

1970

c 247 Limited Partnerships Act

Ontario

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Bibliographic Citation

Limited Partnerships Act, RSO 1970, c 247

Repository Citation

Ontario (1970) "c 247 Limited Partnerships Act," *Ontario: Revised Statutes*: Vol. 1970: Iss. 3, Article 8.

Available at: <http://digitalcommons.osgoode.yorku.ca/rso/vol1970/iss3/8>

CHAPTER 247

The Limited Partnerships Act

1. A limited partnership for the transaction of any brokerage, financial, mercantile, mechanical, manufacturing or other business in Ontario, except banking, the construction or operation of railways and the business of insurance, may be formed by two or more persons, upon the terms, with the rights and powers, and subject to the conditions and liabilities mentioned in this Act. R.S.O. 1960, c. 215, s. 1.

Formation
of limited
part-
nerships

2. The partnership may consist of one or more persons, who shall be called general partners, and of one or more persons who contribute in actual cash payments a specific sum as capital to the common stock, who shall be called limited partners. R.S.O. 1960, c. 215, s. 2.

Of whom
to consist

3. General partners are jointly and severally responsible as general partners are by law, but limited partners are not liable for the debts of the partnership beyond the amounts by them contributed to the capital. R.S.O. 1960, c. 215, s. 3.

Liability of
general and
limited
partners

4. The general partners only shall be authorized to transact business and sign for the partnership, and to bind it. R.S.O. 1960, c. 215, s. 4.

General
partners
only to
transact
business etc.

5. The persons desirous of forming such a partnership shall make and each of them shall sign a certificate in Form 1, which shall contain,

Certificate

- (a) the name under which the partnership business is to be carried on;
 - (b) the general nature of the business intended to be carried on;
 - (c) the names of all the general and limited partners, distinguishing which are general and which are limited partners, and their usual places of residence;
 - (d) the amount of capital that each limited partner has contributed;
 - (e) the time when the partnership is to commence and the time at which it is to terminate; and
 - (f) the principal place of business of the partnership.
- R.S.O. 1960, c. 215, s. 5.

- Execution **6.** The certificate shall be signed by the persons forming the partnership before a notary public who shall certify to its execution. R.S.O. 1960, c. 215, s. 6.
- Filing and recording
R.S.O. 1970,
c. 340 **7.** The provisions of *The Partnerships Registration Act* and the regulations thereunder, applying to the filing and recording of declarations under that Act, apply to certificates under this Act. 1965, c. 57, s. 1.
- Declaration not required where certificate filed **8.** Where a certificate is filed under this Act, a declaration is not required to be filed under *The Partnerships Registration Act*. R.S.O. 1960, c. 215, s. 8.
- Fees **9.** The registrar is entitled to receive for filing and recording the certificate and for searches the same fees as those provided in section 11 of *The Partnerships Registration Act*. R.S.O. 1960, c. 215, s. 9.
- Partnership not formed until certificate filed **10.** No such partnership shall be deemed to have been formed until the certificate has been made, certified and filed, and if any false statement is made in the certificate, all the members of the partnership are liable for all the engagements thereof as general partners. R.S.O. 1960, c. 215, s. 10.
- Certificates of renewal or continuance **11.** Every renewal or continuance of a partnership beyond the time originally fixed for its duration shall be certified, filed and recorded in the manner required for its original formation, and every partnership otherwise renewed or continued shall be deemed a general partnership. R.S.O. 1960, c. 215, s. 11.
- What alterations to be deemed a dissolution **12.** Every alteration made in the partnership name, in the names of the partners, in the nature of the business, or in the capital or shares thereof, or in any other manner specified in the original certificate shall be deemed a dissolution of the partnership, and every such partnership in any manner carried on after any such alteration has been made shall be deemed a general partnership unless renewed as a limited partnership according to section 11. R.S.O. 1960, c. 215, s. 12.
- Partnership name **13.** The business of the partnership shall be conducted under a name in which the names of one or more of the general partners shall be used, and unless any limited partner whose name is used in the partnership name is clearly designated as a limited partner in a line immediately beneath the name of the partnership upon letterheads, confirmations to customers and statements of account, he shall be deemed a general partner. R.S.O. 1960, c. 215, s. 13.

14. No part of the sum that a limited partner has contributed to the capital shall be withdrawn by him, or paid or transferred to him as dividends, profits or otherwise, during the continuance of the partnership, but any partner may annually receive interest at a rate not exceeding 5 per cent per annum on the sum so contributed by him if the payment of such interest does not reduce the original amount of the capital, and if after the payment of such interest any profits remain to be divided he may also receive his share of such profits. R.S.O. 1960, c. 215, s. 14.

Restrictions upon withdrawal of capital of limited partners

15. If by the payment of interest or profits to a limited partner the original capital has been reduced, he is liable to restore the amount by which his share of the capital has been so reduced with interest. R.S.O. 1960, c. 215, s. 15.

When limited partner liable to refund

16. A limited partner may from time to time examine into the state and progress of the partnership business, and may advise as to its management, and he only becomes liable as a general partner if, in addition to the foregoing, he takes part in the control of the business. R.S.O. 1960, c. 215, s. 16.

Rights and liabilities of limited partners

17. The general partners are liable to account to each other and to the limited partners for their management of the business in like manner as other partners. R.S.O. 1960, c. 215, s. 17.

General partners liable to account

18. In case of the insolvency or bankruptcy of the partnership, a limited partner shall not, under any circumstances, be allowed to claim as a creditor until the claims of all the other creditors of the partnership have been satisfied. R.S.O. 1960, c. 215, s. 18.

Creditors preferred to limited partners

19. No dissolution of a limited partnership by the acts of the parties shall take place before the time specified in the certificate of its formation or of its renewal until a notice of the dissolution has been filed in the office in which the original certificate was filed and has been published once in each week, for three weeks, in a newspaper published in the county or district where the partnership has its principal place of business and for the same time in *The Ontario Gazette*. R.S.O. 1960, c. 215, s. 19.

No premature dissolution without notice, etc.

FORM 1

(Section 5)

CERTIFICATE OF LIMITED PARTNERSHIP

We, the undersigned, do hereby certify that we have entered into partnership under the name of *(B. D. & Co.)* as *(Grocers and Commission Merchants)*, which firm consists of *(A. B.)* residing usually at....., and *(C. D.)* residing usually at....., as general partners; and *(E. F.)*, residing usually at....., and *(G. H.)*, residing usually at....., as limited partners. The said *(E. F.)* having contributed \$..... and the said *(G. H.)* \$..... to the capital of the partnership.

The principal place of business of the partnership is at.....

The partnership is to commence on the..... day of....., 19...., and is to terminate on the..... day of....., 19....

Dated this..... day of....., 19....

(Signed) A. B.
C. D.
E. F.
G. H.

Signed in the presence of me,
L. M.,
Notary Public.

R.S.O. 1960, c. 215, Form 1.