



Limited Partnerships Act 1907

1907 CHAPTER 24 7 Edw 7

[^{F1} Application of other laws to limited partnerships]

6 Modifications of general law in case of limited partnerships.

- (1) A limited partner shall not take part in the management of the partnership business, and shall not have power to bind the firm:

Provided that a limited partner may by himself or his agent at any time inspect the books of the firm and examine into the state and prospects of the partnership business, and may advise with the partners thereon.

If a limited partner takes part in the management of the partnership business he shall be liable for all debts and obligations of the firm [^{F1}(including debts and obligations incurred in accordance with section 38 of the Partnership Act 1890)] incurred while he so takes part in the management as though he were a general partner.

[^{F2}(1A) Section 6A (actions by limited partners) makes provision supplementing subsection (1).]

- (2) A limited partnership shall not be dissolved by the death [^{F4}or bankruptcy] of a limited partner [^{F5}, and the lunacy of a limited partner shall not be a ground for dissolution of the partnership by the court unless the lunatic's share cannot be otherwise ascertained and realised].

[^{F6}(2A) A limited partnership shall not be dissolved under section 33(1) of the Partnership Act 1890 by the bankruptcy of a partner.

(2B) A limited partnership is dissolved if—

- (a) it ceases to have any general partners,
- (b) it ceases to have any limited partners, or
- (c) each general partner is either insolvent or disqualified under the directors disqualification legislation (see section 8J(3)), irrespective of whether they became insolvent or disqualified before or after this subsection comes into force.]

Changes to legislation: There are currently no known outstanding effects for the Limited Partnerships Act 1907, Section 6. (See end of Document for details)

[^{F7}(3) In the event of the dissolution of a limited partnership [^{F8}, other than a private fund limited partnership,] its affairs shall be wound up by the general partners unless the court otherwise orders.]

[If a limited partnership is dissolved at a time when the partnership has at least one ^{F9}(3A) general partner who is—

- (a) solvent, and
- (b) not disqualified under the directors disqualification legislation,

the general partners at that time who are solvent and are not so disqualified must either wind up the partnership's affairs or take all reasonable steps to ensure that its affairs are wound up by a person who is not a partner at that time.

(3B) If a limited partnership is dissolved at a time when the partnership does not have a general partner who is—

- (a) solvent, and
- (b) not disqualified under the directors disqualification legislation,

the limited partners at that time who are solvent must take all reasonable steps to ensure that the partnership's affairs are wound up by a person who is not a limited partner at that time.

(3BA) For enforcement of the duties under subsections (3A) and (3B) see section 29.]

[^{F11}(3C) Except in the phrase “a person who is not a limited partner” in subsection (3B), references in subsections (3A) and (3B) to partners do not include a partner who is insolvent.]

[Subsections (3A) and (3B) have effect subject to any order of a court as to the winding ^{F12}(3D) up of the affairs of the partnership and any award of sequestration of the partnership's estate under the Bankruptcy (Scotland) Act 2016.]]

(4) ^{F13}

(5) Subject to any agreement expressed or implied between the partners—

- (a) Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the general partners;
- (b) A limited partner may, with the consent of the general partners, assign his share in the partnership, and upon such an assignment the assignee shall become a limited partner with all the rights of the assignor;
- (c) The other partners shall not be entitled to dissolve the partnership by reason of any limited partner suffering his share to be charged for his separate debt;
- (d) A person may be introduced as a partner without the consent of the existing limited partners;
- (e) A limited partner shall not be entitled to dissolve the partnership by notice.

[^{F14}(f) A limited partner in a private fund limited partnership is not subject to the duties in—

- (i) section 28 of the Partnership Act 1890 (duty of partners to render accounts, etc), or
- (ii) section 30 of that Act (duty of partner not to compete with firm).]

[^{F15}(6) Section 36(1) of the Partnership Act 1890 (rights of persons dealing with firm against apparent members of firm) does not apply where a partner in a private fund limited partnership ceases to be a member of the firm.]

Changes to legislation: There are currently no known outstanding effects for the Limited Partnerships Act 1907, Section 6. (See end of Document for details)

Textual Amendments

- F1** Words in s. 6(1) inserted (26.10.2023 but only so far as it confers a power to make regulations or relates to the exercise of the power, otherwise prosp.) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 129\(3\)\(a\)](#), 219(1)(2)(b)
- F2** S. 6(1A) substituted (26.10.2023 but only so far as it confers a power to make regulations or relates to the exercise of the power, otherwise prosp.) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 129\(3\)\(b\)](#), 219(1)(2)(b)
- F3** S. 6(1A) inserted (6.4.2017) by [The Legislative Reform \(Private Fund Limited Partnerships\) Order 2017 \(S.I. 2017/514\)](#), arts. 1(2), [2\(4\)\(a\)](#)
- F4** Words in s. 6(2) omitted (26.10.2023 but only so far as it confers a power to make regulations or relates to the exercise of the power, otherwise prosp.) by virtue of [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 129\(3\)\(c\)](#), 219(1)(2)(b)
- F5** Words in s. 6(2) omitted (26.10.2023 but only so far as it confers a power to make regulations or relates to the exercise of the power, otherwise prosp.) by virtue of [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 130\(2\)](#), 219(1)(2)(b)
- F6** S. 6(2A)(2B) inserted (26.10.2023 but only so far as it confers a power to make regulations or relates to the exercise of the power, otherwise prosp.) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 129\(3\)\(d\)](#), 219(1)(2)(b)
- F7** S. 6(3) omitted (26.10.2023 but only so far as it confers a power to make regulations or relates to the exercise of the power, otherwise prosp.) by virtue of [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 129\(3\)\(e\)](#), 219(1)(2)(b)
- F8** Words in s. 6(3) inserted (6.4.2017) by [The Legislative Reform \(Private Fund Limited Partnerships\) Order 2017 \(S.I. 2017/514\)](#), arts. 1(2), [2\(4\)\(b\)](#)
- F9** S. 6(3A)-(3BA) substituted for s. 6(3A)(3B) (26.10.2023 but only so far as it confers a power to make regulations or relates to the exercise of the power, otherwise prosp.) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 129\(3\)\(f\)](#), 219(1)(2)(b)
- F10** S. 6(3A)-(3D) inserted (6.4.2017) by [The Legislative Reform \(Private Fund Limited Partnerships\) Order 2017 \(S.I. 2017/514\)](#), arts. 1(2), [2\(4\)\(c\)](#)
- F11** S. 6(3C) omitted (26.10.2023 but only so far as it confers a power to make regulations or relates to the exercise of the power, otherwise prosp.) by virtue of [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 129\(3\)\(g\)](#), 219(1)(2)(b)
- F12** S. 6(3D) substituted (26.10.2023 but only so far as it confers a power to make regulations or relates to the exercise of the power, otherwise prosp.) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 134\(2\)](#), 219(1)(2)(b)
- F13** S. 6(4) repealed by [Companies \(Consolidation\) Act 1908 \(c. 69\)](#) , [Sch. 6 Pt. I](#)
- F14** S. 6(5)(f) inserted (6.4.2017) by [The Legislative Reform \(Private Fund Limited Partnerships\) Order 2017 \(S.I. 2017/514\)](#), arts. 1(2), [2\(4\)\(d\)](#)
- F15** S. 6(6) inserted (6.4.2017) by [The Legislative Reform \(Private Fund Limited Partnerships\) Order 2017 \(S.I. 2017/514\)](#), arts. 1(2), [2\(4\)\(e\)](#)

Modifications etc. (not altering text)

- C1** S. 6 modified (6.6.2013) by [The Collective Investment in Transferable Securities \(Contractual Scheme\) Regulations 2013 \(S.I. 2013/1388\)](#), regs. 1, [16\(4\)](#) (with reg. 24)
- C2** Reference to “person of unsound mind” to be substituted for reference to “lunatic” in s. 6(2): [Mental Treatment Act 1930 \(c. 23\)](#) , [s. 20\(5\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Limited Partnerships Act 1907, Section 6.