



# Partnership Act 1890

1890 CHAPTER 39 53 and 54 Vict

## *Nature of Partnership*

### **3 Postponement of rights of person lending or selling in consideration of share of profits in case of insolvency.**

In the event of any person to whom money has been advanced by way of loan upon such a contract as is mentioned in the last foregoing section, or of any buyer of a goodwill in consideration of a share of the profits of the business, being adjudged a bankrupt, entering into an arrangement to pay his creditors less than [<sup>F1</sup>100p] in the pound, or dying in insolvent circumstances, the lender of the loan shall not be entitled to recover anything in respect of his 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.

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#### **Textual Amendments**

**F1** Words substituted by virtue of [Decimal Currency Act 1969 \(c. 19\), s. 10\(1\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Partnership Act 1890, Section 3.