GOVERNANCE OF CORPORATIONS AND BUSINESS ASSOCIATIONS - ISSUES AND RECENT DEVELOPMENTS

GEN EDITOR

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CHAPTER ONE

LIABILITIES OF PARTNERS: THE MALAYSIAN LAW AND THE ISLAMIC LAW PERSPECTIVES

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INTRODUCTION

The Partnership structure is one of the conventional business structures which are available in most of the countries all over the world. In Malaysia, the partnership law is based on the English partnerships law and as such it carries on the hallmark of unlimited liability regime and joint and several liabilities of partners for the business debts and obligations. Under the Islamic law, partnerships structure (Sharikah) also has an established reputation and clear recognition as a valid business vehicle. However, different from the Malaysian and the English partnerships, the application of limited liability in sharikah is well established and clearly justified. This chapter highlights the differences between the Malaysian

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