

Limited Partnerships

Terms of Reference

In 1978 the Commission was asked to review the *Limited Partnerships Act 1909 (WA)*.

Background of Reference

The reference arose from practical difficulties experienced with limited partnerships. There are two classes of partnership:

- (a) general partners who have unlimited personal liability in the same way as a person in an ordinary partnership; and
- (b) limited partners who, provided they do not take any part in the management of the business, are liable only for the amount of money they have contributed or have agreed to contribute to the partnership equity.

The Commission recognised the public interest in protecting creditors and limited partners and the considerable difficulties in adapting company procedure to the circumstances of limited partnerships.¹ The Commission conducted preliminary research into all aspects of the reference for a working paper on the topic.

Reference Withdrawn

At the request of the Attorney-General, the project was subsequently deferred to enable the government to consider new initiatives in the area of limited partnerships. This led to the preparation of a new Limited Partnerships Bill, based on developments in other states and as a consequence the reference was withdrawn in 1992.

¹ For further discussion of the Commission's preliminary consideration of this reference, see Law Reform Commission of Western Australia, *Annual Report 1978–1979*, paras 3.59–3.60.