Basic Principles of Partnership Law in Malaysia

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## CONTENTS

*Authors’ Profile* ................................................................. i  
*Contents* ........................................................................... iii

## CHAPTER 1
BUSINESS ORGANIZATIONS IN MALAYSIA

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<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>SOLE PROPRIETORSHIP</td>
<td>1</td>
</tr>
<tr>
<td>The advantages of sole proprietorships</td>
<td>3</td>
</tr>
<tr>
<td>The disadvantages of sole proprietorships</td>
<td>3</td>
</tr>
<tr>
<td>PARTNERSHIPS</td>
<td>4</td>
</tr>
<tr>
<td>The advantages of partnerships</td>
<td>6</td>
</tr>
<tr>
<td>The disadvantages of partnerships</td>
<td>7</td>
</tr>
<tr>
<td>COMPANY</td>
<td>7</td>
</tr>
<tr>
<td>Types of Companies</td>
<td>7</td>
</tr>
<tr>
<td>Companies Limited by Shares</td>
<td>8</td>
</tr>
<tr>
<td>Companies Limited by Guarantee</td>
<td>9</td>
</tr>
<tr>
<td>Unlimited Companies</td>
<td>9</td>
</tr>
<tr>
<td>Foreign Companies</td>
<td>9</td>
</tr>
<tr>
<td>General attributes of companies</td>
<td>9</td>
</tr>
<tr>
<td>The advantages of companies</td>
<td>12</td>
</tr>
<tr>
<td>Disadvantages</td>
<td>13</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>13</td>
</tr>
</tbody>
</table>
CHAPTER 2
HISTORICAL PERSPECTIVES OF PARTNERSHIPS
Zuhairah Ariff Abdul Ghadas

INTRODUCTION ................................................................. 15
MALAYSIAN PARTNERSHIP LAWS .......................... 19
DEVELOPMENT OF PARTNERSHIPS LAW IN MALAYSIA ...................................................... 22

CHAPTER 3
REGISTRATION AND SALIENT FEATURES OF PARTNERSHIPS
Zuhairah Ariff Abdul Ghadas

INTRODUCTION ................................................................. 23
IDENTIFICATION OF INDIVIDUAL PARTNER WITH THE FIRM ................................................................. 23
  Unlimited Personal Liability Of Each Other .......... 27
  Non-Transferability Of A Partner’s Interest .......... 27
  Control By All Partners ................................. 28
NATURE AND ELEMENTS ................................................. 30
  Carrying On A Business ................................................. 31
PERSONS CARRYING ON IN COMMON ......................... 34
  With A View Of Profit ................................................. 37
FORMALITIES AND REGISTRATION .............................. 40
COMPARISON WITH A COMPANY ................................. 42
  Legal Entity ................................................................. 43
  Limited Liability ............................................................ 44
CHAPTER 4
LIABILITY OF PARTNERS
Zuhairah Ariff Abdul Ghadas

INTRODUCTION ................................................................. 45
RELATIONSHIP OF PARTNERS WITH THE THIRD PARTIES ......................................................... 46

  Limited partnership .................................................. 59
LIABILITY OF PARTNERS FOR CONTRACTUAL DEBTS OF THE FIRM ............................................. 60
LIABILITY FOR TORT AND OTHER WRONGS ............ 61

CHAPTER 5
PROTECTION OF THE THIRD PARTIES AND PARTNERSHIP AGREEMENT
Zuhairah Ariff Abdul Ghadas

INTRODUCTION ................................................................. 69

  Contractual debts ..................................................... 70
  Debts Other Than Contractual ...................................... 73
RELATIONSHIP BETWEEN PARTNERS ................................. 73
FIDUCIARY DUTIES .......................................................... 74
PARTNERSHIP AGREEMENT ................................................. 78

  Management And Control ........................................... 78
  Financial Affairs .................................................... 79
  Change Of Partners .................................................. 81
  Property Of The Firm ................................................ 82
SHIRKAH AI-INAN .................................................. 106
ELEMENTS OF SHIRKAH ........................................ 106
  Number of person ........................................... 107
  Business ................................................... 107
  Formation .................................................. 107
VIEW OF PROFIT .................................................. 108
RIGHTS OF PARTNERS ............................................ 109
FINANCIAL LIABILITY OF PARTNERS ........................... 113
DISSOLUTION OF SHIRKAH ....................................... 114
RIGHT TO TERMINATE THE CONTRACT ....................... 114
CONTRACT FOR A FIXED PERIOD ........................... 114
DEATH TERMINATE PARTNERSHIP .......................... 115
VITIATION OF THE PARTNERSHIP ............................ 115

CHAPTER 9
LIMITED PARTNERSHIP IN MALAYSIA
Zuhairah Ariff Abdul Ghadas

INTRODUCTION ................................................... 117
LABUAN-THE MALAYSIAN OFFSHORE ......................... 117
LABUAN OFFSHORE LIMITED PARTNERSHIPS ............. 118
REGISTRATION .................................................. 120
TYPE OF PARTNERS ............................................ 122
LIABILITY OF PARTNERS ....................................... 124
THE INTERNAL RELATION BETWEEN PARTNERS .......... 125
TAX STATUS ................................................... 126
DISSOLUTION OF THE LP ...................................... 126
OBSERVATION ................................................ 128
CHAPTER 10
LABUAN LIMITED LIABILITY PARTNERSHIP
Zuhairah Ariff Abdul Ghadas

INTRODUCTION ....................................................... 131
LABUAN- THE MALAYSIAN OFFSHORE ......................... 132
LIMITED LIABILITY PARTNERSHIPS .......................... 133
The Jersey LLPs ..................................................... 134
The Body Corporate LLP ......................................... 136
LLPs with a partnership status ................................. 137
Observation .......................................................... 138
DIFFERENCES BETWEEN LLP AND A LIMITED
LIABILITY COMPANY .............................................. 139
DIFFERENCES BETWEEN LLP AND A PARTNERSHIP ....... 140
LABUAN LIMITED LIABILITY PARTNERSHIPS (LLL... 141
Legal attributes ..................................................... 141
Registration .......................................................... 142
Liability of partners ................................................. 143
Internal Regulation ............................................... 144
Dissolution .......................................................... 144
Taxation ............................................................... 145
Application of laws ............................................... 146
CONCLUSION ......................................................... 146
CHAPTER 7

DISSOLUTION OF PARTNERSHIP

Halyani Hassan

INTRODUCTION

The main basis of a partnership is the agreement which form the relationship between the partners. Once the relationship can no longer sustain, the partnership will not be able to continue and has to be dissolved.

CONTRACTUAL DISSOLUTION

Partnership is basically a contractual relationship between the partners. In *Wong Peng Yuen v. Senanayake*,¹ J. Wee Chong Jin clearly stated that the word ‘relation’ as provided in the Partnership Act is a relation resulting from a contract.² Hence, it is common for the methods and grounds for dissolution to be provided in the partnership agreement. The Partnership Act itself is obvious on this fact as it provides that ‘subject to any agreement between the partners, a partnership is dissolved.’³ The Act also highlighted the circumvent events as grounds for dissolution which are normally prescribed in the partnership

¹ (1962) 28 MLJ 204.
³ Section 34(1) of the PA of 1961.