

29 January 2014

The Director, Legislation and Policy  
Consumer Protection Division  
Department of Commerce  
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Dear Director

### **LIMITED PARTNERSHIP LAWS**

I refer to the Consultation Discussion Paper, *Proposed Reforms to Limited Partnership Laws*. The Law Society of Western Australia (Society) appreciates the opportunity to review the comment on the proposals outlined in the Discussion Paper.

The Society supports the thrust of the proposed reforms to limited partnership laws. The Society has long held the view that the *Limited Partnership Act 1909 (Act)* is unsuited to modern requirements and inhibits Western Australia from offering a full range of business and investment regimes.

#### ***Restrictions on insolvents and convicted persons***

It is noted that one of the key considerations in making the proposed amendments to the Act is to achieve national consistency to the greatest extent possible. The Society acknowledges the benefits of national consistency, but cannot support the lack of restriction in other Australian jurisdictions on insolvents and convicted persons being able to be a general partner or be involved in the promotion or management of a limited partnership.

The Society supports restrictions (as in the 1992 Bill) on insolvents and persons convicted of offences involving fraud and dishonesty punishable by imprisonment. The protection of creditors and the partners of the limited partnership should be paramount.

It is the Society's view that the same restrictions as under the *Corporations Law* should apply to limited partnerships and that other jurisdictions should come into line with Western Australia in this regard.

#### ***Model limited partnership agreement***

Comment is sought on the power given in the regulations in some jurisdictions to prescribe a model limited partnership agreement. The Discussion Paper cites section 74 of the *Partnership Act 1982 (NSW)*:

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S74 *Model limited partnership agreement*

- (1) *The regulations may prescribe a model limited partnership agreement or model limited partnership agreements.*
- (2) *The partnership agreement of a limited partnership may adopt any such model agreement (or any part of it) whether as in force at a particular time or as in force from time to time.*

The Society supports a similar provision in the Western Australian legislation.

The Society looks forward to reviewing the detail of amendments to the Act when a Bill is drafted in due course.

Yours sincerely



Konrad de Kerloy  
**President**