

Queensland



PARTNERSHIP (LIMITED LIABILITY) ACT 1988

**Reprinted as in force on 1 December 1992
(includes amendments up to Act No. 40 of 1992)**

Reprint No. 1

**This reprint is prepared by
the Office of the Queensland Parliamentary Counsel
Warning—This reprint is not an authorised copy**

Information about this reprint

This Act is reprinted as at 1 December 1992. As required by section 5 of the *Reprints Act 1992*, it—

- shows the law as amended by all amendments that commenced before that day; and
- incorporates all necessary consequential amendments, whether of punctuation, numbering or another kind.

As required by section 6 of the *Reprints Act 1992*, the reprint includes, in a suitable place, a reference to the law by which each amendment was made—see List of legislation and List of annotations in Endnotes.

The opportunity has also been taken, under section 7 of the *Reprints Act 1992*, to do the following—

- omit the enacting words as permitted by section 7(1)(a) of that Act;
- use citations and references permitted by Division 2 of that Act;
- express gender specific provisions in a way consistent with current legislative drafting practice as permitted by section 24 of that Act;
- correct spelling, and use different spelling consistent with current legislative drafting practice, as permitted by section 26(2) of that Act;
- use punctuation and expressions consistent with current legislative drafting practice as permitted by sections 27 and 29 of that Act;
- use conjunctives and disjunctives consistent with current legislative drafting practice as permitted by section 28 of that Act;
- use aspects of format and printing style consistent with current legislative drafting practice as permitted by section 35 of that Act;
- omit provisions that are no longer required as permitted by sections 36,39 and 40 of that Act;
- omit unnecessary referential words as permitted by section 41 of that Act;
- use the numbering and renumbering of provisions and references permitted by section 43 of that Act;
- correct minor errors as permitted by section 44 of that Act.

Also see Endnotes for—

- **details about when provisions commenced; and**
- **any provisions that have not commenced and are not incorporated in the reprint.**

Queensland



**PARTNERSHIP (LIMITED LIABILITY)
ACT 1988**

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PARTNERSHIP (LIMITED LIABILITY) ACT 1988

[as amended by all amendments that commenced before 1 December 1992²]

An Act to provide for the formation and registration of limited partnerships and for related matters

PART 1—PRELIMINARY

Short title

1. This Act may be cited as the *Partnership (Limited Liability) Act 1988*³⁻⁶.

Commencement

2.(1) Section 1 and this section shall commence on the date of assent.

(2) Except as provided by subsection (1), this Act shall commence on a day appointed by proclamation.

(3) The day so appointed is in this Act referred to as the commencement of this Act.

Interpretation

4.(1) In this Act—

“departure”, in relation to a partner, means death, dissolution of a corporate person, insolvency or retirement;

“general partner” means a partner in a partnership whose liability in connection with the business of the firm is not limited under this Act;

“insolvency” means bankruptcy in relation to a partner who is an individual and an equivalent condition in relation to a partner who is a corporate person;

“liability” means a debt, obligation or other liability of any kind;

“limited partner” means a partner in a limited partnership whose liability to contribute is limited under this Act;

“register” means the register kept by the registrar under section 8;

“registrar” means the chief executive of the department.

(2) This Act shall be read as one with the *Partnership Act 1891* the provision of which shall apply to limited partnerships subject to this Act.

Effect of this Act on application of ss.53–68 of Mercantile Act

5.(1) On and from the commencement of this Act—

- (a) partnerships such as are referred to in section 53 of the *Mercantile Act 1867* shall not be formed under the authority conferred by that section; and
- (b) a partnership formed before the commencement of this Act under the authority conferred by section 53 of the *Mercantile Act 1867* shall not be renewed under the authority conferred by section 59 of that Act; and
- (c) the partners of a partnership formed under the authority conferred by section 53 of the *Mercantile Act 1867* may not extend the time when the partnership is to terminate while the partnership continues under the authority of that Act.

(2) If a change happens in any of the particulars required by section 55 of the *Mercantile Act 1867* to be contained in the certificate referred to in that section, notice of the change shall be given to the registrar within 7 days after the day on which the change happens.

(2A) The registrar shall record every change so notified to the registrar in the record of registrations delivered to the registrar under section 27.

(3) If notice of a change referred to in subsection (2) is not given to the registrar under that subsection, each person who is a partner in the

partnership concerned shall be taken to have failed to give the notice and to have committed an offence against this Act.

PART 2—FORMATION AND MAINTENANCE OF LIMITED PARTNERSHIPS

What is a limited partnership

6.(1) A limited partnership is a partnership—

- (a) that exists between 2 or more persons of whom 1 or more shall be a general partner or general partners and 1 or more shall be a limited partner or limited partners;
- (b) that is formed under this Act.

(2) A corporate person may be a general partner or a limited partner in a limited partnership.

How formed

7.(1) A limited partnership shall be formed upon registration in the office of the registrar of a statement in the prescribed form signed by each person who is to be a partner in the partnership and payment to the registrar of the prescribed fee.

(2) A statement referred to in subsection (1) shall contain the following particulars—

- (a) the firm name;
- (b) the full address in Queensland of the registered office of the firm;
- (c) the full name and address of each partner;
- (d) a statement that the partnership is to be a limited partnership;
- (e) a statement in relation to each limited partner to the effect that he or she is a limited partner whose liability to contribute is limited to the extent of an amount of money specified in the statement;
- (f) such other particulars as are prescribed by regulation.

- (3) A reference in subsection (2) to the address of a partner means—
- (a) in the case of an individual—the individual’s principal place of residence;
 - (b) in the case of a corporate person—its registered office or principal place of business.

Register—proof of registration

8.(1) The registrar shall keep a register of all limited partnerships.

(2) The register shall be kept in such form and manner that it may be inspected at any office of the registrar in the State and shall be available for inspection by any person.

(3) The registrar shall, upon registration of a statement referred to in section 7, and may, afterwards, issue a certificate in the prescribed form as to the formation and composition at any time of the limited partnership to which the statement relates.

(4) A certificate issued under subsection (3)—

- (a) shall be conclusive evidence that the limited partnership to which it refers was formed on the date of registration referred to in the certificate; and
- (b) shall be evidence and, in the absence of evidence to the contrary, conclusive evidence that the partnership to which it refers consists or consisted of the general partners and limited partners named in the certificate as such.

Registration of changes in limited partnership

9.(1) Upon receipt by the registrar of a notice of change, which notice complies with this Act, and payment of the prescribed fee the registrar shall record in the register in respect of the limited partnership concerned a change—

- (a) in the firm name; or
- (b) in the registered office of the firm; or
- (c) consisting in the departure from or admission to the partnership

of a partner; or

- (d) in the name or address of a partner in the partnership; or
- (e) in the liability of a partner because of his or her becoming a limited partner instead of a general partner or a general partner instead of a limited partner or because of an alteration in the amount that the partner is liable to contribute as a limited partner; or
- (f) in any particular referred to in section 7(2)(f).

(2) If a result of a change notified to the registrar would be that the partnership concerned would be so constituted as not to be capable of being a limited partnership as defined in section 6, the registrar shall not record the change in the register, despite subsection (1).

(3) A notice referred to in subsection (1) shall be signed and given—

- (a) by or on behalf of all those who are or will be partners in the partnership after the change takes effect, if the change involves the departure or admission of a partner or the alteration of the extent to which a partner is liable to contribute; or
- (b) by or on behalf of all the general partners in the partnership at the time the change takes effect, in any case other than one referred to in paragraph (a).

(4) A notice under subsection (1) that relates to the admission of a limited partner to the partnership shall contain a statement to the effect that the person admitted is a limited partner whose liability to contribute is limited to the extent of a amount of money specified in the statement.

(5) Despite the happening of any change in relation to a limited partnership that the registrar may record in the register (upon notice of the change) under subsection (1)—

- (a) this Act shall continue to apply to the partnership as a limited partnership; and
- (b) a continuing partner shown on the register as a limited partner shall continue to be a limited partner as so registered.

(6) If a change of which notice may be given under subsection (1) involves the admission of a limited partner to a partnership or an alteration to the extent to which a partner in the partnership is liable to contribute,

being a change arising from agreement between the partners, the change shall not take effect until notice of the change has been given under subsection (1) to the registrar and the registrar has recorded the change in the register.

(7) Despite the departure of a person as a partner from a limited partnership the partner and the partner's estate shall be liable as if that departure had not happened for liabilities incurred by the partnership after the partner's departure unless and until notice of the departure has been given to the registrar under subsection (1) for recording in the register.

(7A) Subsection (7) does not apply in relation to liabilities incurred in dealings with a person who has notice of the departure.

(8) Subject to the terms of any agreement between the partners in a limited partnership, the general partners in the partnership shall be authorised to give any notice under this section on behalf of all the partners.

PART 3—MODIFICATION OF GENERAL LAW OF PARTNERSHIP

Liability of limited partner

10.(1) A limited partner in a limited partnership is liable to contribute towards the liabilities of the firm but so as not to exceed the amount shown in relation to that limited partner in the register as the extent to which that limited partner is liable to contribute or such part of that amount as remains unpaid.

(2) Subject to subsection (1), the liability of a limited partner in a limited partnership to contribute is that of a partner in a partnership that is not a limited partnership.

Provisions concerning limited partner's contribution

11.(1) Any contribution made by a limited partner in a limited partnership towards the discharge of liabilities of the firm shall be in the form of money only.

(1A) Any such contribution made otherwise than in money shall not be taken to reduce the limited partner's liability under section 10(1).

(2) Where a limited partner in a limited partnership has paid contribution, whether or not towards the discharge of liabilities of the firm, and has drawn out or received back any part of the amount of the contribution, the amount so drawn out or received shall be treated as part of the amount referred to in section 10(1) remaining unpaid.

Use of descriptive words in name

12.(1) Every business document issued on behalf of a limited partnership in connection with the conduct of its business shall bear in legible characters—

- (a) the firm name shown in relation to the partnership in the register kept by the registrar under section 8; and
- (b) immediately adjacent to the firm name, the words 'a limited partnership'.

(2) In subsection (1)—

“business document” means any letter, notice, publication, offer, contract, order for goods or services, invoice, bill of exchange, promissory note, cheque, negotiable instrument, endorsement, letter of credit, receipt or statement of account.

Liability for contravention of s.12

13.(1) A person who issues a document to which section 12 applies that does not bear the name and words required by the section commits an offence against this Act.

(2) A partner in a limited partnership who acquiesces in the issue of a document to which section 12 applies knowing that the document does not bear the name and words required by the section shall be taken to have issued the document.

(3) If a document to which section 12 applies issued in contravention of the section bears on its face any indication that it has been approved by or issued under the authority of any person, that person shall be taken to have issued the document unless the contrary is proved.

Recovery of loss because breach of s.12

14. If any person suffers loss because a document to which section 12 applies issued on behalf of a limited partnership did not bear the name or the words required by the section, the limited partnership and every person who committed an offence defined in section 13(1) in relation to the document are jointly and severally liable to recompense that first person for the loss suffered, which recompense may be recovered by action in the court as for a debt due and owing.

Registered office

15.(1) A limited partnership shall keep in Queensland at the place shown in the register as the address of the registered office of the partnership an office to which all communications with the firm may be addressed.

(2) In the event of default in complying with subsection (1), each general partner in the limited partnership concerned commits an offence against this Act.

Incidents of limited partnerships

16.(1) A limited partner in a limited partnership—

- (a) shall not take part in the management of the business of the partnership; and
- (b) has no power to bind the firm.

(1A) However, the limited partner may, personally or by an agent at any time inspect the books of the firm and examine the state and prospects of the business of the partnership, and may advise and consult with the other partners on those matters.

(2) If a limited partner takes part in the management of the business of the limited partnership in breach of subsection (1), the limited partner shall be liable for all liabilities of the firm incurred while the limited partner does so as if the limited partner were a general partner.

(3) Subject to the terms of any agreement between the partners in a limited partnership—

- (a) a difference arising as to ordinary matters connected with the

firm's business may be decided by a majority of the general partners; and

- (b) a limited partner may, with the consent of the general partners, assign the limited partner's share in the partnership and upon the recording of the assignment in the register kept by the registrar under section 8 the assignee shall be a limited partner in the assignor's place with all the rights of the assignor; and
- (c) a person may be admitted as a partner in the partnership without the consent of any limited partner.

PART 4—DISSOLUTION AND CESSATION OF LIMITED PARTNERSHIPS

Dissolution not available in certain cases

17.(1) Subject to the terms of any agreement between the partners in a limited partnership—

- (a) a limited partner is not entitled to dissolve the partnership by notice; and
- (b) the general partners or the other limited partners are not entitled to dissolve the partnership because a limited partner has suffered the limited partner's share of the partnership property to be charged for the limited partner's separate debt; and
- (c) the departure of a limited partner shall not dissolve the partnership.

(2) The fact that a limited partner in a limited partnership is of permanently unsound mind is not a ground for dissolution of the partnership by the court unless the share and interest of the partner in the partnership cannot be otherwise ascertained or realised.

Cessation of limited partnerships

18. A partnership shall cease to be a limited partnership if the partners

agree that they shall carry on the business of the firm otherwise than as a limited partnership.

Registration of dissolution or cessation of limited partnerships

19.(1) Upon receipt by the registrar of a notice that complies with this Act—

- (a) of dissolution of a partnership registered as a limited partnership;
or
- (b) of cessation of a limited partnership under section 18;

and, upon payment of the prescribed fee, the registrar shall record in the register the fact of the dissolution or cessation effective on a date specified in the register in that behalf.

(2) The date to be specified in the register under subsection (1) shall be the date shown in the notice to the registrar as the date on which the dissolution or cessation took effect or is to take effect or, if no such date is so shown, the date on which the record is made in the register under subsection (1).

Winding-up by general partners

20. If the affairs of a limited partnership are to be wound-up by the partners with a view to its dissolution, the winding-up shall be carried out by the general partners unless the court otherwise orders.

PART 5—MISCELLANEOUS PROVISIONS

Legal proceedings

21.(1) Legal proceedings other than proceedings in relation to an offence may be brought by or against the partners in a limited partnership in the firm name in which the partnership is registered under this Act.

(2) Action by way of execution under or enforcement of a judgment obtained in an action against a limited partnership sued in its firm name

shall not be taken against the property or person of a limited partner in the partnership except with the prior leave of the Supreme Court.

Duty to notify registrar of changes

22.(1) In the event of—

- (a) a change in the firm name of a limited partnership; or
- (b) a change in the name or address of a partner in a limited partnership; or
- (c) a change that renders false or misleading any particular referred to in section 7(2)(f) shown in the register in relation to a limited partnership; or
- (d) a departure of a partner from or an admission of a partner to a limited partnership; or
- (e) dissolution of a partnership registered as a limited partnership; or
- (f) cessation of a limited partnership under section 18;

each of the general partners at the time the event happens commits an offence against this Act if notice of the event is not given to the registrar under section 9 or 19 before the expiration of 7 days from the happening of the event.

(2) An offence against subsection (1) shall be taken to continue until the notice in question is given to the registrar.

(3) Proceedings for a continuing offence under this section may be taken from time to time.

(4) A matter of complaint for a continuing offence under this section may be in respect of 1 day or more than 1 day of its happening.

(5) A person who commits an offence against subsection (1) shall be liable—

- (a) in respect of the failure to give the notice in question before the expiration of the 7 days from the happening of the event of which notice is required—to a maximum penalty of 20 penalty units; and
- (b) in respect of each day during which the offence continues—to a

maximum penalty of 1 penalty unit.

(6) If a corporate person commits an offence against subsection (1), each director or member of the governing body of the corporate person shall be taken also to have committed the offence and is liable to be proceeded against and punished accordingly.

Registrar may accept and record notices given by person registered as a partner

23. Upon receipt by the registrar of a notice in writing given by a person shown on the register as a partner in a limited partnership of the happening of an event affecting the partnership, in respect of which event the registrar may amend the register upon notice given to the registrar under section 9 or 19, the registrar shall record in the register that the notice has been received and the tenor of the notice.

Furnishing false or misleading information

24. A person who furnishes under this Act to the registrar a document that is false or misleading in a material particular, whether by way of a statement in or omission from the document, commits an offence against this Act.

Entry in register constitutes notice

25. An entry in the register of any particular concerning a limited partnership, including an entry of the tenor of any notice received by the registrar—

- (a) shall be sufficient notice of the particular or tenor of the notice to all persons who afterwards deal with the firm concerned; and
- (b) shall have effect, for the purposes of section 39(2) of the *Partnership Act 1891*, as if it were an advertisement in the *Gazette*.

Proceedings for offences

26.(1) Unless a specific penalty is otherwise prescribed, a person who

commits an offence against this Act is liable to a maximum penalty of 20 penalty units.

(2) Proceedings in relation to an offence against this Act shall be taken in a summary way under the *Justices Act 1886* within 1 year after the commission of the offence or within 6 months after the offence comes to the knowledge of the complainant, whichever period is the later to expire, and shall be taken on the complaint of the registrar or a person authorised for the purpose by the registrar.

(3) In proceedings referred to in subsection (2)—

- (a) the authority of the complainant to make the complaint shall be presumed unless the contrary is proved; and
- (b) a statement in the complaint as to the time when an offence came to the complainant's knowledge shall be sufficient evidence of that fact unless the contrary is proved.

Mercantile Act register

27. On the commencement of this Act, the Registrar of Titles shall deliver to the registrar within the meaning of this Act the record of registrations kept by the registrar under section 57 of the *Mercantile Act 1867* and the registrar shall keep that record open to inspection by the public.

Delegations

27A. The registrar may delegate the registrar's powers under this Act to an officer or employee of the department.

Regulations

28. The Governor in Council may make regulations not inconsistent with this Act with respect to—

- (a) particulars to be specified in any statement or notice filed with the registrar in connection with the formation, registration or continuance of a limited partnership; and
- (b) the manner in which a registered office of a limited partnership

shall be kept; and

- (c) forms to be used for the purposes of this Act; and
- (d) fees to be paid for the purposes of this Act; and
- (e) all matters required by this Act to be prescribed where no other mode of prescription is provided for; and
- (f) all matters necessary or convenient to the proper administration of this Act or attaining the objects and purposes of this Act.

Service

29. Without prejudice to any other method of serving partners in a limited partnership, a document concerning the business of the partnership shall be duly served on such partners if it is left at or sent by post addressed to the registered office of the partnership for the time being shown in the register.

ENDNOTES**1 Index to Endnotes**

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2 Date to which amendments incorporated

This is the day mentioned in section 5(c) of the *Reprints Act 1992*. Accordingly, this reprint includes all amendments that commenced operation before 1 December 1992. Future amendments of the *Partnership (Limited Liability) Act 1988* may be made in accordance with this reprint because of section 49 of the *Reprints Act 1992*.

3 List of legislation**Partnership (Limited Liability) Act 1988 No. 78**

date of assent 11 November 1988

ss 1–2 commenced on date of assent

remaining provisions commenced 15 May 1989 (proc pubd Gaz 13 May 1989 p 334)

as amended by—

Partnership (Limited Liability) Act Amendment Act 1989 No. 100

date of assent 13 October 1989

ss 1–2 commenced on date of assent

ss 3–4(a), such part of s 5 as omits subsections (5)–(7) of the Principal Act and substitutes new subsections (5)–(6), s 6 commenced 15 May 1989 (see s 2(2))

remaining provisions commenced 16 November 1989 (proc pubd Gaz 18 November 1989 p 2066)

Justice Legislation (Miscellaneous Provisions) Act 1992 No. 40 s 163 Sch 1

date of assent 14 August 1992

commenced on date of assent

4 List of annotations

Key to abbreviations in list of annotations

| | | |
|----------|---|--------------------------|
| RA | = | <i>Reprints Act 1992</i> |
| amd | = | amended |
| ins | = | inserted |
| om | = | omitted |
| renum | = | renumbered |
| sub | = | substituted |
| Chap | = | Chapter |
| Pt hdg | = | Part heading |
| Div hdg | = | Division heading |
| Sdiv hdg | = | Subdivision heading |
| hdg prec | = | heading preceding |
| prov hdg | = | provision heading |
| cl | = | clause |
| prev | = | previous |
| pres | = | present |

Provisions not included in reprint, or amended by amendments not included in reprint, are underlined

Arrangement of Act

s 3 om (see s 36 RA)

Interpretation

s 4 def **“limited partnership”** om 1989 No. 100 s 3
def **“registrar”** sub 1992 No. 40 s 163 Sch 1

What is a limited partnership

s 6 amd 1989 No. 100 s 4

Registration of changes in limited partnership

s 9 amd 1989 No. 100 s 5

Dissolution not available in certain cases

s 17 amd 1989 No. 100 s 6

Duty to notify registrar of changes

s 22 sub 1989 No. 100 s 7

Registrar may accept and record notices given by person registered as a partner

s 23 sub 1989 No. 100 s 7

Proceedings for offences

s 26 amd 1989 No. 100 s 8

Delegations

s 27A ins 1992 No. 40 s 163 Sch 1

Amendment of Partnership Act s.5. Definition of partnership

s 30 om (see s 40 RA)

5 Table of corrected minor errorsTABLE OF CORRECTED MINOR ERRORS
under section 7(1)(j) of *Reprints Act 1992*

| Section | Description |
|------------|-------------------|
| s 16(1)(b) | om ‘not’ ins ‘no’ |

6 Table of renumbered provisionsTABLE OF RENUMBERED PROVISIONS
under section 43 of *Reprints Act 1992*

| Original | Renumbered as |
|----------------------|---------------|
| 2(2) (2nd sentence) | 2(3) |
| 5(2) (2nd sentence) | 5(2A) |
| 9(7) (2nd sentence) | 9(7A) |
| 11(1) (2nd sentence) | 11(1A) |
| 16(1) (2nd sentence) | 16(1A) |