, a notice setting out the information contained in the registration statement, and
- (c) acknowledge receipt and filing of the registration statement, and the date it was filed, by sending an acknowledgment by mail, fax or electronic means to the person who submitted the registration statement for filing.

### **Time for filing registration statement**

**82** The registration statement must be filed within 3 months after the formation of the firm.

### **Registration statement must be filed on change and alteration of firm**

**83** (1) A similar registration statement must be filed when and so often as any change or alteration takes place in the membership of the firm or in the firm name.

(2) Every new registration statement filed under subsection (1) must reflect the alteration in the membership of the firm or in the firm name.

(3) [Repealed 2002-17-7.]

### **Allegations in registration statement as evidence**

**84** The allegations contained in a registration statement filed under section 81 or 83 are evidence

- (a) of the existence of the firm referred to in the registration statement,
- (b) that the persons identified as partners in the registration statement are partners of the firm, and
- (c) of any other information contained in those allegations.

### **Rights and liabilities of partners**

**85** (1) [Repealed 2002-17-9.]

(2) Nothing in this section exempts from liability any person who, although a partner, has not been identified as a partner of that firm in a registration statement.

(3) A person referred to in subsection (2), despite not having been identified as a partner of the firm in a registration statement, may be sued jointly with the partners mentioned in the registration statement, or they may be sued alone, and if judgment is recovered against

them, any other partner or partners may be sued jointly or severally in an action on the original cause of action on which the judgment is rendered.

(4) Nothing in this Part is to be construed to affect the rights of any partners with regard to each other.

### **Notice of dissolution**

**86** (1) On the dissolution of a firm, any or all of the persons who composed the firm may, in the prescribed manner, submit to the registrar for filing a notice advising the registrar of the dissolution of the firm.

(2) A notice under subsection (1) must

(a) be in a form that is satisfactory to the registrar, or

(b) if the form of the notice is prescribed, be in the prescribed form.

(3) [Repealed 2002-17-10.]

### **Actions**

**87** (1) If any persons are associated as partners for trading, manufacturing or mining purposes, and no registration statement is filed under this Part with regard to that partnership, any action that might be brought against all the members of the firm may also be brought against any one or more of them, as carrying on or having carried on business jointly with others, without naming those others in the writ or other process, under the name and style of their partnership or firm.

(2) If judgment is recovered against a person referred to in subsection (1), any other partner or partners may be sued jointly or severally on the original cause of action on which the judgment is rendered.

(3) If the action is founded on any obligation or instrument in writing in which all or any of the partners bound by it are named, all the partners named in it must be made parties to the action and a judgment rendered against any member of such existing firm for a firm debt or liability may be executed by process of execution against all and every firm stock, property and effects in the same manner and to the same extent as if the judgment had been rendered against the firm.

### **Trading under firm name implying plurality of partners**

**88** (1) A person who is engaged in business for trading, manufacturing or mining purposes and who is not associated in partnership with any other person or persons but who uses as his or her business name some name or designation other than his or her own name or who in his or her business name uses his or her own name with the addition of "and Company" or some other word or phrase indicating a plurality of members in the business, must file with the registrar within 3 months after the day when the business name is first used, a registration statement in the prescribed form.

(2) [Repealed 2002-17-12.]

### **Names similar to corporation**

- 89** (1) The registrar must not file a certificate under section 51 or a registration statement under section 81, 88, 96 (2) or 115 (2) that contains a business name that
- (a) is the name by which a corporation is incorporated, registered or continued in British Columbia, or
  - (b) so nearly resembles that name that in the opinion of the registrar it is likely to confuse or mislead or is a name of which the registrar, in the registrar's discretion, disapproves.
- (2) The registrar may file a certificate or a registration statement referred to in subsection (1) if
- (a) the corporation consents in writing, or
  - (b) the business name was used by the applicant for registration before the corporation first used its name.

## Indices

- 90** (1) Subject to subsection (6), the registrar must keep 2 indices of the declarations filed under the Act, one to be named the "firm index" and the other the "individual index".
- (2) In the firm index, the registrar must cause to be entered in alphabetical order the styles of the respective firms in respect of which declarations have been filed with the registrar.
- (3) The registrar must cause to be placed opposite to each entry in the firm index the names of the persons composing the firm and the date of receipt by the registrar of each declaration.
- (4) In the individual index the registrar must cause to be entered in alphabetical order the names of each of the members of each firm in respect of which a declaration has been filed with the registrar.
- (5) The registrar must cause to be placed opposite to each entry in the individual index the style of the firm of which the persons are members and the date of receipt by the registrar of each declaration.
- (6) The registrar need not comply with this section in relation to
- (a) a declaration filed under this Act if the information contained in that declaration is maintained by the registrar in a manner contemplated by section 90.2 (2) (b), and
  - (b) a registration statement filed with the registrar under this Act.

## Repealed

**90.1** [Repealed 2002-17-15.]

## Reproduction of records filed with the registrar

- 90.2** (1) If a record is filed with the registrar under this Act, the registrar may have the information contained in that record
- (a) photographed,

(b) stored electronically or digitally in any form the registrar considers appropriate, or

(c) reproduced in any other prescribed manner.

(2) If a record filed with the registrar under this Act, or information contained in such a record, is maintained by the registrar in paper form, the registrar must

(a) maintain the record, or the information contained in the record, in paper form, or

(b) convert the record, or the information contained in the record, into another form under subsection (1), in which event

(i) the registrar must retain the photograph, stored information or reproduction,

(ii) the registrar may destroy the paper form of the record, and

(iii) the photograph, stored information or reproduction is, for all purposes, deemed to be the record or information, as the case may be, photographed, stored or reproduced.

(3) If a record filed with the registrar under this Act, or information contained in such a record, is maintained by the registrar other than in paper form,

(a) any copies of that information or that record that the registrar is required to provide must be provided in paper form or in any other prescribed form, and

(b) any report prepared by the registrar that consists of information contained in that record, if that report is certified by the registrar or by a person designated by the registrar as a signing officer, is admissible in evidence in place of and to the same extent as the portion of the record that contained that information.

## Search of the register

**90.3** Any person may, in the manner and to the extent permitted by the regulations,

(a) conduct a search of the information maintained by the registrar under this Act according to

(i) the name of a firm, or

(ii) the name of a partner,

(b) inspect the records and information maintained by the registrar under this Act,

(c) obtain a copy of all or any part of a record maintained by the registrar under this Act, and

(d) require that a copy of all or part of a record maintained by, or provided or issued by, the registrar under this Act be certified by the registrar or by a person designated by the registrar as a signing officer.

## Misleading statements an offence

**90.4** (1) Subject to subsection (3), a person who makes or assists in making a statement in a registration statement, a notice of dissolution or any other record filed with the registrar

under this Act commits an offence if the statement

- (a) is, at the time and in light of the circumstances under which it is made, false or misleading in respect of any material fact, or
- (b) omits any material fact, the omission of which makes the statement false or misleading.

(2) If a corporation commits an offence under subsection (1), any director or officer of the corporation who knowingly authorized, permitted or acquiesced in the commission of the offence is party to and guilty of the offence.

(3) A person is not guilty of an offence under this section if that person

- (a) did not know that the statement was false or misleading, and
- (b) with the exercise of reasonable diligence, could not have known that the statement was false or misleading.

## Penalty

**90.5** A person who commits an offence under section 90.4 is liable,

- (a) in the case of a person other than an individual, to a fine of not more than \$5 000, or
- (b) in the case of an individual, to a fine of not more than \$2 000.

## Part 5 — Miscellaneous

### Rules of equity and common law

**91** The rules of equity and of common law applicable to partnership continue in force, except so far as they are inconsistent with the express provisions of this Act.

### Power to make regulations

**92** (1) The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*.

(2) [Repealed 1999-32-59.]

(2.1) Without limiting subsection (1) of this section, the Lieutenant Governor in Council may make regulations as follows:

- (a) respecting the manner and form in which, and the method by which, records and information may be provided or submitted to, or provided or certified by, the registrar;
- (b) prescribing records and information that must be provided or submitted to the registrar in, or in conjunction with, any record provided to the registrar or submitted to the registrar for filing, with power to prescribe different records and information for different situations;

(c) respecting the manner in which, and the method by which, records and information may be mailed, sent or otherwise provided, and the requirements that a person must meet to mail, send or otherwise provide or receive records or information in an electronic or other format for the purposes of this Act, with power to prescribe different manners, methods and requirements for different records, information and situations.

(3) Without limiting subsection (1), the Lieutenant Governor in Council may make regulations as follows:

- (a) respecting annual reports;
- (b) respecting prescribed addresses;
- (c) respecting the information that must be included in a registration statement filed under section 81, 88, 96 or 115;
- (d) respecting maximum fee amounts for the purposes of sections 109 (3), 121 (3) and 123 (2);
- (e) respecting the manner in which the registrar is to publish notices that the registrar is required or permitted to publish under this Act, including prescribing different manners of publication for different notices.

## Fees

**93** There must be paid to the registrar the following fees:

(a)	for registration of a business name of a sole proprietor or of a general partnership and certification of a true copy of the registration.....	\$40
(b)	for filing a certificate of limited partnership and certification of a true copy of the registration.....	\$165
(c)	for each search conducted through the B.C. OnLine information service using a person's own computer terminal.....	\$7*
(d)	for each search conducted by a person using a computer terminal provided by the government.....	\$8*
(e)	for each search conducted by government personnel.....	\$10
(f)	for a copy of or extract from a document, for every page or part of a page.....	50¢
(g)	for a certificate of true copy or extract.....	\$25
(h)	for pre-vetting of documents to be filed with the registrar.....	\$100
(i)	for a priority service when offered.....	\$100
(j)	for the search of a maximum of 3 names on application for approval or reservation of a name. The fee will not be refunded if a name is not approved.....	\$30*
(k)	for filing a registration statement under Part 6.....	\$275
(l)	for filing an amendment to a registration statement under Part 6.....	\$30
(m)	for filing an annual report.....	\$35

\*In addition to a fee marked by an asterisk, a further operator fee of \$1.50, plus any tax imposed under Part IX [*Goods and Services Tax*] of the *Excise Tax Act* (Canada) applicable

to the operator fee, may be charged for any transaction done by electronic means from a location outside a government office or at a government office by a person who is not a government employee.

## Part 6 — Limited Liability Partnerships

### Division 1 — Interpretation and Application

#### Definitions

**94** In this Part:

**"delivery address"** means a unique and identifiable location in British Columbia that is accessible to the public during normal business hours for the delivery of records, but does not include a post office box;

**"distribution"** means a transfer by a partnership of some or all of the partnership property to a partner or to an assignee of a partner's share in the partnership;

**"extraprovincial limited liability partnership"** means a foreign partnership that is registered as an extraprovincial limited liability partnership under this Part or under regulations made in accordance with Part 7;

**"filed"** has the same meaning as in the *Business Corporations Act*, and, for that purpose, section 408 of that Act applies;

**"foreign partnership"** means a partnership that has a governing jurisdiction other than British Columbia;

**"general partnership"** means a partnership that

- (a) has British Columbia as its governing jurisdiction, and
- (b) is neither a limited partnership nor a limited liability partnership;

**"governing jurisdiction"** means, in relation to a partnership, the jurisdiction to which the interpretation of the partnership agreement is subject;

**"limited liability partnership"** means a partnership registered as a limited liability partnership under this Part;

**"mailing address"** includes the correct postal code or equivalent, if any;

**"partnership"** includes "firm" unless the context otherwise requires;

**"partnership obligation"** means any debt, obligation or liability of a partnership, other than debts, obligations or liabilities of partners as among themselves or as among themselves and the partnership;

**"profession"** means a profession or occupation that is governed or regulated by

- (a) an Act, and
- (b) a body created by or under an Act;

**"professional partnership"** means a partnership through which one or more persons carry on the practice of a profession;

**"register"** means the information that is maintained by the registrar from records filed or registered with the registrar;

**"registered general partnership"** means a general partnership in relation to which a registration statement is filed under Part 4.

## **Application of Part**

**95** (1) Subject to subsection (2), section 1 and Parts 1, 2, 4 and 5 apply to limited liability partnerships.

(2) Subject to section 129 (5), sections 11, 14, 80.1 to 88, 90 and 90.3 (a) (ii) do not apply to limited liability partnerships.

## **Division 2 — Formation of Limited Liability Partnerships**

### **Application for registration**

**96** (1) Subject to this Part, the partners of a partnership, including, without limitation, the partners of a limited partnership, may apply to register the partnership as a limited liability partnership.

(2) In order for a partnership to be registered as a limited liability partnership, there must be filed with the registrar, on behalf of the partnership, a registration statement in the form established by the registrar.

(3) A registration statement may be filed on behalf of the partnership under subsection (2) by

(a) a person who has received the approval of all of the partners to do so, or

(b) if the partnership agreement authorizes the filing of a registration statement for the partnership under subsection (2), any person.

(4) A registration statement referred to in subsection (2) must

(a) set out

(i) the business name of the partnership, and

(ii) the name that is to be the business name of the partnership after it is registered as a limited liability partnership,

(b) set out the mailing address and delivery address of the office that is to be the registered office of the partnership after it is registered as a limited liability partnership,

(c) if the partnership is a professional partnership,

(i) indicate that fact, and

(ii) confirm that the partnership is authorized, within the meaning of section 97, to register as a limited liability partnership,

- (d) if the partnership is a limited partnership or a registered general partnership, indicate that fact,
- (e) contain a statement that
  - (i) the person submitting the registration statement for filing has received the approval of all of the partners to file that registration statement, or
  - (ii) the partnership agreement authorizes the filing of a registration statement for the partnership under subsection (2), and
- (f) set out any other information required by the regulations.

(5) The allegations contained in a registration statement filed under this section are evidence of the information contained in those allegations.

### **Professional partnerships**

**97** If a partnership that wishes to register as a limited liability partnership is a professional partnership, that partnership must not register as a limited liability partnership unless

- (a) members of that profession are expressly authorized under the Act by which that profession is governed to carry on the practice of the profession through a limited liability partnership, and
- (b) any prerequisites to that authorization that have been established under that Act have been met by the partnership.

### **Registration of limited liability partnership**

**98** (1) If a registration statement submitted to the registrar under section 96 is satisfactory to the registrar, the registrar must

- (a) file the registration statement,
- (b) publish in the prescribed manner a notice of the registration of the partnership as a limited liability partnership, and
- (c) acknowledge receipt and filing of the registration statement, and the date it was filed, by
  - (i) sending an acknowledgement by mail, fax or electronic means to the person who submitted the registration statement for filing, and
  - (ii) sending an acknowledgement and a copy of the registration statement to the registered office of the partnership.

(2) On the filing of a registration statement under this Part, the partnership in relation to which the statement was filed is registered as a limited liability partnership.

### **Registration does not dissolve partnership**

**99** Subject to any agreement among the partners, the registration of a partnership as a limited liability partnership does not cause the dissolution of the partnership, and the limited liability partnership continues as the same partnership that existed before the conversion.

### **Name of partnership**

- 100** A limited liability partnership must have the words "Limited Liability Partnership", "Société à Responsabilité Limitée" or "Société en nom collectif à responsabilité limitée" or the abbreviation "LLP", "SRL" or "SENCRL" as part of and at the end of its business name.

### **Evidence of registration**

- 101** Whether or not the requirements precedent and incidental to registration have been complied with, a notation in the register that a partnership has been registered as a limited liability partnership is conclusive evidence for the purposes of this Act and for all other purposes that the partnership has been duly registered as a limited liability partnership on the date and time shown in the register.

### **Change in partnership does not affect status**

- 102** A change in the partnership does not affect the partnership's status as a limited liability partnership.

## **Division 3 — Effect of Registration**

### **Effect on other registrations**

- 103** (1) In this section:

**"limited partnership"** means a partnership for which a limited partnership certificate is filed under Part 3;

**"limited partnership certificate"** has the same meaning as "certificate" in section 48.

- (2) If a limited partnership is registered as a limited liability partnership,
- (a) the limited partnership certificate for the partnership is cancelled,
  - (b) the partnership ceases to be a limited partnership, and
  - (c) Part 3 ceases to apply to the partnership.
- (3) If a registered general partnership is registered as a limited liability partnership,
- (a) the partnership's registration under Part 4 is cancelled,
  - (b) the partnership ceases to be a registered general partnership, and
  - (c) sections 80.1 to 88, 90 and 90.3 (a) (ii) cease to apply to the partnership.

### **Limited liability for partners**

- 104** (1) Except as provided in this Part, in another Act or in a partnership agreement, a partner in a limited liability partnership
- (a) is not personally liable for a partnership obligation merely because that person is a partner,
  - (b) is not personally liable for an obligation under an agreement between the partnership and another person, and

(c) is not personally liable to the partnership or another partner for an obligation to which paragraph (a) or (b) applies.

(2) Subsection (1) does not relieve a partner in a limited liability partnership from personal liability

(a) for the partner's own negligent or wrongful act or omission, or

(b) for the negligent or wrongful act or omission of another partner or an employee of the partnership if the partner seeking relief

(i) knew of the act or omission, and

(ii) did not take the actions that a reasonable person would take to prevent it.

(3) Subsection (1) does not protect a partner's interest in the partnership property from claims against the partnership respecting a partnership obligation.

### **Partners subject to same obligations as corporate directors**

**105** (1) Partners in a limited liability partnership are personally liable for a partnership obligation if and to the same extent that they would be liable for the obligation if

(a) the obligation was an obligation of a corporation, and

(b) they were directors of that corporation.

(2) Nothing in subsection (1) imposes on partners the duties imposed on directors of corporations at common law or under section 142 of the *Business Corporations Act*.

(3) If a corporation is a partner in a limited liability partnership, the directors of the corporation are jointly and severally liable for any liability imposed on the corporation under subsection (1) of this section or section 104 (2).

(4) Subsection (3) does not apply to a director who dissented to, or took the actions a reasonable person would take to prevent, the act or omission that resulted in the liability.

### **Previous obligations**

**106** Nothing in this Part limits the liability of partners in a limited liability partnership in respect of any partnership obligation that

(a) arose before the partnership became a limited liability partnership, or

(b) arose out of a contract entered into before the partnership became a limited liability partnership.

## **Division 4 — Obligations of Limited Liability Partnerships**

### **Notice to clients**

**107** Promptly after a partnership is registered as a limited liability partnership, the partnership must take reasonable steps to notify all of its existing clients in writing of the registration and the changes, resulting from that registration, in the liability of the partners.

## Registered office

**108** (1) A limited liability partnership must have a registered office in British Columbia.

(2) Without limiting any other enactment, a record may be served on a limited liability partnership by delivering the record to the delivery address, or by mailing it by registered mail to the mailing address, for the registered office of the limited liability partnership.

## Records

**109** (1) A limited liability partnership must keep at its registered office a current and alphabetical list of its partners, including the full name and prescribed address of each partner.

(2) A limited liability partnership must make available for inspection and copying during normal business hours, at the request of any person and on payment by that person of any fee charged under subsection (3),

(a) the list kept under subsection (1), and

(b) a list of the persons, with their prescribed addresses, who were partners in the limited liability partnership on a particular date, specified in the request, that is after the date on which the partnership was registered as a limited liability partnership.

(3) A limited liability partnership may, for any list made available under subsection (2), charge a fee that is not greater than the amount prescribed.

## Annual reports

**110** (1) A limited liability partnership must annually, within 2 months after each anniversary of the date on which the partnership was registered as a limited liability partnership, file with the registrar an annual report in the form established by the registrar at the time and containing information that is current to the most recent anniversary.

(2) A limited liability partnership that has not filed with the registrar one or more annual reports under this Act must remedy that default before filing with the registrar any other annual report under this Act.

## Changes to registration statement

**111** (1) If, at any time, information included in a registration statement under section 96 (4) or this section changes, the limited liability partnership must promptly file an amendment to the registration statement, in the form established by the registrar, indicating the change.

(2) If an amendment is filed under subsection (1) of this section, section 98 (1) applies to the amendment and, for that purpose, a reference in section 98 to a registration statement is deemed to be a reference to that amendment.

## Restrictions on distribution of partnership property

**112** (1) A limited liability partnership

(a) must not make a distribution in connection with winding up its affairs or after

it has ceased to carry on business unless all partnership obligations have been paid or satisfactory provision for their payment has been made, and

(b) in circumstances other than in connection with winding up its affairs, must not make a distribution if the limited liability partnership would, after the distribution, be unable to pay its partnership obligations as they come due in the ordinary course of business.

(2) Despite subsection (1) (a), if a partner has expended money for the benefit of a limited liability partnership or has made a loan to the partnership, other than for or in relation to an acquisition by the partner of an interest in the partnership, the partner is entitled to receive a prorated payment with all other creditors of the same class of the limited liability partnership.

(3) Subsection (1) does not prohibit a payment made as reasonable compensation for current services provided by a partner to the limited liability partnership.

### Recovery of prohibited distributions

**113** (1) A partner in a limited liability partnership who receives a distribution contrary to section 112 (1) is liable to the limited liability partnership for the positive difference between

(a) the lesser of

(i) the value of the partnership property received by the partner, and

(ii) the amount necessary to discharge partnership obligations that existed at the time of the distribution, and

(b) the amount the partner is entitled to receive under section 112 (2) or (3), as the case may be.

(2) Partners in a limited liability partnership who authorize a distribution contrary to section 112 (1) are jointly and severally liable to the limited liability partnership for any amount for which the partner who received the distribution is liable under subsection (1) of this section, to the extent that the amount is not recovered from that partner.

(3) Proceedings to enforce a liability under this section may be brought by the limited liability partnership, any partner in the limited liability partnership or any person to whom the limited liability partnership was obligated at the time of the distribution to which the liability relates.

(4) Proceedings to enforce a liability under this section must be commenced no later than 2 years after the date of the distribution to which the liability relates.

## Division 5 — Extraprovincial Limited Liability Partnerships

### Non-registered status

**114** Whether or not a foreign partnership has, in a jurisdiction other than British Columbia, the status of, or a status equivalent to that of, a limited liability partnership, the liability attributable to the foreign partnership and its partners while the foreign partnership is carrying on business in British Columbia is the same as the liability that is attributable to a general partnership and its partners unless that foreign partnership is registered as an

extraprovincial limited liability partnership.

### Registration of extraprovincial limited liability partnership

**115** (1) Subject to section 116, a foreign partnership that wishes to register as an extraprovincial limited liability partnership may apply to register the foreign partnership as an extraprovincial limited liability partnership if the foreign partnership has the status of, or a status equivalent to that of, a limited liability partnership under the laws of its governing jurisdiction.

(2) In order for a foreign partnership to be registered as an extraprovincial limited liability partnership, there must be filed with the registrar, on behalf of the foreign partnership, a registration statement in the form established by the registrar.

(3) A registration statement may be filed on behalf of a foreign partnership under subsection (2) by

- (a) a person who has received the approval of all of the partners to do so, or
- (b) if the foreign partnership agreement authorizes the filing of a registration statement for the foreign partnership under subsection (2), any person.

(4) A registration statement referred to in subsection (2) must

- (a) set out
  - (i) the business name of the foreign partnership, and
  - (ii) the name that is to be the business name of the foreign partnership after it is registered as an extraprovincial limited liability partnership,
- (b) set out the mailing address and delivery address of the office that is to be the registered office, if any, of the foreign partnership after it is registered as an extraprovincial limited liability partnership,
- (c) identify the governing jurisdiction of the foreign partnership,
- (d) set out the full name, mailing address and delivery address of each person, if any, who is to be an attorney for the foreign partnership after it is registered as an extraprovincial limited liability partnership,
- (e) confirm that the foreign partnership has the status of, or a status equivalent to that of, a limited liability partnership under the laws of its governing jurisdiction,
- (f) if the foreign partnership is a professional partnership,
  - (i) indicate that fact, and
  - (ii) confirm that the foreign partnership is authorized, within the meaning of section 116, to register as an extraprovincial limited liability partnership,
- (g) if the foreign partnership is a limited partnership, indicate that fact,
- (h) contain a statement that
  - (i) the person submitting the registration statement for filing has received the approval of all of the partners to file that registration statement, or
  - (ii) the foreign partnership agreement authorizes the filing of a registration

statement for the foreign partnership under subsection (2), and

(i) set out any other information required by the regulations.

(5) The allegations contained in a registration statement filed under this section are evidence of the information contained in those allegations.

### **Professional partnerships**

**116** If a foreign partnership that wishes to register as an extraprovincial limited liability partnership is a professional partnership, that foreign partnership must not register as an extraprovincial limited liability partnership unless

(a) members of that profession are expressly authorized under the Act by which that profession is governed in British Columbia to carry on the practice of the profession through a limited liability partnership, and

(b) any prerequisites to that authorization that have been established under that Act have been met by the foreign partnership.

### **Application of this Part to extraprovincial limited liability partnerships**

**117** Sections 98, 99, 101, 102 and 111 apply to the registration of an extraprovincial limited liability partnership.

### **Name of partnership**

**118** (1) The business name of an extraprovincial limited liability partnership must

(a) contain the words and abbreviations required under the law of its governing jurisdiction, and

(b) comply with section 100.

(2) In the event of a conflict between the requirements under subsection (1) (a) of this section and the requirements under subsection (1) (b), the requirements under subsection (1) (b) prevail.

### **Effect on other registration**

**119** (1) In this section, "**limited partnership**" means a limited partnership, formed outside British Columbia, that has been registered under section 80 or under regulations made in accordance with Part 7.

(2) If a limited partnership is registered as an extraprovincial limited liability partnership,

(a) the partnership's registration under section 80 or under regulations made in accordance with Part 7 is cancelled, and

(b) section 80 or the regulations made in accordance with Part 7, as the case may be, cease to apply to the partnership.

### **Notice to clients**

**120** Promptly after a foreign partnership is registered as an extraprovincial limited liability

partnership, the foreign partnership must take reasonable steps to notify all of its clients in British Columbia in writing of the registration and the changes, resulting from that registration, in the liability of the partners.

### Registered office

- 121** (1) An extraprovincial limited liability partnership may have a registered office in British Columbia.
- (2) An extraprovincial limited liability partnership that has a registered office in British Columbia must
- (a) keep at that registered office a current and alphabetical list of its British Columbia partners, including the full name and prescribed address of each British Columbia partner, and
  - (b) make available for inspection and copying during normal business hours, at the request of a person and on payment by that person of any fee charged under subsection (3),
    - (i) the list kept under paragraph (a), and
    - (ii) a list of the persons, with their prescribed addresses, who were British Columbia partners in the extraprovincial limited liability partnership on a particular date, specified in the request, that is after the date on which the partnership was registered as an extraprovincial limited liability partnership.
- (3) An extraprovincial limited liability partnership may, for any list made available under subsection (2) (b), charge a fee that is not greater than the amount prescribed.
- (4) Without limiting any other enactment, a record may be served on an extraprovincial limited liability partnership by delivering the record to the delivery address, or by mailing it by registered mail to the mailing address, for the registered office, if any, of the extraprovincial limited liability partnership.

### Attorney to be appointed

- 122** (1) An extraprovincial limited liability partnership that does not have a registered office in British Columbia must have an attorney.
- (2) For the purposes of this Division, the attorney for an extraprovincial limited liability partnership must be
- (a) an individual who is resident in British Columbia, or
  - (b) a company within the meaning of the *Business Corporations Act*.
- (3) The mailing address and delivery address of an attorney must be,
- (a) if the attorney is an individual, the mailing address and delivery address of the office in British Columbia at which the individual can usually be reached during normal business hours, or
  - (b) if the attorney is a company, the mailing address and delivery address of that company's registered office.

## Authorization and obligations of attorneys

### 123 (1) An attorney for an extraprovincial limited liability partnership

- (a) is deemed to be authorized by the extraprovincial limited liability partnership
  - (i) to accept service of process on its behalf in each legal proceeding by or against it in British Columbia, and
  - (ii) to receive each notice to it,
- (b) must keep at the attorney's delivery address a current and alphabetical list of the extraprovincial limited liability partnership's British Columbia partners, including the full name and prescribed address of each British Columbia partner, and
- (c) must make available for inspection and copying during normal business hours, at the request of a person and on payment by that person of any fee charged under subsection (2),
  - (i) the list kept under paragraph (b) of this subsection, and
  - (ii) a list of the persons, with their prescribed addresses, who were British Columbia partners in the extraprovincial limited liability partnership on a particular date, specified in the request, that is after the date on which the partnership was registered as an extraprovincial limited liability partnership.

(2) An attorney may, for any list made available under subsection (1) (c), charge a fee that is not greater than the amount prescribed.

## Annual reports

**124** (1) An extraprovincial limited liability partnership must annually, within 2 months after each anniversary of the date on which the partnership was registered as an extraprovincial limited liability partnership, file with the registrar an annual report in the form established by the registrar at the time and containing information that is current to the most recent anniversary.

(2) An extraprovincial limited liability partnership that has not filed with the registrar one or more annual reports under this Act must remedy that default before filing with the registrar any other annual report under this Act.

## Law of governing jurisdiction applies

**125** (1) Except as provided in another Act, the law of the governing jurisdiction of an extraprovincial limited liability partnership applies

- (a) to the organization and internal affairs of the extraprovincial limited liability partnership, and
- (b) to the liability of the extraprovincial limited liability partnership and its partners for debts, obligations and liabilities of or chargeable to the extraprovincial limited liability partnership or its partners.

(2) Despite subsection (1), a British Columbia partner of an extraprovincial limited liability partnership does not have any greater protection against individual liability with respect to his or her activities in British Columbia than a partner in a limited liability partnership has under Division 3 with respect to his or her activities in British Columbia.

## **Division 6 — Winding Up and Cancellation of Registration**

### **Notice of dissolution**

**126** (1) On the dissolution of a limited liability partnership or an extraprovincial limited liability partnership, the limited liability partnership or extraprovincial limited liability partnership must submit to the registrar for filing a notice, in the form established by the registrar, advising the registrar of the dissolution of the limited liability partnership or extraprovincial limited liability partnership.

(2) For the purposes of subsection (1), any person who was a partner of the limited liability partnership or extraprovincial limited liability partnership at the time of its dissolution may file the required notice.

### **Winding up of limited liability partnership business and affairs**

**127** (1) Despite the dissolution of a limited liability partnership, Division 3 continues to apply to the partnership and its partners until the business and affairs of the limited liability partnership are wound up.

(2) If the affairs of a limited liability partnership are being wound up, the court may, on the application of any interested person, make any order respecting the limited liability partnership that could be made under section 325 of the *Business Corporations Act* respecting a corporation.

### **Winding up of extraprovincial limited liability partnership business and affairs**

**128** Despite the dissolution of an extraprovincial limited liability partnership, section 125 (1) (b) continues to apply to the partnership and its partners until the business and affairs of the extraprovincial limited liability partnership are wound up.

### **Cancellation of registration**

**129** (1) Subject to subsections (2) and (3), the registrar may cancel the registration of

(a) a limited liability partnership if

(i) the limited liability partnership fails, in each of 2 consecutive years, to file an annual report required under section 110,

(ii) there is filed with the registrar a request, in the form established by the registrar, that the registration be cancelled and the request includes a statement that

(A) the person submitting the request for filing has received the approval of all of the partners to file the request, or

(B) the partnership agreement authorizes the filing of a request to

cancel the registration of the partnership as a limited liability partnership,

(iii) the partnership is a professional partnership and the registrar is satisfied that the partnership is not, or is no longer, authorized, under section 97, to register as a limited liability partnership, or

(iv) the partnership requires the authorization of a person or other entity in order to be registered as a limited liability partnership and that person or other entity provides a notice to the registrar stating that that authorization has not been provided or has been revoked, or

(b) an extraprovincial limited liability partnership if

(i) the extraprovincial limited liability partnership fails, in each of 2 consecutive years, to file an annual report required under section 124,

(ii) there is filed with the registrar a request, in the form established by the registrar, that the registration be cancelled and the request includes a statement that

(A) the person submitting the request for filing has received the approval of all of the partners to file the request, or

(B) the foreign partnership agreement authorizes the filing of a request to cancel the registration of the foreign partnership as an extraprovincial limited liability partnership,

(iii) the partnership is a professional partnership and the registrar is satisfied that the partnership is not, or is no longer, authorized, under section 116, to register as an extraprovincial limited liability partnership, or

(iv) the registrar receives a notice from the person who, in the extraprovincial limited liability partnership's governing jurisdiction, holds a position equivalent to the registrar, stating that the extraprovincial limited liability partnership no longer has the status of a limited liability partnership in that jurisdiction.

(2) Before the registrar cancels a registration under subsection (1), the registrar must provide to the limited liability partnership or the extraprovincial limited liability partnership, as the case may be, a letter informing it of the intended cancellation.

(3) At any time later than one month after the date of the letter, the registrar may cancel the registration of the limited liability partnership or the extraprovincial limited liability partnership, as the case may be, unless the default is remedied or the registrar is satisfied that reasonable steps are being taken to remedy the default.

(4) Cancellation of the registration of a limited liability partnership or an extraprovincial limited liability partnership does not dissolve the limited liability partnership or the extraprovincial limited liability partnership, but instead only removes its status as a limited liability partnership or an extraprovincial limited liability partnership, as the case may be.

(5) On the cancellation of the registration of a partnership as a limited liability partnership or an extraprovincial limited liability partnership,

(a) if the partnership has British Columbia as its governing jurisdiction, this Act applies to that partnership as if it were a general partnership and section 104

ceases to apply to the partnership and its partners, and

(b) if the partnership is a foreign partnership, this Act applies to that partnership as if it were a foreign partnership that is not an extraprovincial limited liability partnership and section 125 (1) (b) ceases to apply to the partnership and its partners.

(6) A reference in section 82, as it applies to a partnership under subsection (5) (a) of this section, to "the formation of the firm" is deemed, for the purposes of subsection (5) (a), to be a reference to the cancellation of the partnership's registration as a limited liability partnership.

(7) Cancellation of the registration of a partnership as a limited liability partnership or an extraprovincial limited liability partnership does not affect the liability of a partner in the partnership in respect of any partnership obligation that

(a) arose before the cancellation of the registration of the partnership as a limited liability partnership or an extraprovincial limited liability partnership, or

(b) arose out of a contract entered into before the cancellation of the registration of a partnership as the limited liability partnership or an extraprovincial limited liability partnership.

## Part 7 — Designated Provinces and Extraprovincial Limited Partnerships and Limited Liability Partnerships from Designated Provinces

### Definitions

**130** In this Part:

**"designated province"** means a province designated by the Lieutenant Governor in Council for the purposes of this Part under section 131 (1);

**"extraprovincial limited liability partnership"** means a foreign partnership registered as a limited liability partnership under this Part;

**"extraprovincial registrar"** means a person in a designated province who holds a position that is equivalent to the registrar;

**"foreign partnership"** means a partnership that has a governing province other than British Columbia that is a designated province;

**"limited partnership"** means a foreign partnership registered as a limited partnership under this Part.

### Power to make regulations

**131** (1) The Lieutenant Governor in Council may by regulation designate a province for the purposes of this Part.

(2) Without limiting any other authority of the Lieutenant Governor in Council to make regulations under this Act, the Lieutenant Governor in Council may, in relation to foreign

partnerships, limited partnerships or extraprovincial limited liability partnerships, make regulations as follows:

- (a) respecting the filings that must be made by foreign partnerships, limited partnerships or extraprovincial limited liability partnerships;
- (b) respecting registration and cancellation of registration of foreign partnerships as limited partnerships or extraprovincial limited liability partnerships;
- (c) respecting notice of dissolution of foreign partnerships registered as limited partnerships or extraprovincial limited liability partnerships;
- (d) setting out procedures that the registrar must follow before cancelling the registration of foreign partnerships as limited partnerships or extraprovincial limited liability partnerships;
- (e) respecting changes to filed information that relates to limited partnerships or extraprovincial limited liability partnerships;
- (f) respecting the approval by the registrar of names of foreign partnerships, limited partnerships and extraprovincial limited liability partnerships and setting fees for the approval;
- (g) respecting the requirement of limited partnerships and extraprovincial limited liability partnerships to have an attorney, the functions of an attorney and the appointment or change of attorney;
- (h) establishing the authority and authorization of an attorney, including deemed authorization to accept service of process and notices;
- (i) respecting information that must be kept and maintained by an attorney and to whom and when the information must be made available and fees that may be charged by an attorney for the provision of the information;
- (j) respecting the form or manner in which the registrar may accept records, filings, applications, information, forms, notices and fees
  - (i) in matters governed under this section, and
  - (ii) in respect of foreign partnerships, limited partnerships and extraprovincial limited liability partnerships from a designated province;
- (k) exempting foreign partnerships, limited partnerships or extraprovincial limited liability partnerships from a provision of this Act or from a provision of a regulation made under another section of this Act;
- (l) disapplying a provision of this Act or a provision of a regulation made under another section of this Act in respect of foreign partnerships, limited partnerships or extraprovincial limited liability partnerships.

(3) Without limiting any other authority of the Lieutenant Governor in Council to make regulations under this Act, the Lieutenant Governor in Council may make regulations as follows:

- (a) setting out the powers and duties of the registrar in relation to
  - (i) matters governed by regulations made under this section, and
  - (ii) foreign partnerships, limited partnerships and extraprovincial limited

liability partnerships;

(b) in relation to limited partnerships formed under Part 3 of this Act or limited liability partnerships formed under Part 6 of this Act, respecting the form or manner in which the registrar may collect and transmit records, filings, applications, information, forms, notices and fees to or for an extraprovincial registrar.

(4) A regulation under subsection (2) or (3) may

(a) require that a form be one established by the registrar or allow a form to be one established by the registrar, and

(b) confer a discretion on, or delegate a matter to, the registrar.

(5) If there is a conflict or an inconsistency between a regulation made under this section and a provision of this Act or a provision of a regulation made under another section of this Act, the regulation made under this section prevails.

### **Registrar may enter into agreement**

**132** The registrar may enter into an agreement with an extraprovincial registrar in relation to limited partnerships formed under Part 3 of this Act, limited liability partnerships formed under Part 6 of this Act, foreign partnerships, limited partnerships and extraprovincial limited liability partnerships, to address the following matters:

(a) the collection by the extraprovincial registrar of records, filings, applications, forms, notices, fees or information required under this Act;

(b) the collection by the registrar of records, filings, applications, forms, notices, fees or information required under an enactment similar to this Act;

(c) the transmission of the matters referred to in paragraphs (a) and (b) from the extraprovincial registrar to the registrar and from the registrar to the extraprovincial registrar;

(d) the powers and duties of the registrar and the extraprovincial registrar in relation to a matter referred to in paragraph (a), (b), (c) or (e);

(e) any related matter that the registrar determines is appropriately included in the agreement.