

Partnership



01

WHAT IS A PARTNERSHIP?

A relationship between persons:
(i.) carrying on business
(ii.) in common
(iii.) with a view to profit.

02

WHAT IS THE PERSONAL LIABILITY OF PARTNERS IN A PARTNERSHIP?

Partners can be held personally liable for the actions of other partners. This is known as unlimited liability.



03

WHAT IS PARTNER EQUITY FINANCING?

When a prospective partner wishes to buy into a partnership they may seek capital to do so.

That borrowed capital is then injected into the partnership - which undertakes to pay the partner enough to cover the interest on the loan.



04

WHAT IS AN INCORPORATED LIMITED PARTNERSHIP?

An incorporated limited partnership or ILP is a subtype of partnership borrowing principles from corporate and partnership law.

It permits limited liability partners (provided there is one or more unlimited or "general" partner).



05

WHAT IS THE MAXIMUM NUMBER OF PARTNERS PERMITTED IN A LAW FIRM PARTNERSHIP?

Currently, **400** is the maximum number of partners for legal practitioners. Accounting firms may have 1000 partner-accountants.

