

1914

c 138 Limited Partnership Act

Ontario

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CHAPTER 138.

An Act respecting Limited Partnerships.

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:—

Short title.

1. This Act may be cited as *The Limited Partnership Act*. 10 Edw. VII. c. 67, s. 1.

Formation of limited partnerships.

2. A limited partnership for the transaction of any mercantile, mechanical, manufacturing or other business within Ontario, except banking, the construction or operation of railways or 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 hereinafter mentioned. 10 Edw. VII. c. 67, s. 2.

Of whom to consist.

3. 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 special partners. 10 Edw. VII. c. 67, s. 3.

Liability of general and special partners.

4. General partners shall be jointly and severally responsible as general partners are by law, but special partners shall not be liable for the debts of the partnership beyond the amounts by them contributed to the capital. 10 Edw. VII. c. 67, s. 4.

General partners only to transact business, etc.

5. The general partners only shall be authorized to transact business and sign for the partnership, and to bind the same. 10 Edw. VII. c. 67, s. 5.

Certificate to be signed.

Contents of.

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

- (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 special partners, distinguishing which are general and which are special partners, and their usual places of residence;

- (d) the amount of capital which each special partner has contributed;
- (e) the time when the partnership is to commence and the time at which it is to terminate.
- (f) the principal place of business of the partnership.
10 Edw. VII. c. 67, s. 6.

7. The certificate shall be signed by the persons forming the partnership before a Notary Public who shall certify to the execution of the same. 10 Edw. VII. c. 67, s. 7. Execution of.

8. The certificate so signed and certified shall be filed in the office of the Clerk of the County or District Court of the county or district in which the principal place of business named in the certificate is situate, and shall be recorded by him at full length in a book to be kept for that purpose and open to public inspection. 10 Edw. VII. c. 67, s. 8. Where to be filed.

9. For filing and recording the certificate the Clerk shall be entitled to receive the sum of twenty-five cents, and shall also be entitled to receive from every person searching in the book where such certificate is so recorded the sum of ten cents for each search. 10 Edw. VII. c. 67, s. 9. Fees.

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 shall be liable for all the engagements thereof as general partners. 10 Edw. VII. c. 67, s. 10. Partnership not formed until certificate filed.

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 herein required for its original formation; and every partnership otherwise renewed or continued shall be deemed a general partnership. 10 Edw. VII. c. 67, s. 11. Certificates of renewal or continuance.

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 the provisions of the next preceding section. 10 Edw. VII. c. 67, s. 12. What alterations to be deemed a dissolution. Nature of partnership if continued.

13. The business of the partnership shall be conducted under a name in which the names of the general partners, Partnership name.

or some or one of them only shall be used; and if the name of a special partner is used therein with his privity he shall be deemed a general partner. 10 Edw. VII. c. 67, s. 13.

Restrictions upon withdrawal of capital of special partners.

14. No part of the sum which a special 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 five per centum 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. 10 Edw. VII. c. 67, s. 14.

When special partner liable to refund.

15. If by the payment of interest or profits to a special partner the original capital has been reduced he shall be liable to restore the amount by which his share of the capital has been so reduced with interest. 10 Edw. VII. c. 67, s. 15.

Rights and liabilities of special partners.

16. A special partner may from time to time examine into the state and progress of the partnership business, and may advise as to its management; but he shall not transact any business on account of the partnership or be employed for that purpose as agent or otherwise; and if he does so he shall be deemed a general partner. 10 Edw. VII. c. 67, s. 16.

General partners liable to account.

17. The general partners shall be liable to account to each other and to the special partners for their management of the business in like manner as other partners. 10 Edw. VII. c. 67, s. 17.

Creditors preferred to special partners.

18. In case of the insolvency or bankruptcy of the partnership a special 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. 10 Edw. VII. c. 67, s. 18.

No premature dissolution without notice, etc.

19. No dissolution of such 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 such 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*. 10 Edw. VII. c. 67, s. 19.

FORM 1.

(Section 6.)

CERTIFICATE.

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 Special Partners. The said (*E. F.*) having contributed (\$4,000) and the said (*G. H.*) (\$8,000) to the Capital of the Partnership.

The principal place of business of the Partnership is at _____

The said 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.