ACTS
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ACTS SUPPLEMENT

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THE PARTNERSHIPS ACT, 2008

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THE PARTNERSHIPS ACT, 2008

In accordance with the provisions of Article 59(2)(b) read together with Article 85(1) of the Interim Constitution of Southern Sudan, the Southern Sudan Legislative Assembly, with the assent of the President of the Government of Southern Sudan, hereby enacts the following—

CHAPTER I

PRELIMINARY PROVISIONS

1. Title and Commencement.

This Act may be cited as "the Partnerships Act, 2008" and shall come into force on the date of its signature by the President.

Signed on 2nd July, 2008

2. Repeal and Saving.

(1) The Partnership Registration Act, 1933, the New Sudan Companies Act 2003, and any provisions of existing legislation in force in Southern Sudan which are governed by this Act, are hereby repealed or cease to operate in Southern Sudan, provided that all registration, proceedings or Acts and regulations taken or made thereunder, except to the extent they are revoked, cancelled by this Act, shall remain in force or effect, until they are repealed or amended in accordance with the provisions of this Act.

(2) Where any offence, being an offence for the continuance of which a penalty was provided has been committed under the repealed or ceased to operate laws, proceedings may be taken under this Act in respect of the continuance of the offence after the coming into force of this Act in the same manner as if the offence has been committed under the corresponding provisions of this Act.

(3) The mention of particular matters in this section shall be without prejudice to the general application of the provisions of the Interpretation laws and General Provisions Act 2006, which relate to the effect of repeals.

3. Purpose.

The purpose of this Act is to provide for the law governing the formation, registration, operation and dissolution of General Partnerships carrying on business in Southern Sudan, and for matters incidental thereto and connected therewith.

4. Authority and Application.

(1) This Act is issued in accordance with the provisions of Article 55, Interim Constitution of Southern Sudan, which grants the Government of Southern Sudan authority over matters commerce, trade, businesses and their conditions of operation, and the regulation of professions and professional associations.

(2) This Act shall apply to every peneral partnership operating in Southern Sudan and save as is otherwise provided herein, to every existing partnership.

(3) A reference in this Act, express or implied, to the date of registration of an existing partnership, shall be construed as a reference to the date on which such partnership was registered.

5. Interpretations.

In this Act, unless the context otherwise requires, the following words and expressions shall have the meanings assigned to them respectively—

"Business" means commercial enterprise carried on for profit, includes every trade, occupation or employment habitually engaged in for livelihood or gain;

"Court" means a Court of competent jurisdiction;

"Firm" means persons who have collectively entered into partnership with one another to carry on a business and the name under which their business is carried on is called the "firm-name".

"Minister" means the Minister of Legal Affairs and Constitutional Development;

"President" means the President of the Government of Southern Sudan;

"Register" means the register, which the registrar is required to keep under section 6;

"Registrar" means the Chief Registrar of Companies, Businesses, Non-Governmental Organizations and Associations appointed under section 6.

6. Registrar, Deputy Registrar and Assistant Registrars.

(1) The Chief Registrar shall be the Registrar for the purposes of this Act.

(2) The Minister may assign a Deputy Registrar and such Assistant Registrars, from time to time, as may be required for the purposes of this Act.

(3) The Deputy Registrar and every Assistant Registrar may, subject to the directions of the Registrar, perform any act or discharge any duty, which the Registrar may lawfully do or is required by this Act to do, and, for such purposes, shall have all the powers, privileges and authority of the Registrar under this Act.

(4) The Registrar shall keep a Register of Partnerships in the prescribed form in which shall be entered such particulars as may be required by this Act and any regulations made there under.

CHAPTER II

NATURE OF PARTNERSHIP

7. Definition of Partnership.

(1) Partnership is the relationship which subsists between persons carrying on a business in common with a view of making profit.

(2) Subject to the provision of subsection (3), a partnership shall be composed of not more than twenty persons.

(3) Where a partnership is formed for the purpose of carrying on a profession, the number of professionals which constitutes the partnership shall not exceed fifty.

(4) The relationship between or among members of any company or association which is—

(a) registered as a company under the Companies Act or any other law relating to the registration of joint stock companies; or

(b) formed or incorporated by or in pursuance of any other written law,

is not a partnership within the meaning of this Act.

(5) Every firm carrying on business in Southern Sudan under a business name which does not consist of the true surnames of all the partners who are individuals, without any addition other than the true first names of individual partners or initials of the first names; and the corporate names of all partners who are corporations, shall register its names under the Registration of Business Names Act.

8. Nature of Partnership.

(1) A partnership is not a body corporate and has no legal personality separate from that of its members.

(2) Save as is otherwise provided in subsection 7(5) above, a partnership need not be registered.

(3) All members of a partnership are general partners with unlimited liability and shall contribute to its assets in the event of its being dissolved as is provided under this Act.

9. Rules for Determining a General Partnership.

Where a partnership is not registered, in determining whether a partnership does or does not exist, regard shall be had to the following rules—

(a) joint tenancy, tenancy in common, joint property, common property or part ownership does not of itself create a partnership as to anything so held or owned, whether the tenants or owners do or do not share any profits made by the use of that property;

(b) the sharing of gross returns does not of itself create a partnership, whether the persons sharing those returns have or have no a joint or common right or interest in any property from which, or from the use of which, the returns are derived;

(c) the receipt by a person of a share of the profits of a business is prima facie evidence that he or she is a partner in the business, but the receipt of such a share, or of a payment contingent on or varying with the profits of a business, does not of itself make him or her a partner in the business; and in particular—

(i) the receipt by a person of a debt or other liquidated amount by instalments or otherwise out of the accruing profits of a business does not of itself make him or her a partner in the business or liable to as such;

(ii) a contract for the remuneration of a servant or agent of a person engaged in a business by a share of the profits of the business does not of itself make the servant or agent a partner in the business or liable as such;

(iii) a person being the widow, widower or child of a deceased partner and receiving by way of annuity a portion of the profits made in the business in which the deceased was a partner is not, by reason only of that receipt, a partner in the business or liable as such;

(iv) the advance of money by way of loan to a person engaged, or about to engage, in any business on a contract with that person that the lender shall receive a rate of interest varying with the profits, or shall receive a share of the profits arising from carrying on the business, does not of itself make the lender a partner with the person or persons carrying on the business or liable as such, provided that the contract is in writing, and signed by or on behalf of all the parties to it; or

(v) a person receiving, by way of annuity or otherwise, a portion of the profits of a business in consideration of his or her sale of the goodwill of the business is not, by reason only of that receipt, a partner in the business or liable as such; and

(d) the ordinary evidence of partnerships which includes—

(i) whether the accounts are prepared for internal use or for other purposes;
(ii) any admissions by the members of the partnership;
(iii) advertisements which include the alleged partners;
(iv) agreements or other documents, formal or otherwise, which disclose the partnership relationship;
(v) the manner in which bills of exchange are drawn, accepted or endorsed;
(vi) judgments of courts of law in which a partnership has been held to exist;
(vii) meetings which partners attended or were expected to attend;
(viii) payment of money to courts of law for the liability of the partnership;
(ix) letters and memoranda which relate to admission of a person in the partnership or which give a person a share in the profits as intended by the partners;
(x) any release executed by all the alleged partners; and
(xi) recitals in the agreement in which the partners are parties.

CHAPTER III

RELATIONS OF PARTNERS TO PERSONS DEALING WITH THEM

10. Postponement of Rights of Persons Lending or Selling in Consideration of Share of Profits in Case of Insolvency.

Where a partner to whom money has been advanced by way of a loan, or a buyer of goodwill in consideration of a share of the profits of a partner in a business, who is subsequently adjudged a bankrupt—

(a) enters into an arrangement to pay his or her creditors; or

(b) dies as an insolvent,

the lender of the money shall not be entitled to recover anything in respect of his or her loan, and the seller of the goodwill shall not be entitled to recover anything in respect of the share of profits contracted for, until the claims of the other creditors of the borrower or buyer for valuable consideration in money or money's worth have been satisfied.

11. Power of Partner to Bind the Firm.

Every partner is an agent of the firm and his or her other partners for the purpose of the business of the partnership and the act of every partner binds the firm and his or her partners, unless the partner, in so acting—

(a) had in fact no authority to act for the firm in the particular matter; and

(b) the person with whom he or she is dealing either knows that he or she has no authority or does not know or believe him or her to be a partner.

12. Partners Bound by Acts on Behalf of Firm.

(1) An act or instrument relating to the business of the firm, and done or executed in the firm-name, or in any other manner showing an intention to bind the firm, by any person authorized to bind the firm, whether a partner or not, is binding on the firm and all the partners.

(2) Subsection (1) shall not affect any general rule of law relating to the execution of deeds or negotiable instruments.

13. Partners Using Credit of Firm for Private Purposes.

(1) Where one partner pledges the credit of the firm for a purpose apparently not connected with the firm's ordinary course of business, the firm is not bound, unless that partner is in fact specially authorized by the other partners;

(2) This section does not affect any personal liability incurred by an individual partner.

14. Effect of Notice.

Where it has been agreed between or among the partners that any restriction shall be placed on the power of any one or more of them to bind the firm, no act done in contravention of the agreement is binding on the firm with respect to persons having notice of the agreement.

15. Liability of Partners.

(1) Every partner in a firm is liable jointly with the other partners for all debts and obligations of the firm incurred while he or she is a partner and a person who is admitted as a partner into an existing firm does not thereby become liable to the creditors of the firm for anything done before he or she became a partner; and after his or her death.

(2) In the event of the death of a partner, his or her estate is only severally liable in the due course of administration for outstanding debts and obligations of the partnership, but subject to the prior payment of his or her separate debts.

16. Child Partner.

A person who is under the age of eighteen years may be admitted to the benefits of partnership, but shall not be made personally liable for any obligation of the firm; but the share of the child in the property of the firm is liable for the obligations of the firm.

17. **Liability of Child Partner on Attaining Majority.**

A person who has been admitted to the benefits of the partnership under the age of eighteen years becomes, on attaining that age, liable for all obligations incurred by the partnership since he or she was so admitted, unless he or she gives public notice within three months of his or her repudiation of the partnership.

18. **Liability of the Firm for Wrongs of a Partner.**

Where, by any wrongful act or omission of any partner acting in the ordinary course of the business of the firm, or with the authority of his or her partners, loss or injury is caused to any person not being a partner in the firm, or any penalty is incurred, the firm is liable therefore to the same extent as the partner so acting or omitting to act.

19. Misapplication of Money or Property Received for or in Custody of the Firm.

Where—

(a) one partner, acting within the scope of his or her apparent authority, receives money or property of a third person, and misapplies it; or

(b) a firm in the course of its business receives money or property of a third person, and the money or property so received is misapplied by one or more of the partners while it is in the custody of the firm, the firm is liable to make good the loss.

20. **Liability for Wrongs Joint and Several.**

Every partner is liable jointly and severally with his or her partners, for everything for which the firm becomes liable under section 18 or 19, above, while he or she is a partner.

21. Improper Employment of Trust Property for Partnership Purposes.

(1) Where a partner, being a trustee, improperly employs trust property in the business or on the account of the partnership, no person other than that partner is liable for the trust property to the persons beneficially interested in the trust.

(2) Subsection (1), shall not affect any liability incurred by a partner by reason of his or her having notice of a breach of trust.

(3) Subsection (1) above shall not prevent trust money from being traced and recovered from the firm if it is still in its possession or under its control.

22. Holding Out to be a Partner.

(1) Any person who by words spoken or written or by conduct, represents himself or herself, or who knowingly suffers himself or herself to be represented as a partner in a particular firm, shall be liable as a partner, to anyone who has on the faith of any such representation, given credit to the firm, whether the representation has or has not been made or communicated to the person so giving credit by, or with the knowledge of the partner who represents himself or herself or allows to be represented.

(2) Where, after a partner's death, the partnership business is continued in the old firm-name, the continued use of that name or of the deceased partner's name as part of the firm-name shall not of itself make his or her executors or administrators' estate or effects liable for any Partnership debts contracted after his or her death.

23. **Admissions and Representations of Partners.**

An admission or representation made by a partner concerning the partnership's affairs, and in the ordinary course of its business, may be evidence against the firm.

24. **Notice to Acting Partner.**

Notice to any partner who habitually acts as a partner in the partnership's business, of a matter relating to partnership affairs operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of such partner.

25. **Liability of Incoming and Outgoing Partners.**

(1) A person who is admitted as a partner into an existing firm does not thereby become liable to the creditors of the firm for anything done before he or she became a partner.

(2) A partner who retires from a firm does not thereby cease to be liable for partnership debts or obligations incurred before his or her retirement.

(3) A retiring partner may be discharged from any existing liabilities by an agreement to that effect between himself or herself and the members of the firm as newly constituted and the creditors of the firm; and this agreement may be either express or inferred, as a fact, from the course of dealing between the creditors and the firm as newly constituted.

26. Revocation of Continuing Guarantee by Change in Firm.

A continuing guarantee or cautionary obligation given to a firm or to a third party in respect of the transactions of a firm is, in the absence of agreement to the contrary, revoked as to future transactions, by any change in the constitution of the firm to which, or in respect of whose transactions, the guarantee or obligation was given.

CHAPTER IV

RELATIONS OF PARTNERS TO ONE ANOTHER

27. Variation by Consent of Terms of Partnership.

The mutual rights and duties of partners, whether determined by agreement or defined by this Act, may be varied by the consent of all the partners, and that consent may be either express or implied from a course of dealing.

28. Partnership Property.

(1) All property and rights and interests in property originally brought into the partnership stock or acquired, whether by purchase or otherwise, on account of the firm, or for the purposes and in the course of the partnership business are called in this Act, partnership property, and shall be held and applied by the partners exclusively for the purposes of the partnership and in accordance with the partnership agreement.

(2) Notwithstanding the provisions to subsection (1) above, the legal estate or interest in any land which belongs to the partnership shall devolve according to the nature and tenure of the land ownership system and the general rules of law applicable thereto, but in trust, so far as necessary, for the persons beneficially interested in the land under this section.

(3) Where co-owners of an estate or interest in any land, not being itself partnership property, are partners as to profits made by the use of that land or estate, and purchase other land or estate out of the profit to be used in the same manner, the land or estate so purchased belongs to them, in the absence of an agreement to the contrary, not as partners but as co-owners for the same respective estates and interests as are held by them in the land or estate at the date of the purchase.

29. Property Bought with Partnership Money.

Unless proved to the contrary, property bought with money belonging to the firm is deemed to be partnership property.

30. Procedure Against Partnership Property for Partner's Separate Debt.

(1) Execution of a decree shall not be issued against any partnership property except on a judgment against the partnership.

(2) The court may, on the application by summons of any judgment creditor of a partner, make an order charging that partner's interest in the partnership property and profits with payment of the amount of the judgment debt and interest thereon, and may, by the same or a subsequent order, appoint a receiver of that partner's share of profits, whether already declared or accruing, and of any other money which may be coming to him or her in respect of the partnership, and direct all accounts and inquiries, and give all other orders and directions which might have been directed or given if the charge had been made in favour of the judgment creditor by the partner, or which the circumstances of the case may require.

(3) The other partner or partners shall be at liberty at any time to redeem the interest charged, or, in case of a sale being directed, to purchase the interest.

31. Rules as to Interests and Duties of Partners.

The interests of partners in the partnership property and their rights and duties in relation to the partnership shall be determined, subject to any agreement express or implied between the partners, by the following rules—

(a) all the partners are entitled to share equally in the capital and profits of the business and shall contribute equally towards the losses whether of capital or otherwise sustained by the firm;

(b) the firm shall indemnify every partner in respect of payments made and personal liabilities incurred by him or her—

(i) in the ordinary and proper conduct of the business of the firm; or

(ii) for anything necessarily done for the preservation of the business or property of the firm;

(c) a partner making, for the benefit of the partnership, any actual payment or advance beyond the amount of capital, to which he or she has agreed to subscribe is entitled to interest at such current inter-bank lending rate as is determined by the Bank of Southern Sudan from the date of the payment or advance;

(d) a partner is not entitled, before the ascertainment of profits, to interest on the capital subscribed by him or her;

(e) every partner may take part in the management of the partnership business;

(f) no partner shall be entitled to remuneration for acting in the partnership business;

(g) no person may be introduced as a partner without the consent of all existing partners;

(h) any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners, but no change may be made in the nature of the partnership business without the consent of all existing partners; and

(i) the partnership books are to be kept at the place of business of the partnership or the principal place, if there is more than one and every partner may, at all reasonable times have access to and inspect and copy any of them.

32. Expulsion of Partner.

No majority of the partners can expel any partner unless a power to do so has been conferred by express agreement between all the partners.

33. Retirement from Partnership.

(1) Where no fixed term has been agreed upon for the duration of the Partnership, any partner may determine the Partnership at any time on giving reasonable notice of his or her intention to do so to all the other partners.

(2) Where the Partnership has originally been constituted by deed, a notice in writing, signed by the partner giving it, shall be sufficient for this purpose.

34. Where Partnership for a Term is Continued Over.

(1) Where a partnership entered into for a fixed term is continued after the term has expired, and without any express new agreement, the rights and duties of the partners remain the same as they were at the expiration of the term, so far as is consistent with the incidents of a partnership at will.

(2) A continuance of the business by the partners or such of them as habitually acted in the partnership during the term without any settlement or liquidation of the partnership affairs is presumed to be a continuance of the partnership.

35. Duty of Partners to Render Accounts.

Partners are bound to render true accounts and full information of all things affecting the partnership to any partner or his or her legal representative.

36. Accountability of Partners for Private Profits.

(1) Every partner shall account to the firm for any benefit derived by him or her without the consent of the other partners from any transaction concerning the partnership, or from any use by him or her of the partnership property, name or business connection.

(2) This section applies also to transactions undertaken after a partnership has been dissolved by the death of a partner and before the affairs of the partnership have been completely wound up, by any surviving partner or by the representatives of the deceased partner.

37. Partners not to Compete with Firm.

Where a partner, without the consent of the other partners, carries on any business of the same nature as and competing with that of the firm, the court may, upon complaint by the other partner or partners, order such partner to account for and pay over to the firm all profits made by him or her in that business.

38. Rights of Assignee of Share in Partnership.

(1) An assignment by any partner of his or her share in the partnership, either absolute or by way of mortgage or redeemable charge, does not, as against the other partners, entitle the assignee, during the continuance of the partnership, to interfere in the management or administration of the partnership business or affairs, but entitles the assignee only

to require accounts of the partnership transactions, to inspect the partnership books, to receive the share of profits to which the assigning partner would otherwise be entitled.

(2) In the case of a dissolution of the partnership, whether as respects all the partners or as respects the assigning partner, the assignee is entitled to receive the share of the partnership assets to which the assigning partner is entitled as between himself or herself and the other partners, and, for the purpose of ascertaining that share, to an account as from the date of the dissolution.

CHAPTER V

DISSOLUTION OF A PARTNERSHIP

39. Dissolution by Expiration or Notice.

Subject to any agreement between the partners, a partnership is dissolved if—

(a) entered into for a fixed term, unless effectively converted into a partnership at will, by the expiration of that term;

(b) entered into for a single adventure or undertaking, by the termination of that adventure or undertaking;

(c) entered into for an undefined period, by any partner giving notice to the other or others of his or her intention to dissolve the Partnership, in which case, the Partnership shall be dissolved as from the date mentioned in the notice as the date of dissolution, or, if no date is so mentioned, as from the date of the communication of the notice.

40. Dissolution by Insolvency, Death or Charge.

(1) Subject to any agreement between the partners, a partnership is not dissolved by the death or insolvency of a partner.

(2) A partnership may, at the option of the other partners, be dissolved if any partner suffers his or her share of the partnership property to be charged under this Act for his or her separate debt.

41. Dissolution for Illegality of Partnership.

A partnership is in every case dissolved by the occurrence of any event, which makes it unlawful for the business of the firm to be carried on or for the members of the firm to carry on in partnership.

42. Dissolution by the Court.

On application by a partner, the court may dissolve the partnership in any of the following cases—

(a) where a partner is adjudged a lunatic, or is shown to the satisfaction of the court to be of permanently unsound mind, in either of which cases the application may be made as well on behalf of the partner by his or her guardian ad litem or next friend or person having title to intervene as by any other partner;

(b) where a partner, other than the partner applying for dissolution, becomes in any other way permanently incapable of performing his or her part of the partnership contract;

(c) where a partner, other than the partner applying for dissolution, has committed such conduct as, in the opinion of the court, regard being had to the nature of the business, is calculated to affect prejudicially the carrying on of the business;

(d) where a partner, other than the partner applying for dissolution, wilfully or persistently commits a breach of the partnership agreement, or otherwise so conducts himself or herself in matters relating to the partnership business that it is not reasonably practicable for the other partner or partners to carry on the business in partnership with him or her;

(e) where the business of the partnership can only be carried on at a loss; or

(f) whenever in any case, circumstances have arisen which, in the opinion of the court, render it just and equitable that the partnership be dissolved.

43. Change in the Constitution of Partnership.

(1) Where a person deals with a firm after a change in its constitution, he or she is entitled to treat all apparent members of the old firm as still being members of the firm until he or she has notice of the change.

(2) An advertisement in the *Gazette* or a newspaper of general circulation in Southern Sudan shall be notice to persons who had no dealings with the firm before the date of the dissolution or change so advertised.

(3) The estate of a partner, who dies, becomes insolvent or retires from the firm, shall not be liable for partnership debts contracted after the date of the death, insolvency or retirement respectively.

44. Partner May Notify Dissolution.

On the dissolution of a partnership or retirement or insolvency of a partner, any partner may give public notice of such partnership dissolution or retirement of a partner and may require the other partner or partners to concur for that purpose in all necessary or proper acts, if any, which cannot be done without his or her or their consent.

45. Continuing Authority of Partners for Purposes of Dissolution.

(1) After the dissolution of a partnership, the authority for each partner to bind the firm, and the other rights and obligations of the partners, shall continue notwithstanding, the dissolution, so far as may be necessary to wind up the affairs of the partnership, and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise.

(2) Notwithstanding the provisions of subsection (1) above, the firm shall in no case bound by the acts of a partner who has become insolvent; but this provision does not affect the liability of any person who has, after the insolvency, represented himself or herself or knowingly suffered himself or herself to be represented as a partner of the bankrupt.

46. Rights of Partners as to Application of Partnership Property.

On the dissolution of a partnership, every partner is entitled, as against the other partners in the firm, and all persons claiming through them in respect of their interests as partners, to have the property of the partnership applied in payment of the debts and liabilities of the firm, and to have the surplus assets after such payment applied in payment of what may be due to the partners respectively after deducting what may be due from them as partners to the firm; and for that purpose any partner or his or her representative may, on the termination of the partnership, apply to the court to wind up the business and affairs of the firm.

47. Apportionment of Premium Where Partnership Prematurely Dissolved.

Where one partner has paid a premium to another on entering into a partnership for a fixed term and the partnership is dissolved before the expiration of that term otherwise than by the death of a partner, the court may order the repayment of the premium, or of such part of the premium as it considers just, having regard to the terms of the Partnership contract and to the length of time during which the partnership has continued, unless—

(a) the dissolution is, in the judgment of the court, wholly or mainly due to the misconduct of the partner who paid the premium; or

(b) the partnership has been dissolved by an agreement containing no provision for a return of any part of the premium.

48. Rights Where Partnership Dissolved for Fraud or Misrepresentation.

Where a Partnership contract is rescinded on the ground of fraud or misrepresentation by one of the parties thereto, the party entitled to rescind, subject to an order of court and without prejudice to any other right, entitled to—

(a) a lien on, or right of retention of, the surplus of the partnership assets, after satisfying the partnership liabilities, for any sum of money paid by him or her for the purchase of a share in the partnership and for any capital contributed by him or her;

(b) stand in the place of the creditors of the firm for any payments made by him or her in respect of the partnership liabilities; and

(c) be indemnified against all the debts and liabilities of the firm by the person liable of the fraud or misrepresentation.

49. Right of Outgoing Partner After Dissolution.

(1) Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with its capital or assets without any final settlement of accounts as between the firm and the outgoing partner or his or her heir, then, in the absence of any agreement to the contrary, the outgoing

partner or his or her heir shall be entitled at his or her option or at the option of his or her representatives to such share of the profits made since the dissolution as the court may find to be attributable to the use of his or her share of the partnership assets, or to an agreed rate of interest on the amount of his or her share of the partnership assets.

(2) Notwithstanding the provisions of subsection (1) above, where, by the partnership agreement, an option is given to surviving or continuing partners to purchase the interest of a deceased or outgoing partner, and that option is duly exercised and the consideration for the interest is paid, the estate of the deceased partner or the outgoing partner or his or her heir, as the case may be, shall not be entitled to any further or other share of profits.

(3) Where a partner assuming to act in exercise of the option in subsection (2) above, does not in all material respects comply with the terms of the agreement, he or she shall be liable to account under this section.

50. **Retiring or Deceased Partner's Share.**

Subject to any agreement between the parties, the amount due from surviving or continuing partners to an out-going partner or the representatives of a deceased partner in respect of the outgoing or deceased partner's share shall be a debt accruing to the outgoing partner or his or her representative at the date of the dissolution or death.

51. Distribution of Assets on Final Settlement of Accounts.

In settling accounts between the partners after dissolution of a partnership, the following rules shall, subject to any agreement, be observed—

(a) losses and deficiencies of capital, shall be paid first out of profits, next out of capital, and lastly, if necessary, by the partners individually in the proportion in which they were entitled to share profits; and

(b) the assets of the firm, including the sums, if any, contributed by the partners to make up losses or deficiencies of capital, shall be applied in the following manner and order—

(i) in paying the debts and liabilities of the firm to persons who are not partners in the firm;
(ii) in paying to each partner ratably what is due from the firm to him or her for advances as distinguished from capital;
(iii) in paying to each partner ratably what is due from the firm to him or her in respect of capital; and
(iv) the ultimate residue, if any, shall be divided among the partners in the proportion in which profits are divisible.

CHAPTER VI

MISCELLANEOUS PROVISIONS

52. Regulations.

The Minister shall make rules and regulations on any of the following matters—

(a) the fees to be paid for any service required to be done under this Act as shall be determined by the Minister of Finance and Economic Planning.
(b) the duties or additional duties to be performed by the registrar and any other functions and duties required to be done by this Act.

(c) the forms to be used for the purposes of this Act; and

(d) prescriptions on all matters that are required or permitted by this Act to be prescribed, or that are necessary or convenient to be prescribed for the carrying out or giving effect to this Act.