

Basic Principles of Partnership Law in Malaysia

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**BASIC PRINCIPLES OF
PARTNERSHIP LAW IN
MALAYSIA**

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CHAPTER 1

BUSINESS ORGANIZATIONS IN MALAYSIA

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INTRODUCTION

In Malaysia, generally, businesses can be carried out in the form of:

- Sole proprietorship
- Partnership
- Company

Among the three structures, only company is an incorporated business association whilst the sole proprietorship and partnership are unincorporated business association.

SOLE PROPRIETORSHIP

This is the most basic business associations which are available in the market place. It is regulated by the Business Registration Act 1956 (Amendment 1978). It is formed, managed and owned by one person, i.e. the owner or proprietor. Sole proprietorship is also known as sole trader or proprietorship.

General attributes of sole proprietorships: