

Basic Principles of Partnership Law in Malaysia

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**BASIC PRINCIPLES OF
PARTNERSHIP LAW IN
MALAYSIA**

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CHAPTER 6

PARTNERSHIP PROPERTY

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INTRODUCTION

Partnership property refers to any property which belongs to the firm and all the partners are entitled to deal with it in the performance of the partnership business. There are few reasons why it is important to determine whether a property is partnership property or not:¹

- i) The position of the partners. If there was increase in the value of partnership property it would belong to the firm, whereas if the property is the property of an individual partner the increased value belongs to him only.
- ii) The position between the creditors of the firm and the creditors of individual partners in the event that the firm becomes insolvent.
- iii) The position of those persons who take the partner's real estate and those who take his personal estate.

It would not be difficult if the partnership agreement has clearly identified what is the partnership property. However it would raise

Refer Wan Suleiman F.J. in *Mat Shah bin Mohamed & Anor v Foo Say Meng & Ors* [1984] 1 MLJ 237 at 238.