



New South Wales

Partnership Amendment (Venture Capital Funds) Act 2004 No 8

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Partnership Amendment (Venture Capital Funds) Act 2004 No 8

Act No 8, 2004

An Act to amend the *Partnership Act 1892* to provide for the formation of incorporated limited partnerships; and for other purposes. [Assented to 17 March 2004]

The Legislature of New South Wales enacts:

1 Name of Act

This Act is the *Partnership Amendment (Venture Capital Funds) Act 2004*.

2 Commencement

This Act commences on a day or days to be appointed by proclamation.

3 Amendment of Partnership Act 1892 No 12

The *Partnership Act 1892* is amended as set out in Schedule 1.

Schedule 1 Amendments

(Section 3)

[1] Section 1B Interpretation

Insert in alphabetical order:

general partner is defined in section 49.

incorporated limited partnership is defined in section 49.

limited partner is defined in section 49.

limited partnership is defined in section 49.

[2] Section 1B (2) and (3)

Insert at the end of section 1B:

(2) In this Act, a reference, in relation to an incorporated limited partnership, to the partnership or the firm is a reference to the incorporated limited partnership as a separate legal entity and not to the partners in that partnership.

(3) Notes included in this Act do not form part of this Act.

[3] Section 1C

Insert after section 1B:

1C Application of laws of partnership to incorporated limited partnerships

Except as provided (whether expressly or by necessary implication) by this Act or any other enactment, the law relating to partnership does not apply to or in respect of an incorporated limited partnership, the partners in an incorporated limited partnership or to the relationship between an incorporated limited partnership and its partners.

[4] Section 1 Definition of partnership

Insert “and includes an incorporated limited partnership” after “profit” in section 1 (1).

[5] Section 2 Rules for determining existence of partnership

Insert at the end of the section:

- (2) This section does not apply to or in respect of an incorporated limited partnership.

[6] Section 4 Meaning of firms

Insert “other than an incorporated limited partnership” after “partnership”.

[7] Section 4, note

Insert at the end of section 4:

Note. On the meaning of “firm” in relation to an incorporated limited partnership see section 1B (2). On the meaning of “firm-name” of an incorporated limited partnership see section 49.

[8] Section 5 Power of partner to bind firm

Insert “in a partnership other than a firm that is a limited partnership or incorporated limited partnership” after “Every partner”.

[9] Section 5 (2)

Insert at the end of section 5:

- (2) Every general partner in a limited partnership or incorporated limited partnership is an agent of the firm and of the other general partners for the purpose of the business of the partnership, and the acts of every general partner who does any act for carrying on in the usual way business of the kind carried on by the firm of which the partner is a member, bind the firm and the other general partners, unless:
 - (a) the general partner has in fact no authority to act for the firm in the particular matter, and
 - (b) the person with whom the general partner is dealing either knows that the general partner has no authority, or does not know or believe the general partner to be a general partner.

[10] Section 6 Partners bound by acts on behalf of firm

Omit “the firm” where firstly occurring.

Insert instead “a firm other than an incorporated limited partnership”.

[11] Section 6

Omit “: Provided that this section shall not affect any general rule of law relating to the execution of deeds or negotiable instruments”.

[12] Section 6 (2) and (3)

Insert at the end of section 6:

- (2) An act or instrument relating to the business of a firm that is an incorporated limited partnership, and done or executed in the firm-name, or in any other manner, showing an intention to bind the firm by any person authorised to bind the firm, whether a general partner or not, is (subject to section 9 (3)) binding on the firm and all the general partners.
- (3) This section does not affect any general rule of law relating to the execution of deeds or negotiable instruments.

[13] Section 7 Partner using credit of firm for private purposes

Omit “the firm” where firstly occurring.

Insert instead “a firm other than a firm that is an incorporated limited partnership”.

[14] Section 7 (2)

Insert at the end of section 7:

- (2) Where a general partner pledges the credit of a firm that is an incorporated limited partnership for a purpose apparently not connected with the firm’s ordinary course of business, the firm is not bound unless the general partner is in fact specially authorised by the firm, but this section does not affect any personal liability incurred by an individual general partner.

[15] Section 8 Effect of notice that firm will not be bound by acts of partner

Omit “the firm” where firstly occurring.

Insert instead “a firm other than a firm that is an incorporated limited partnership”.

[16] Section 8 (2)

Insert at the end of section 8:

- (2) If it has been agreed by the partners in an incorporated limited partnership that any restrictions are to be placed on the power (if any) of any one or more of them to bind the firm, no act done in contravention of the agreement is binding on the firm with respect to persons having notice of the agreement.

[17] Section 9 Liability of partner

Insert “other than an incorporated limited partnership” after “a firm”.

[18] Section 9

Insert “(if the partner is an individual)” after “partner; and”.

[19] Section 9 (2) and (3)

Insert at the end of section 9:

- (2) Every general partner in an incorporated limited partnership is liable jointly with the incorporated limited partnership for all debts and obligations of the partnership incurred while the general partner is a general partner, and (if the general partner is an individual) after the general partner’s death the general partner’s estate is also severally liable in a due course of administration for such debts or obligations so far as they remain unsatisfied but subject to the prior payment of the partner’s separate debts.
- (3) Despite subsection (2), a general partner in an incorporated limited partnership is only liable for any debts or obligations of the incorporated limited partnership:
 - (a) to the extent the incorporated limited partnership is unable to satisfy the debts and obligations, or
 - (b) to a greater extent provided by the partnership agreement.

[20] Section 10 Liability of firm for wrongs

Insert “in a firm other than an incorporated limited partnership” after “any partner” in section 10 (1).

[21] Section 10 (2)

Insert “in a firm other than an incorporated limited partnership” after “a partner”.

[22] Section 10 (3) and (4)

Insert after section 10 (2):

- (3) Subject to subsection (4), where by any wrongful act or omission of any general partner in an incorporated limited partnership acting in the ordinary course of the business of the incorporated limited partnership, or with its authority, loss or injury is caused to any person not being a partner in the incorporated limited partnership, or any penalty is incurred, the incorporated limited partnership is liable in respect of that loss or injury or penalty to the same extent as the general partner so acting or omitting to act.
- (4) For the purposes of subsection (3), a general partner in an incorporated limited partnership who commits a wrongful act or omission as a director of a body corporate, within the meaning of the *Corporations Act 2001* of the Commonwealth, is not to be taken to be acting in the ordinary course of business of the incorporated limited partnership or with its authority only because of any one or more of the following:
 - (a) the general partner obtained the agreement or authority of the incorporated limited partnership to be appointed or to act as a director of the body corporate,
 - (b) remuneration that the general partner receives for acting as a director of the body corporate forms part of the income of the incorporated limited partnership,
 - (c) any other general partner in the incorporated limited partnership is also a director of that or any other body corporate.

[23] Section 11 Misapplication of money or property received for or in the custody of the firm

Insert “involving the partners of a firm other than an incorporated limited partnership” after “cases”.

[24] Section 11 (2)

Insert at the end of section 11:

- (2) In the following cases involving general partners in an incorporated limited partnership:
 - (a) where one general partner acting within the scope of the general partner's apparent authority receives the money or property of a third person and misapplies it,
 - (b) when an incorporated limited partnership in the course of its business receives money or property of a third person, and the money or property so received is misapplied by one or more of the general partners while it is in the custody of the incorporated limited partnership,

the incorporated limited partnership is liable to make good the loss.

[25] Section 12 Liability for wrongs joint and several

Insert "in a firm other than an incorporated limited partnership" after "Every partner".

[26] Section 12 (2) and (3)

Insert at the end of section 12:

- (2) Every general partner in an incorporated limited partnership is liable jointly with the other general partners in the partnership and also severally for everything for which the firm becomes liable under section 10 (3) or 11 (2) while the general partner is a general partner in the firm.
- (3) Despite subsection (2), a general partner in an incorporated limited partnership is only liable for any liability of the incorporated limited partnership referred to in that subsection:
 - (a) to the extent the incorporated limited partnership is unable to satisfy the liability, or
 - (b) to a greater extent provided by the partnership agreement.

[27] Section 13 Improper employment of trust property for partnership purposes

Insert “in a firm other than an incorporated limited partnership” after “If a partner”.

[28] Section 13 (2) and (3)

Insert at the end of section 13:

- (2) If a general partner in an incorporated limited partnership being a trustee improperly employs trust property in the business or on account of the partnership, neither the partnership nor any other general partner is liable for the trust property to the persons beneficially interested in it.
- (3) Subsection (2):
 - (a) does not affect any liability incurred by any general partner by reason of the partner’s having notice of a breach of trust, and
 - (b) does not prevent trust money from being followed and recovered from the incorporated limited partnership if still in its possession or under its control.

[29] Section 14 Persons liable by “holding out”

Insert “that is a firm other than a limited partnership or incorporated limited partnership” after “particular firm” in section 14 (1).

[30] Section 14 (1A)

Insert after section 14 (1):

- (1A) Every one who by words spoken or written, or by conduct represents himself or herself or who knowingly suffers himself or herself to be represented as a general partner in a particular firm that is a limited partnership or an incorporated limited partnership, is liable as a general partner to any one who has on the faith of any such representation given credit to the firm, whether the representation has or has not been made or communicated to the person so giving credit by or with the knowledge of the apparent general partner making the representation or suffering it to be made.

[31] Section 15 Admissions and representations of partners

Insert “in a firm other than a limited partnership or incorporated limited partnership” after “partner”.

[32] Section 15 (2)

Insert at the end of section 15:

- (2) An admission or representation made by any general partner in a limited partnership or incorporated limited partnership concerning the partnership affairs, and in the ordinary course of its business, is evidence against the firm.

[33] Section 16 Notice to acting partner to be notice to firm

Insert “in a firm other than a limited partnership or incorporated limited partnership” after “any partner”.

[34] Section 16 (2)

Insert at the end of section 16:

- (2) Notice to any general partner in a limited partnership or incorporated limited partnership who habitually acts in the partnership business of any matter relating to partnership affairs operates as notice to the firm except in the case of a fraud on the firm committed by or with the consent of that partner.

[35] Section 17

Omit the section. Insert instead:

17 Liabilities of incoming and outgoing partners

- (1) A person who is admitted as a partner into an existing firm other than a limited partnership or incorporated limited partnership does not by that admission alone become liable for anything done before the person became a partner.
- (2) A person who is admitted as a general partner into an existing limited partnership or incorporated limited partnership does not by that admission alone become liable for anything done before the person became a general partner.

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- (3) A partner who retires from a firm other than a limited partnership or incorporated limited partnership does not by that retirement alone cease to be liable for partnership debts and obligations incurred before the partner's retirement.
- (4) A partner who retires from a limited partnership or incorporated limited partnership does not by that retirement alone cease to be liable for liabilities of the firm incurred before the partner's retirement for which the partner was liable.
- Note.** *Liability* is defined in section 49.
- (5) A retiring partner in a firm other than a limited partnership or incorporated limited partnership may be discharged from any existing liabilities by an agreement to that effect between the partner and the members of the firm as newly constituted and the creditors, and this agreement may be either expressed or inferred as a fact from the course of dealing between the creditors and the firm as newly constituted.
- (6) A retiring partner in a limited partnership or incorporated limited partnership may be discharged from any existing liabilities by an agreement to that effect between the partner and the firm and the creditors, and this agreement may be either expressed or inferred as a fact from the course of dealing between the creditors and the firm.

[36] Section 18 Revocation of continuing guaranty by change of firm

Insert at the end of the section:

- (2) This section does not apply to or in respect of an incorporated limited partnership.

[37] Section 20 Partnership property of firms other than incorporated limited partnerships

Insert after section 20 (3):

- (4) This section does not apply to or in respect of an incorporated limited partnership.

[38] Section 20A

Insert after section 20:

20A Partnership property of incorporated limited partnership

- (1) All property, and rights and interests in property, acquired, whether by purchase or otherwise, on account of an incorporated limited partnership, or for the purposes and in the course of the business of the partnership, are called in this Act *partnership property*, and must be applied by the partnership exclusively for the purposes of the partnership.
- (2) No partner in an incorporated limited partnership, by virtue only of being a partner in the partnership, has any legal or beneficial interest in its partnership property.

[39] Section 22 Conversion into personal estate of land held as partnership property

Insert at the end of the section:

- (2) This section does not apply to or in respect of an incorporated limited partnership.

[40] Section 23 Procedure against partnership property for a partner's separate judgment debt

Insert after section 23 (3):

- (4) Subsections (2) and (3) do not apply to or in respect of an incorporated limited partnership.

[41] Section 24 Rules as to the interests and duty of partners other than partners in incorporated limited partnership subject to special agreement

Insert at the end of the section:

- (2) This section does not apply to or in respect of an incorporated limited partnership.

[42] Section 26 Retirement from partnership at will

Insert after section 26 (2):

- (3) This section does not apply to or in respect of a limited partnership or incorporated limited partnership.

[43] Section 27 Where partnership for term is continued over, continuance on old terms presumed

Insert after section 27 (2):

- (3) This section does not apply to or in respect of an incorporated limited partnership.

[44] Section 28 Duty of partners to render accounts

Insert “in a firm other than an incorporated limited partnership” after “Partners”.

[45] Section 28 (2)

Insert at the end of section 28:

- (2) An incorporated limited partnership is, subject to the partnership agreement, bound to render true accounts and full information in respect of all things affecting the partnership to any partner or the partner’s legal representatives.

[46] Section 29 Accountability of partners for private profits

Insert after section 29 (2):

- (3) This section does not apply to or in respect of an incorporated limited partnership.

[47] Section 30 Duty of partner not to compete with firm

Insert at the end of the section:

- (2) This section does not apply to or in respect of an incorporated limited partnership.

[48] Section 31 Rights of assignee of share in partnership

Insert after section 31 (2):

- (3) This section does not apply to or in respect of an incorporated limited partnership.

[49] Section 31A

Insert after the heading to Division 4 of Part 2:

31A Division does not apply to incorporated limited partnerships

This Division does not apply to or in respect of an incorporated limited partnership.

[50] Part 3, heading

Insert “**and incorporated limited partnerships**” after “**partnerships**”.

[51] Section 49 Interpretation

Omit “Part” where firstly occurring. Insert instead “Act”.

[52] Section 49

Omit the definitions of *general partner*, *limited partner*, *limited partnership* and *Register*.

Insert in alphabetical order:

external partnership means a partnership (or legal entity, however described, in the nature of a partnership) formed in accordance with a law of another State, a Territory or another country or jurisdiction, whether or not under that law the liability of any partner for the liabilities of the partnership (or entity) is limited and whether or not under that law the partnership (or entity) is incorporated or is otherwise a separate legal entity.

firm-name of:

- (a) an incorporated limited partnership—means the name of the partnership recorded in the Register, and
- (b) of an external partnership—means the name under which, in accordance with the law of the place in which it is formed, the partnership carries on the business of the partnership.

general partner:

- (a) in a limited partnership—means a partner in the limited partnership who is not a limited partner, and
- (b) in an incorporated limited partnership—means a person or partnership (including an external partnership) admitted as a partner in the incorporated limited partnership in accordance with the partnership agreement and who is not a limited partner.

incorporated limited partnership means an incorporated limited partnership formed in accordance with section 50A (2).

limited partner:

- (a) in a limited partnership—means a partner in the limited partnership whose liability for the liabilities of the partnership is limited in accordance with this Part, and
- (b) in an incorporated limited partnership—means a person or partnership (including an external partnership) admitted and designated as a limited partner in the incorporated limited partnership in accordance with the partnership agreement.

limited partnership means a limited partnership formed in accordance with section 50A (1).

partner in a limited partnership or incorporated limited partnership means a general partner or a limited partner.

Register means the Register of Limited and Incorporated Limited Partnerships kept under this Part.

registered particulars means particulars recorded in the Register under section 55 (3).

[53] Section 49

Insert in alphabetical order:

liability includes any debt, obligation or other liability of any kind, wherever and however incurred.

[54] Section 50

Omit the section. Insert instead:

50 Application of other provisions of this Act

- (1) Parts 1 and 2 apply to limited partnerships and incorporated limited partnerships, except as provided by those Parts or this Part.
- (2) If a provision made by or under this Part relating to limited partnerships or incorporated limited partnerships is inconsistent with a provision made by or under any other Part that applies to limited partnerships or incorporated limited partnerships, respectively, the provision made by or under this Part prevails and the other provision is (to the extent of the inconsistency) of no force or effect in relation to limited partnerships or incorporated limited partnerships.

[55] Part 3, Division 2, heading

Insert “**and incorporated limited partnership**” after “**partnership**”.

[56] Section 50A

Insert after the heading to Division 2 of Part 3:

50A Limited partnership or incorporated limited partnership is formed on registration

- (1) A limited partnership is formed by and on registration of the partnership under this Part as a limited partnership.
- (2) An incorporated limited partnership is formed by and on registration of the partnership under this Part as an incorporated limited partnership.

[57] Section 51

Omit the section. Insert instead:

51 Composition of limited partnership or incorporated limited partnership

- (1) A limited partnership or incorporated limited partnership must have:
 - (a) at least one general partner, and

- (b) at least one limited partner.
- (2) A corporation may be a general partner or a limited partner in a limited partnership or incorporated limited partnership.
- (3) A partnership (including an external partnership) may be a general partner or a limited partner in a limited partnership or incorporated limited partnership.

[58] Section 52 Size of limited partnership or incorporated limited partnership

Insert “or incorporated limited partnership” after “partnership” in section 52 (1).

[59] Section 52 (2)–(4)

Omit section 52 (2). Insert instead:

- (2) An incorporated limited partnership must not have more than 20 general partners.
- (3) A limited partnership:
 - (a) must not have more than 20 general partners, or
 - (b) if the partnership is of a particular kind in respect of which a higher number applies in accordance with section 115 (2) of the *Corporations Act 2001* of the Commonwealth (and the partnership consisted only of those general partners)—must not have more general partners than that higher number.
- (4) For the purposes of this section:
 - (a) if a general partner is a partnership or external partnership and no partner in that partnership has, under the law of the place where the partnership is formed, limited liability for the liabilities of the partnership, the number of partners in that partnership is to be counted, and
 - (b) if a general partner is a partnership or external partnership and any partner in that partnership has, under the law of the place where the partnership is formed, limited liability for the liabilities of the partnership, the number of partners in that partnership whose liability is not so limited is to be counted but no account is to be taken of the number of partners in that partnership whose liability is so limited.

[60] Sections 53–53C

Omit section 53. Insert instead:

53 Incorporated limited partnership is separate legal entity

- (1) An incorporated limited partnership:
 - (a) is a body corporate with legal personality separate from that of the partners in it and with perpetual succession, and
 - (b) may have a common seal, and
 - (c) may sue and be sued in its firm-name.
- (2) The common seal of an incorporated limited partnership must be kept in such custody as the partnership directs and must not be used except as authorised by it.

53A Powers of incorporated limited partnership

- (1) An incorporated limited partnership has the legal capacity and powers of an individual and also all the powers of a body corporate including (for example) the power, whether within or outside New South Wales or outside Australia:
 - (a) to carry on the business of the partnership, or
 - (b) to enter into contracts or otherwise acquire rights or liabilities, or
 - (c) to create, confer, vary or cancel interests in the partnership, or
 - (d) to acquire, hold and dispose of real or personal property or an interest (whether beneficial or legal) in real or personal property, or
 - (e) to appoint agents and attorneys, and act as agent for other persons, or
 - (f) to form, and participate in the formation of, companies or incorporated limited partnerships, or
 - (g) to participate in partnerships, trusts, joint ventures or other associations and other arrangements for the sharing of profits, or
 - (h) to do such other things as it is authorised to do by or under this Act.

- (2) The powers of an incorporated limited partnership may be limited by the partnership agreement.

53B Partnership agreement

- (1) There must at all times be a written partnership agreement between the partners in an incorporated limited partnership.
- (2) The interests of the partners in an incorporated limited partnership and their rights and duties in relation to the partnership are, subject to this Act, to be determined in accordance with the agreement.
- (3) A partnership agreement also has effect as a contract between the incorporated limited partnership and each partner under which the partnership and each of the partners agree to observe and perform the agreement so far as it applies to them.

53C Relationship of partners in incorporated limited partnership to others and between themselves

- (1) Except as otherwise provided by the partnership agreement or agreed between the partners in an incorporated limited partnership:
 - (a) a general partner, the partnership or an officer, employee, agent or representative of a general partner or of the partnership is not an agent of a limited partner and the acts of a general partner or of the partnership or of such an officer, employee, agent or representative do not bind a limited partner, and
 - (b) a limited partner is not an agent of, nor fiduciary for, a general partner or of another limited partner or of or for the partnership and the acts of a limited partner do not bind a general partner, another limited partner or the partnership itself.
- (2) A reference in subsection (1) to a general partner includes, if the general partner is a partnership or an external partnership, a reference to a partner in that partnership.
- (3) Nothing in subsection (1) prevents the making of, or limits or restricts, an agreement between a partner (the *first person*) and either another partner or the incorporated limited partnership (the *second person*) under which:

- (a) the first person acts as an agent of the second person and, by so acting, binds the second person, or
 - (b) the second person acts as an agent of the first person and, by so acting, binds the first person.
- (4) Any consent or authority that under this Act is required or permitted to be given by a partner or two or more partners or all the partners may, in the case of an incorporated limited partnership and without limiting any other way in which it might be given, be given by that partner or those partners by or under the partnership agreement either in relation to all cases, or in relation to all cases subject to specified exceptions, or in relation to any specified case or class of cases.
- (5) Any consent or authority that under this Act is required or permitted to be given by an incorporated limited partnership may, without limiting any other way in which it might be given, be given by a general partner or two or more general partners acting in accordance with the partnership agreement.
- (6) A limited partner, in the capacity of limited partner, is not a proper party to any proceeding commenced in a court or tribunal by or against the incorporated limited partnership, other than a proceeding commenced by the incorporated limited partnership against the limited partner or by the limited partner against the incorporated limited partnership.

[61] Part 3, Division 3, heading

Insert “**and incorporated limited partnerships**” after “**partnerships**”.

[62] Section 53D

Insert after the heading to Division 3 of Part 3:

53D Who may apply for registration?

- (1) An application for registration as a limited partnership may be made by:
 - (a) a partnership, or
 - (b) any persons or partnerships (or both) proposing to be partners in the limited partnership.

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- (2) An application for registration as an incorporated limited partnership may be made, in the circumstances described in subsection (3), by:
- (a) a partnership (including an external partnership), or
 - (b) any persons or partnerships (including external partnerships), or both, proposing to be partners in the proposed incorporated limited partnership.
- (3) The circumstances are:
- (a) that the partnership is registered under Part 2 of the *Venture Capital Act 2002* of the Commonwealth, or a general partner in the partnership or a proposed general partner in the proposed incorporated limited partnership intends to apply for registration of the incorporated limited partnership or proposed partnership under that Part, as:
 - (i) a VCLP within the meaning of that Act, or
 - (ii) an AFOF within the meaning of that Act, or
 - (b) that the partnership is a venture capital management partnership within the meaning of section 94D (3) of the *Income Tax Assessment Act 1936* of the Commonwealth or the partners in the partnership or the proposed partners in the proposed incorporated limited partnership intend that the partnership or proposed incorporated limited partnership will meet the requirements set out in that section for recognition as a venture capital management partnership, or
 - (c) such other circumstances as are prescribed.

[63] Section 54

Omit the section. Insert instead:

54 Application for registration

- (1) An application for registration of a limited partnership or incorporated limited partnership is made by lodging with the Registrar in accordance with this Part a statement signed:
- (a) if the application is made by a partnership (including an external partnership)—either by each partner in the partnership or by a person given authority to make such an application on behalf of the partnership and the partners in it, or

- (b) in any other case—by each proposed partner.
- (2) The statement must be made in the form approved by the Registrar and must:
 - (a) contain a statement of whether the partnership is to be registered as a limited partnership or an incorporated limited partnership, and
 - (b) in the case of an application by a partnership (including an external partnership), contain particulars of:
 - (i) the firm-name of the partnership, and
 - (ii) the full address of the office or principal office in New South Wales of the partnership (to be called the *registered office* of the proposed partnership), and
 - (c) in the case of an application by persons or partnerships (including external partnerships) proposing to be the partners in the proposed partnership, contain particulars of:
 - (i) the proposed firm-name of the proposed partnership, and
 - (ii) the full address of the proposed office or principal office in New South Wales of the proposed partnership (to be called the *registered office* of the partnership), and
 - (d) contain particulars of the full name of each partner or proposed partner or, if the partner or proposed partner is a partnership (including an external partnership), the name of that partnership or, if that partnership does not have a name, the full name of each partner in the partnership, and
 - (e) in the case of an application by a partnership, contain particulars of its registered office or principal office, and in any other case, contain particulars of the full address of each partner or proposed partner, being (in the case of an individual) his or her principal place of residence or (in the case of a corporation or partnership) its registered office or principal place of business, and
 - (f) contain a statement in relation to each partner or proposed partner that is an individual as to whether that partner or proposed partner is, or is proposed to be, a general partner or a limited partner, and

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- (g) contain a statement in relation to each partner or proposed partner that is a corporation or a partnership that is, or is proposed to be, a partner a statement in relation to the corporation or partnership as to whether it is to be a general partner or a limited partner, and
 - (h) contain a statement in relation to each partner or proposed partner that is a partnership to the effect that the partner or proposed partner is a partnership, and
 - (i) in the case of an application for a limited partnership—contain a statement in relation to each limited partner to the effect that the partner is a limited partner whose liability to contribute is limited to the extent of the amount specified in the statement (being the amount of any capital, or the value of any property, that the limited partner has agreed to contribute to the partnership or, in the case of a limited partner that is a partnership, the aggregate amounts or values), and
 - (j) in the case of an application by a partnership or persons or partnerships proposing to be partners in a partnership that intends to apply for registration as a VCLP or an AFOF under Part 2 of the *Venture Capital Act 2002* of the Commonwealth, contain a statement that it so intends to apply, and
 - (k) in the case of an application by a partnership that is registered as a VCLP or an AFOF under Part 2 of the *Venture Capital Act 2002* of the Commonwealth, be accompanied by a copy of a document evidencing its status as a VCLP or an AFOF, and
 - (l) in the case of an application by a partnership or proposed persons or partnerships proposing to be a partnership that intends to meet the requirements for recognition as a venture capital management partnership set out in section 94D (3) of the *Income Tax Assessment Act 1936* of the Commonwealth, contain a statement that it so intends to meet those requirements, and
 - (m) in the case of an application by a partnership that is a venture capital management partnership within the meaning of section 94D (3) of the *Income Tax Assessment Act 1936* of the Commonwealth, a statement that it is such a partnership, and

- (n) contain such other particulars as are required by the regulations or by the approved form of statement.

[64] Section 55 Registration of limited partnership or incorporated limited partnership

Insert “or incorporated limited partnership” after “limited partnership” wherever occurring in section 55 (1).

[65] Section 55 (2)

Insert “or incorporated limited partnership” after “partnership”.

[66] Section 55 (2A) and (2B)

Insert after section 55 (2):

- (2A) If the Registrar registers a limited partnership or an incorporated limited partnership, the firm-name of the partnership is its name as recorded in the Register.
- (2B) On registration of a limited partnership as an incorporated limited partnership, the limited partnership ceases to be a limited partnership and the Registrar is to record the cancellation of its registration in the Register. However any liability of the firm or a partner in it that arose before its registration as an incorporated limited partnership is to be dealt with as if it were still a limited partnership.

[67] Section 55, note

Insert at the end of section 55:

Note. The *Business Names Act 1962* is to be repealed on the commencement of the *Business Names Act 2002*.

[68] Section 55A

Insert after section 55:

55A Acts preparatory to registration do not constitute partnership

Any act done in connection with the making of an application for registration under this Part by or on behalf of persons or partnerships (including external partnerships) proposing to be the partners in a proposed partnership does not of itself create a partnership between those persons or partnerships.

[69] Section 56 Changes in registered particulars

Insert “or incorporated limited partnership” after “limited partnership” in section 56 (1).

[70] Section 56 (2) and (2A)

Omit section 56 (2). Insert instead:

- (2) The statement must be signed by all the general partners, or by a general partner authorised by all the general partners for the purposes of this section.
- (2A) In the case of a limited partnership, if the change relates to the admission of a limited partner, or a change in the liability of a limited partner to contribute, the statement must also be signed:
 - (a) by the limited partner concerned, or
 - (b) if that limited partner is a limited partnership, by all the general partners in that limited partnership or by a general partner in that limited partnership authorised by all the general partners in that limited partnership for the purposes of this section.

[71] Section 56 (4)

Omit the subsection. Insert instead:

- (4) If the statement is duly lodged, the Registrar is to record the change in the Register, unless, in the case of a limited partnership, as a result of a change in relation to the registered particulars, the partnership is not eligible to be registered as a limited partnership.

[72] Section 56, note

Insert at the end of the section:

Note. See section 80A in relation to offences committed by general partners.

[73] Section 57 Register of Limited Partnerships and Incorporated Limited Partnerships

Omit section 57 (1). Insert instead:

- (1) The Registrar is required to keep a register of limited partnerships and incorporated limited partnerships registered under this Part (to be called the Register of Limited and Incorporated Limited Partnerships).

- (1A) In the Register, there is to be a division of limited partnerships and a division of incorporated limited partnerships.

[74] Section 57 (4) and (5)

Insert after section 57 (3):

- (4) The Registrar may correct any error or omission in the Register by:
- (a) inserting an entry, or
 - (b) amending an entry, or
 - (c) omitting an entry,
- if the Registrar decides that the correction is necessary.
- (5) The Registrar must not omit an entry in the Register unless satisfied that the whole of the entry was included in error.

[75] Section 58

Omit the section. Insert instead:

58 Certificates of registration

- (1) The Registrar must, at the time of:
- (a) registering a limited partnership or an incorporated limited partnership, or
 - (b) recording a change in its registered particulars, or
 - (c) correcting an error or omission in the Register in relation to it,
- issue to the general partners a certificate as to its formation and its registered particulars as at that time.
- (2) The Registrar may, on application, issue to the applicant a certificate in relation to a limited partnership or incorporated limited partnership as to its formation and its registered particulars as at the time of the application.
- (3) A certificate under this section is to be in such form as the Registrar thinks fit.
- (4) A certificate under this section:
- (a) as to the formation of a limited partnership or incorporated limited partnership is conclusive evidence that the partnership was formed on the date of registration referred to in the certificate, and

- (b) as to the registered particulars as at a specified time of the partnership, is (unless the contrary is established) conclusive evidence that the partnership existed at that time, and
- (c) as to the general partners and limited partners in a partnership as at a specified time is (unless the contrary is established) conclusive evidence of the general partners and limited partners as at that time, and
- (d) as to any other particular of a partnership recorded in the Register as at a specified time, is (unless the contrary is established) conclusive evidence of that particular as at that time.

[76] Section 59 Business Names Act 1962 not to apply

Insert “or an incorporated limited partnership” after “partnership”.

[77] Section 59, note

Insert at the end of section 59:

Note. The *Business Names Act 1962* is to be repealed on the commencement of the *Business Names Act 2002*.

[78] Part 3, Division 4, heading

Insert “**in limited partnership**” after “**partners**”.

[79] Section 60 Liability of limited partner limited to amount shown in Register

Omit “debts or obligations” wherever occurring from section 60 (1) and (2).

Insert instead “liabilities”.

[80] Section 60 (3)

Insert after section 60 (2):

- (3) If a partnership (the *investing partnership*) is a limited partner in a limited partnership (the *principal partnership*), a partner in the investing partnership has no separate liability to contribute to the liabilities of the principal partnership, but nothing in this subsection affects any liability of the investing partnership as a limited partner to contribute to those liabilities.

[81] Sections 61, 62, 63, 64 (2) and (3) and 67 (3) (c)

Omit “debt or obligation” wherever occurring.

Insert instead “liability”.

[82] Section 64 Liability for limited partnerships formed under corresponding laws

Insert “or jurisdiction” after “country” in the definition of *corresponding law* in section 64 (1).

[83] Section 64 (4)

Insert “or jurisdiction” after “country”.

[84] Section 64 (5)

Insert after section 64 (4):

- (5) This section is additional to, and does not derogate from, any rule of law under which recognition is or may be given to a limitation of liability of a partner in a partnership (including an external partnership).

[85] Section 64A

Insert after section 64:

64A Effect of sections 63 and 64

No implication is to be taken as arising from section 63 or 64 that a limited partner has any liability (or but for that section would have any liability) in connection with the conduct of a partnership’s business outside the State that the limited partner would not have in connection with the conduct of a partnership’s business within the State.

[86] Part 3, Division 4A

Insert after section 66:

Division 4A Limitation of liability of limited partners in incorporated limited partnerships

66A Limitation of liability of limited partners

- (1) A limited partner has no liability for the liabilities of the incorporated limited partnership or of a general partner.
- (2) Nothing in subsection (1) or section 66C or 66D prevents:
 - (a) a contribution of capital or property made by a limited partner to the incorporated limited partnership being used, or
 - (b) an obligation of a limited partner to contribute capital or property to the incorporated limited partnership being enforced by any person to whom the obligation is owed, in satisfaction of a liability of the partnership or of a general partner.
- (3) This section is subject to section 67A (Limited partner not to take part in the management of incorporated limited partnership).

66B Change in status of partners

- (1) If a general partner becomes a limited partner, the partner remains liable for any liability of the incorporated limited partnership that arose before the partner became a limited partner to the extent that the partnership is unable to satisfy the liability or to the greater extent provided by the partnership agreement.
- (2) If a limited partner becomes a general partner, the partner remains not liable (subject to section 67A (2)) for any liability of the incorporated limited partnership that arose before the partner became a general partner.

Note. Section 67A (2) imposes liability in certain circumstances on a limited partner who takes part in the management of the business of the incorporated limited partnership.

66C Liability in respect of conduct or acts or omissions outside the State

The limitation on the liability of a limited partner in an incorporated limited partnership by or under this Division extends to any liability incurred:

- (a) in connection with the conduct of the partnership's business outside the State, or
- (b) as a result of an act or omission outside the State of a general partner or a limited partner in the partnership, the partnership or of any officer, employee, agent or representative of a general partner in the partnership or the partnership.

66D Incorporated limited partnerships formed under corresponding laws

- (1) In this section:

corresponding law means:

- (a) a law of another State or of a Territory or of another country or jurisdiction that substantially corresponds to the provisions of this Act that relate to incorporated limited partnerships, or
- (b) a law declared under subsection (3) to be a corresponding law for the purposes of this Part.

recognised incorporated limited partnership means a partnership formed in accordance with a corresponding law.

- (2) A partner in a recognised incorporated limited partnership is liable for a liability incurred by the partnership as a result of:
- (a) the conduct of the recognised incorporated limited partnership's business in this State, or
 - (b) the acts or omissions in this State of a partner in the recognised incorporated limited partnership or of the partnership itself or of any officer, employee, agent or representative of such a partner or of the partnership,

only in circumstances where the partner would be so liable under the corresponding law if the conduct or acts or omissions occurred in the place where the recognised incorporated limited partnership was formed.

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- (3) Subject to subsections (4) and (5), the Governor may, by order published in the Gazette, declare a law of another State, a Territory or another country or jurisdiction to be a corresponding law for the purposes of this Part.
- (4) The law of another State or of a Territory may not be declared to be a corresponding law unless the Minister has certified to the Governor that under that law a limited partner in an incorporated limited partnership formed in accordance with this Part and registered or otherwise recognised under that law is liable for a liability incurred by the partnership as a result of:
- (a) the conduct in that State or Territory of the business of the partnership, or
 - (b) the acts or omissions in that State or Territory of a partner in the partnership or of the partnership itself or of any officer, employee, agent or representative of a general partner or of the partnership,
- only in circumstances where the limited partner would be so liable under this Act if the conduct or acts or omissions occurred within the State.
- (5) The law of another country or jurisdiction (not being another State or Territory) may not be declared to be a corresponding law unless the Minister has certified to the Governor that that law provides for the limitation of liability of certain partners in certain partnerships.
- (6) This section is additional to, and does not derogate from, any rule of law under which recognition is or may be given to a limitation of liability of a partner in a partnership.

66E Effect of sections 66C and 66D

No implication is to be taken as arising from section 66C or 66D that a limited partner has any liability (or but for that section would have any liability) in connection with the conduct of a partnership's business or acts or omissions outside the State that the limited partner would not have in connection with the conduct of a partnership's business or acts or omissions within the State.

[87] Part 3, Division 6, heading

Insert “**and incorporated limited partnerships**” after “**partnerships**”.

[88] Section 67 Limited partner not to take part in management of limited partnership

Omit “debts and obligations” from section 67 (2).

Insert instead “liabilities”.

[89] Section 67 (6)

Insert after section 67 (5):

- (6) No implication is to be taken as arising from section 67A (3) that a limited partner in a limited partnership is to be regarded as taking part in the management of the business of the partnership merely because the limited partner or a person acting on behalf of the partner does any thing in connection with the conduct of that business that is not referred to in that subsection.

[90] Sections 67A and 67B

Insert after section 67:

67A Limited partner not to take part in the management of incorporated limited partnership

- (1) A limited partner in an incorporated limited partnership must not take part in the management of the business of the partnership.
- (2) If:
 - (a) as a direct result of any wrongful act or omission of a limited partner in taking part in the management of the business of an incorporated limited partnership the limited partner causes any loss or injury to any person other than a partner in the partnership (a *third party*), and
 - (b) at the time of the act or omission the third party had reasonable grounds to believe that the limited partner was a general partner in the partnership,

the limited partner is liable for the loss or injury to the same extent that the limited partner would have been liable if the

limited partner were in fact a general partner in the partnership.

Note. A limited partner is not an agent of an incorporated limited partnership and the acts of a limited partner do not bind a general partner, another limited partner or the partnership itself—see section 53C (1).

- (3) A limited partner in an incorporated limited partnership is not to be regarded as taking part in the management of the business of the partnership merely because the limited partner or a person acting on behalf of the limited partner:
- (a) is an employee of or an independent contractor engaged by the partnership, a general partner in the partnership or an associate of the general partner, or is an officer of a general partner that is a body corporate or of an associate of a general partner that is a body corporate, or
 - (b) gives advice to, or on behalf of, the partnership or a general partner in the partnership or an associate of such a general partner in the proper exercise of functions arising from the engagement of the limited partner, or a person acting on behalf of the limited partner, in a professional capacity or arising from business dealings between the limited partner, or a person acting on behalf of the limited partner, and the partnership or a general partner or an associate of the general partner, or
 - (c) gives a guarantee or indemnity in respect of any liability of the partnership or of a general partner in the partnership or an associate of the general partner, or
 - (d) takes any action, or participates in any action taken by any other limited partner in the partnership, for the purpose of enforcing the rights, or safeguarding the interests, of the limited partner as a limited partner, or
 - (e) if permitted by the partnership agreement:
 - (i) calls, requisitions, convenes, chairs, participates in, postpones, adjourns or makes a record of a meeting of the partners or of the limited partners or of any of them, or
 - (ii) requisitions, signs or otherwise passes, approves, disapproves or amends any resolution (whether at a meeting, in writing or otherwise) of the partners or of the limited partners or of any of them,

- including without limitation by formulating, moving, proposing, supporting, opposing, speaking to or voting on any such resolution, or
- (f) exercises a power conferred on the limited partner by subsection (4) or has, or exercises, any right to:
 - (i) have access to and inspect the books or records of the partnership or copy any of them, or
 - (ii) examine the state or prospects of the business of the partnership or advise, or consult with, other partners in relation to such matters, or
 - (g) gives advice to, or consults with, or is or acts as an officer, director, security holder, partner, agent, representative, employee of or independent contractor engaged by an associate of the partnership, or
Note. Associate of a partnership is defined in section 67B.
 - (h) is or acts as a lender to, or fiduciary for, an associate of the partnership, or
 - (i) to the extent authorised by the partnership agreement, participates on, or has or exercises any right to appoint one or more persons to, or remove one or more persons from, or to nominate one or more persons for such appointment to or removal from, a committee which considers, approves of, consents to or disapproves of any one or more of the following proposals from a general partner:
 - (i) a proposal involving a material change in the nature of the business of the partnership (including a change in, or departure from, any investment guidelines, policies or conditions relating to the business of the partnership),
 - (ii) a proposal for the adoption of a method for valuing some or all of the assets of the partnership (including a change to, replacement of or variation from such a method),
 - (iii) a proposal for an extension or reduction in the period in which, under the partnership agreement, investments (or certain types of investments) can be made by the partnership, or for any approval or disapproval of investments that the partnership does not otherwise have a right to make,

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- (iv) a proposal relating to any actual or potential transaction or other matter involving any actual or potential conflict of interest,
 - (v) a proposal relating to any actual or potential transaction, contract, arrangement or understanding between one or more of the partners, or their associates, and the general partner, the partnership or any associate of the general partner or of the partnership,
 - (vi) a proposal for the delegation, waiver, release or variation of an authority, right, duty or obligation of the general partner,
 - (vii) a proposal for the appointment or approval under the partnership agreement of any person as a senior executive of the general partner or of an associate of the general partner, or
 - (j) nominates, selects, investigates, evaluates or negotiates with any person in connection with the removal or replacement of a general partner, or participates on a committee which proposes, considers, approves of, consents to or disapproves of any nomination, selection, appointment, change in control or ownership, suspension, replacement or removal of a general partner or an associate of a general partner, or
 - (k) takes any action, or participates in any action taken by any other limited partner, for the purpose of registering or maintaining the registration of the partnership or a general partner in the partnership under Part 2 of the *Venture Capital Act 2002* of the Commonwealth as a VCLP or an AFOF within the meaning of that Act.
- (4) A limited partner in an incorporated limited partnership or a person authorised by the limited partner may, if and to the extent the partner or person is so authorised by the partnership agreement as in force from time to time:
- (a) have access to and inspect the books or records of the partnership or copy any of them, and
 - (b) examine the state or prospects of the business of the partnership and advise, or consult with, other partners in relation to such matters.

- (5) The provisions of this section may not be varied by the partnership agreement or with the consent of the partners, whether given by or under the partnership agreement or otherwise.

Note. Section 53C (4) enables partners to give consent by or under the partnership agreement.

- (6) No implication is to be taken as arising from subsection (3) that a limited partner in an incorporated limited partnership is to be regarded as taking part in the management of the business of the partnership merely because the limited partner or a person acting on behalf of the partner does any thing in connection with the conduct of that business that is not referred to in that subsection.
- (7) For the purposes of this section, a limited partner in an incorporated limited partnership that is a venture capital management partnership (within the meaning of section 94D (3) of the *Income Tax Assessment Act 1936* of the Commonwealth) is not to be regarded as taking part in the management of the business of the incorporated limited partnership merely because of any act the limited partner takes in respect of the incorporated limited partnership in the capacity of a partner or associate of a partner in the venture capital management partnership.

67B Interpretation of section 67A

- (1) In section 67A:
- (a) a reference to an associate of a general partner includes a reference to:
- (i) if the general partner is a partnership, a partner in that partnership (a *partner in the general partner*), and
 - (ii) any person who has an interest in the general partner or in any partner in the general partner, whether as security holder, trustee, responsible entity, manager, custodian, sub-custodian, nominee, administrator, executor, legal personal representative, beneficiary or otherwise, and

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- (iii) any person to whom the general partner or any partner in the general partner has delegated any power, authority, right, duty or obligation of the general partner in relation to the partnership or any other partnership in which the general partner is general partner, and
 - (iv) if the general partner or a partner in the general partner or a person covered by subparagraph (ii) or (iii) is a body corporate, a related body corporate of that body corporate, and
 - (v) a director, officer, employee, agent, representative or security holder of the general partner or of any partner in the general partner or of a person covered by subparagraph (ii), (iii) or (iv), and
- (b) a reference to an associate of a limited partner includes a reference to:
- (i) if the limited partner is a partnership, a partner in that partnership (a *partner in the limited partner*), and
 - (ii) any person who has an interest in the limited partner or in any partner in the limited partner, whether as security holder, trustee, responsible entity, manager, custodian, sub-custodian, nominee, administrator, executor, legal personal representative, beneficiary or otherwise, and
 - (iii) if the limited partner or a partner in the limited partner or a person covered by subparagraph (ii) is a body corporate, a related body corporate of that body corporate, and
 - (iv) a director, officer, employee, agent, representative or security holder of the limited partner or of any partner in the limited partner or of a person covered by subparagraph (ii) or (iii), and
- (c) a reference to an associate of an incorporated limited partnership includes a reference to:
- (i) any person or partnership in which the incorporated limited partnership has an interest, whether as security holder or otherwise, and

(ii) if a person or partnership covered by subparagraph (i) is a body corporate, a related body corporate of that body corporate.

(2) In section 67A and this section, a reference to a general partner in an incorporated limited partnership includes, if the general partner is a partnership, a reference to a partner in that partnership.

(3) In section 67A and this section:

related body corporate has the same meaning given by section 9 of the *Corporations Act 2001* of the Commonwealth.

security holder, in relation to a body (whether corporate or unincorporated) includes a holder of securities (within the meaning given by section 92 (3) of the *Corporations Act 2001* of the Commonwealth) in or of the body.

[91] Section 68 Differences between partners

Insert “or an incorporated limited partnership” after “partnership” in section 68 (1).

[92] Sections 68 and 69, notes

Insert at the end of the sections:

Note. See section 53C (4).

[93] Section 69 Change in partners

Insert “in a limited partnership” after “limited partner” where firstly occurring in section 69 (1).

[94] Section 69 (1A)–(1C)

Insert after section 69 (1):

(1A) A limited partner in an incorporated limited partnership may, with the consent of the general partners and the agreement of the transferee, transfer the whole or a proportion of the limited partner’s interest in the incorporated limited partnership.

(1B) If the whole of the limited partner's interest in the incorporated limited partnership is transferred to the one transferee, the transferee becomes a limited partner in substitution for the transferor with all the rights and obligations of the transferor.

(1C) If only a proportion of the limited partner's interest in the incorporated limited partnership is transferred to a transferee, the transferee becomes a limited partner in substitution for the transferor in respect of the transferred proportion and with all the rights and obligations of the transferor in respect of it.

[95] Section 69 (2)

Insert "or incorporated limited partnership" after "limited partnership".

[96] Part 3, Division 6, heading

Insert "**and incorporated limited partnerships**" after "**partnerships**".

[97] Section 70 Dissolution not available in certain cases

Omit "debts or obligations" from section 70 (1) (b).

Insert instead "liabilities".

[98] Section 70 (2)

Insert "or an incorporated limited partnership" after "limited partnership".

[99] Section 73A

Insert after section 73:

73A Winding up of incorporated limited partnerships

Schedule 1 has effect.

[100] Sections 73B–73E

Insert after the heading to Division 7 of Part 3:

73B Execution of documents

Without limiting the ways in which an incorporated limited partnership may execute a document (including a deed), an incorporated limited partnership may execute a document:

- (a) without using a common seal (whether it has one or not) if the document is signed by a general partner, or
- (b) as a deed if the document is expressed to be executed as a deed and is executed with the use of a common seal or in accordance with paragraph (a).

Note. Section 150 (1) of the *Evidence Act 1995* provides for certain presumptions to be made with respect to seals and duly sealed documents. See also section 53 (2) on seals of incorporated limited partnerships.

73C Entitlement to make assumptions

- (1) A person is entitled to make the assumptions in section 73D in relation to dealings with an incorporated limited partnership. The incorporated limited partnership is not entitled to assert in proceedings in relation to the dealings that any of the assumptions are incorrect.
- (2) A person is entitled to make the assumptions in section 73D in relation to dealings with another person who has, or purports to have, directly or indirectly acquired title to property from an incorporated limited partnership. The incorporated limited partnership and the other person are not entitled to assert in proceedings in relation to the dealings that any of the assumptions are incorrect.
- (3) The assumptions may be made even if a partner or agent of the incorporated limited partnership acts fraudulently, or forges a document, in connection with the dealings.
- (4) A person is not entitled to make an assumption in section 73D if, at the time of the dealings, the person knew or suspected that the assumption was incorrect.

73D Assumptions that may be made under section 73C

- (1) A person may assume that the partnership agreement of the incorporated limited partnership has been complied with.
- (2) A person may assume that anyone who appears, from information provided by the incorporated limited partnership that is available to the public from the Register, to be a general partner in the incorporated limited partnership:
 - (a) is a general partner in the incorporated limited partnership, and

- (b) has authority to exercise the powers and perform the duties customarily exercised or performed by a general partner in an incorporated limited partnership.
- (3) A person may assume that anyone who is held out by the incorporated limited partnership to be a general partner in, or an agent of, the incorporated limited partnership:
 - (a) is a general partner in the incorporated limited partnership or has been duly appointed as an agent of the incorporated limited partnership, as the case requires, and
 - (b) has authority to exercise the powers and perform the duties customarily exercised or performed by that kind of partner in, or agent of, an incorporated limited partnership.
- (4) A person may assume that the general partners in, and agents of, the incorporated limited partnership properly perform their duties to the incorporated limited partnership.
- (5) A person may assume that a document has been duly executed by the incorporated limited partnership if the document appears to have been signed in accordance with section 73B.
- (6) A person may assume that a document has been duly executed by the incorporated limited partnership if the incorporated limited partnership's common seal appears to have been affixed to the document.
- (7) A person may assume that a general partner in, or agent of, the incorporated limited partnership who has authority to issue a document or certified copy of a document on its behalf also has authority to warrant that the document is genuine or is a true copy.
- (8) Without limiting the generality of this section, the assumptions that may be made under this section apply for the purposes of this section.

73E Lodgment of certain documents with the Registrar

- (1) An incorporated limited partnership that was incorporated on the basis that it intended to be registered as a VCLP or an AFOF under Part 2 of the *Venture Capital Act 2002* of the Commonwealth must, within one month after being so registered, lodge with the Registrar a copy of a document evidencing its status as a VCLP or an AFOF.

- (2) An incorporated limited partnership that was incorporated on the basis that it intended to meet the requirements for recognition as a venture capital management partnership within the meaning of section 94D (3) of the *Income Tax Assessment Act 1936* of the Commonwealth must, within one month after becoming such a venture capital management partnership, lodge with the Registrar a statement that it is such a partnership.
- (3) If:
 - (a) the registration of an incorporated limited partnership as a VCLP or an AFOF under Part 2 of the *Venture Capital Act 2002* of the Commonwealth is revoked, or
 - (b) an incorporated limited partnership ceases to be a venture capital management partnership within the meaning of section 94D (3) of the *Income Tax Assessment Act 1936* of the Commonwealth,the incorporated limited partnership must, within 7 days after the date on which that revocation took effect or it ceased to be such a venture capital limited partnership, lodge with the Registrar a notice of that revocation or cessation, specifying the date on which it took effect.
- (4) If an incorporated limited partnership ceases to carry on business, the incorporated limited partnership must, as soon as practicable, lodge with the Registrar a notice of the cessation, specifying the date on which it took effect.
- (5) A copy of a document or a notice required to be lodged with the Registrar under this section must be accompanied by the prescribed fee or, if no fee is prescribed, a fee of \$70.
- (6) A notice required to be lodged with the Registrar under this section must be:
 - (a) in the form approved by the Registrar, and
 - (b) contain the particulars required by the regulations or the approved form of notice.
- (7) If subsection (1), (2), (3) or (4) is not complied with, each general partner in the incorporated limited partnership is guilty of an offence.

Maximum penalty: 10 penalty units.

[101] Section 75 Identification of limited partnerships and incorporated limited partnerships

Omit section 75 (2). Insert instead:

- (2) Any document issued on behalf of a limited partnership in connection with the conduct of the partnership's business must contain in legible letters the words "A Limited Partnership" (or "L.P." or "LP" as an abbreviation) at the end of the firm-name of the partnership.
- (2A) Any document issued on behalf of an incorporated limited partnership in connection with the conduct of the partnership's business must contain in legible letters the words "An Incorporated Limited Partnership" (or "L.P." or "LP" as an abbreviation) at the end of the firm-name of the partnership.

[102] Section 75 (3) (b) and (4)

Insert "or incorporated limited partnership" after "limited partnership" wherever occurring.

[103] Section 76 Registered office

Insert "or incorporated limited partnership" after "limited partnership" wherever occurring.

[104] Section 77 Service

Omit section 77 (1). Insert instead:

- (1) Without affecting any other method of serving documents on the partners in a limited partnership or on an incorporated limited partnership:
 - (a) a document concerning the business of a limited partnership may be duly served on partners in the partnership, or
 - (b) a document concerning the business of an incorporated limited partnership may be duly served on the partnership,

if it is left at, or sent by post addressed to, the registered office of the firm for the time being shown in the Register.

[105] Section 78 Entry in Register constitutes notice

Insert “or an incorporated limited partnership” after “limited partnership”.

[106] Section 80 Criminal proceedings

Omit “Part”. Insert instead “Act or the regulations”.

[107] Sections 80A and 80B

Insert after section 80:

80A Offences by partnerships

- (1) If this Act provides that a general partner (being a partnership, whether or not an external partnership) in a limited partnership or incorporated limited partnership is guilty of an offence, the reference to the general partner is to be read as a reference:
 - (a) to each partner in the partnership (or external partnership), or
 - (b) if the partnership (or external partnership) is one in which any partner has under the law of the place where it is formed limited liability for the liabilities of the partnership, each partner in the partnership whose liability is not so limited.
- (2) In any proceeding against a partner for an offence against this Act brought in reliance on subsection (1) it is a defence for the partner to prove that the partner took all reasonable precautions and exercised all due diligence to avoid the commission of the offence.

80B Duty to furnish information

- (1) For the purpose of monitoring compliance with this Part or the regulations made for the purposes of this Part, the Registrar may by notice in writing require an incorporated limited partnership to furnish within a period specified in the notice (being a period of not less than 28 days) or within such further period as the Registrar may allow such information as is specified in the notice.
- (2) An incorporated limited partnership required under subsection (1) to furnish information to the Registrar must within the period specified in the notice or within such further

period as the Registrar has allowed furnish such information as it is within its power to furnish and must not furnish any information that to its knowledge is false or misleading in a material particular.

- (3) If subsection (2) is not complied with each general partner in the incorporated limited partnership is guilty of an offence.

Maximum penalty: 60 penalty units.

[108] Section 81 Regulations

Omit section 81 (2). Insert instead:

- (2) In particular, the regulations may make provision for or with respect to the following:
- (a) the keeping of records by a limited partnership or incorporated limited partnership,
 - (b) information or copies of records or documents required to be provided to the Registrar by a limited partnership or incorporated limited partnership,
 - (c) the form in which any record required under this Act to be kept is to be kept,
 - (d) the fees required to accompany an application, statement, notice or other document lodged under this Act or the fees payable for the inspection of the Register or for the issue of certificates of information recorded in the Register.
- (3) The regulations may exempt, or provide for the exemption, of any person or class of persons or any other matter or thing from any specified provision or provisions of this Act or the regulations, in such circumstances (if any) and subject to such conditions (if any) as may be specified or referred to in the regulations.
- (4) A regulation may create an offence punishable by a penalty not exceeding 20 penalty units.

[109] Section 81A

Insert after section 81:

81A Relationship with Corporations legislation

The regulations may declare a matter that is dealt with by this Act or the regulations to be an excluded matter for the purposes of section 5F of the *Corporations Act 2001* of the Commonwealth in relation to:

- (a) the whole of the Corporations legislation to which Part 1.1A of the *Corporations Act 2001* of the Commonwealth applies, or
- (b) a specified provision of that legislation, or
- (c) that legislation other than a specified provision, or
- (d) that legislation otherwise than to a specified extent.

Note. Section 5F of the *Corporations Act 2001* of the Commonwealth provides that if a State law declares a matter to be an excluded matter for the purposes of that section in relation to all or part of the Corporations legislation of the Commonwealth, then the provisions that are the subject of the declaration will not apply in relation to that matter in the State concerned.

[110] Section 83 and Schedules 1 and 2

Insert after section 82:

83 Savings, transitional and other provisions

Schedule 2 has effect.

Schedule 1 Winding up of incorporated limited partnerships

(Section 73A)

1 Definitions

In this Schedule:

assets of an incorporated limited partnership means the assets remaining after satisfaction of the liabilities of the partnership and the costs, charges and expenses of the winding up.

special resolution of the limited partners in an incorporated limited partnership means a resolution that has been passed by at least 75% of the limited partners.

2 Voluntary winding up

- (1) An incorporated limited partnership may be wound up voluntarily:
 - (a) if the partnership agreement sets out the terms on which the partnership may voluntarily be wound up—in accordance with the partnership agreement, or
 - (b) subject to the partnership agreement, if the limited partners so resolve by special resolution.
- (2) On a voluntary winding up of an incorporated limited partnership:
 - (a) if the partnership agreement sets out how the assets are to be dealt with on a voluntary winding up, the assets must be dealt with in accordance with the partnership agreement, or
 - (b) in any other case, the assets are to be distributed among the partners in shares that are proportionate to their respective contributions of capital or property to the partnership.
- (3) Any person aggrieved by the operation of this clause in relation to the assets of an incorporated limited partnership may apply to the Supreme Court.
- (4) On an application under subclause (3), the Supreme Court may make any order relating to the disposal of the assets that it thinks fit.

3 Winding up on Registrar's certificate

- (1) The Registrar may, by notice, require an incorporated limited partnership to show good cause why it should not be required to be wound up if the Registrar is of the opinion:
 - (a) that the partnership has ceased to carry on business, or
 - (b) that none of the partners is a limited partner, or
 - (c) that incorporation of the partnership has been obtained by mistake or fraud, or
 - (d) that the partnership exists for an illegal purpose.
- (2) If, on the expiration of 28 days after the notice is given under subclause (1), the Registrar is satisfied that the incorporated limited partnership should be required to be wound up, the

Registrar may publish in the Gazette a certificate as to the requirement that the incorporated limited partnership be wound up.

- (3) The Registrar may publish in the Gazette a certificate requiring an incorporated limited partnership to be wound up if the Registrar is satisfied (whether by a notice under section 73E (3) or otherwise) that, having been incorporated on the basis that the partnership is or is intended to be:
 - (a) registered as a VCLP or an AFOF under Part 2 of the *Venture Capital Act 2002* of the Commonwealth, or
 - (b) a venture capital management partnership within the meaning of section 94D (3) of the *Income Tax Assessment Act 1936* of the Commonwealth,the partnership's registration has been revoked, or it has not within the period of 2 years after its incorporation become so registered or it has ceased to meet, or has not in the period of 2 years after its incorporation met, the requirements set out in section 94D (3) for recognition as such a venture capital management partnership.
- (4) The Registrar must not publish a certificate under subclause (2) or (3) unless satisfied that good cause has not been shown why the incorporated limited partnership should not be required to be wound up.
- (5) The Registrar must give notice of the publication under subclause (2) or (3) of a certificate to the incorporated limited partnership as soon as possible after the publication.
- (6) The Registrar must as soon as practicable after giving a notice to an incorporated limited partnership, record the giving of the notice in the Register.
- (7) A notice under subclause (1) or (5) must be given to the incorporated limited partnership:
 - (a) by being served on the incorporated limited partnership at its registered office, or
 - (b) if service cannot reasonably be effected, by being published in a newspaper circulating generally in the State.

4 Review of certificate

- (1) A person whose interests are affected by a decision of the Registrar to publish a certificate under clause 3 may apply to the Supreme Court for review of the decision.
- (2) An application under subclause (1) must be made within 28 days after the certificate is published.
- (3) The decision is suspended on the making of an application for review until the application is withdrawn or the review is determined.
- (4) In determining an application for review, the Supreme Court may:
 - (a) affirm the decision under review, or
 - (b) set aside the decision under review and require the Registrar to cancel the certificate.
- (5) Nothing in this clause prevents the Registrar cancelling a certificate published under clause 3 at any time after an application is made under subclause (1).

5 Procedure for winding up on certificate

- (1) If the Registrar has published, and has not cancelled or been required under clause 4 (4) (b) to cancel, a certificate under clause 3 that an incorporated limited partnership is required to be wound up, the winding up:
 - (a) must be commenced:
 - (i) no later than the end of 28 days after the day on which the certificate is published unless an application is made under clause 4, or
 - (ii) if an application is made under clause 4 and the Supreme Court affirms the decision to publish the certificate, no later than 28 days after the day on which the application is determined, and
 - (b) must be completed by the day specified by the Registrar in a notice given to the partnership, not being a day earlier than 60 days after the day on which the winding up must be so commenced.
- (2) On the commencement of the winding up, the Registrar may appoint a person to be the liquidator of the incorporated limited partnership.

- (3) The liquidator may be a general partner in the incorporated limited partnership, an associate of the general partner (within the meaning of section 67B) or any other person and need not be a registered liquidator under the *Corporations Act 2001* of the Commonwealth.
- (4) The liquidator must within 10 days of being appointed give notice of his or her appointment in the Gazette.
- (5) The liquidator must give such security as may be prescribed and is entitled to receive such fees as are fixed by the Registrar.
- (6) Any vacancy occurring in the office of liquidator is to be filled by a person appointed by the Registrar.
- (7) The reasonable costs of a winding up required on a certificate of the Registrar under clause 3 are payable out of the property of the incorporated limited partnership.

6 Distribution of assets on winding up required on Registrar's certificate

- (1) On a winding up of an incorporated limited partnership required on a certificate of the Registrar under clause 3:
 - (a) if the partnership agreement sets out how the assets are to be dealt with on such a winding up, the assets must be dealt with in accordance with the partnership agreement, or
 - (b) in any other case, the assets are to be distributed among the partners in shares that are proportionate to their respective contributions of capital or property to the partnership.
- (2) Any person aggrieved by the operation of this clause in relation to the assets of an incorporated limited partnership may apply to the Supreme Court.
- (3) On an application under subclause (2), the Supreme Court may make any order relating to the disposal of the assets that it thinks fit.

7 Application of Corporations Act to winding up

- (1) The winding up of an incorporated limited partnership (other than a voluntary winding up or a winding up required on a certificate of the Registrar under clause 3) is declared to be an

applied Corporations legislation matter for the purposes of Part 3 of the *Corporations (Ancillary Provisions) Act 2001* in relation to the provisions of Part 5.7 (Winding up bodies other than companies) of the *Corporations Act 2001* of the Commonwealth and that Part applies as if the incorporated limited partnership were a Part 5.7 body within the meaning of that Act, subject to the following modifications:

- (a) as if the words “or in the public interest” were inserted in paragraph (c) (ii) of section 583 after the words “just and equitable”,
- (b) as if paragraph (d) of section 583 did not form part of that section,
- (c) any other modifications (within the meaning of Part 3 of the *Corporations (Ancillary Provisions) Act 2001*) that are prescribed by the regulations.

Note. Part 3 of the *Corporations (Ancillary Provisions) Act 2001* provides for the application of provisions of the Corporations Act and Part 3 of the ASIC Act as laws of the State in respect of any matter declared by a law of the State (whether with or without modification) to be an applied Corporations legislation matter for the purposes of that Part in relation to those Commonwealth provisions. This does not apply to any provisions that already apply to a matter as a law of the Commonwealth.

- (2) The Australian Securities and Investments Commission may perform a function conferred on it under a law applied by subclause (1):
 - (a) pursuant to an agreement or arrangement of the kind referred to in section 11 (8) or (9A) (b) of the *Australian Securities and Investments Commission Act 2001* of the Commonwealth, and
 - (b) the Commission is authorised to perform that function under section 11 of that Act.
- (3) Unless a function under a law applied by subclause (1) is conferred on the Australian Securities and Investments Commission as referred to in subclause (2), that law applies as if a reference in it to the Commission were a reference to the Registrar.

8 Registrar to be notified of winding up

- (1) An incorporated limited partnership must lodge with the Registrar a notice of the commencement of the winding up of the partnership within 7 days after:

- (a) the passing of a special resolution referred to in clause 2 (1) (b), or
 - (b) in any other case, the commencement of the winding up.
- (2) An incorporated limited partnership must lodge with the Registrar a notice of the completion of the winding up of the partnership within 7 days after that completion, specifying the date on which the winding up was completed.
 - (3) The Registrar must, as soon as practicable after receiving a notice under subclause (1) or (2), record the receipt of the notice in the Register.
 - (4) If subclause (1) or (2) is not complied with, each general partner of the incorporated limited partnership is guilty of an offence.

Maximum penalty: 10 penalty units.

9 Cancellation of incorporation

- (1) The Registrar must, by notice published in the Gazette, cancel the incorporation of an incorporated limited partnership as soon as practicable after the partnership is wound up.
- (2) The Registrar must, as soon as practicable after the publication of a notice under subclause (1), record the cancellation of the incorporation in the Register.
- (3) An incorporated limited partnership ceases to exist on the cancellation of its incorporation under this Schedule.

Schedule 2 Savings, transitional and other provisions

(Section 83)

1 Regulations

- (1) The regulations may contain provisions of a savings or transitional nature consequent on the enactment of the following Acts:
Partnership Amendment (Venture Capital Funds) Act 2004
- (2) Any such provision may, if the regulations so provide, take effect from the date of assent to the Act concerned or a later date.

- (3) To the extent to which any such provision takes effect from a date that is earlier than the date of its publication in the Gazette, the provision does not operate so as:
- (a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication, or
 - (b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication.

2 Saving of existing limited partnerships

- (1) The Register of Limited Partnerships kept under section 57 as in force immediately before the commencement of this clause is taken on that commencement to be the Register of Limited and Incorporated Limited Partnerships required to be kept under the section as amended by the *Partnership Amendment (Venture Capital Funds) Act 2004*.
- (2) Subject to this Act, a partnership registered as a limited partnership immediately before the commencement of this clause is taken on that commencement to be registered as a limited partnership in the division of limited partnerships in the Register.

[Second reading speech made in—
Legislative Assembly on 27 February 2004
Legislative Council on 10 March 2004]

BY AUTHORITY