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CAP. LXXXVI.

An Act to amend the Law of Partnership.

[5th *July* 1865.]

WHEREAS it is expedient to amend the Law relating to Partnership: Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, as follows:

The Advance of Money on Contract to receive a Share of Profits not to constitute the Lender a Partner.

1. The Advance of Money by way of Loan to a Person engaged or about to engage in any Trade or Undertaking upon a Contract in Writing with such Person that the Lender shall receive a Rate of Interest varying with the Profits, or shall receive a Share of the Profits arising from carrying on such Trade or Undertaking, shall not, of itself, constitute the Lender a Partner with the Person or the Persons carrying on such Trade or Undertaking, or render him responsible as such.

The Remuneration of Agents, &c. by Share of Profits not to make them Partners.

2. No Contract for the Remuneration of a Servant or Agent of any Person engaged in any Trade or Undertaking by a Share of the Profits of such Trade or Undertaking shall, of itself, render such Servant or Agent responsible as a Partner therein, nor give him the Rights of a Partner.

3. No

Partnership Amendment.

Certain Annuitants not to be deemed Partners.

3. No Person being the Widow or Child of the deceased Partner of a Trader, and receiving by way of Annuity a Portion of the Profits made by such Trader in his Business, shall, by reason only of such Receipt, be deemed to be a Partner of or to be subject to any Liabilities incurred by such Trader.

Receipt of Profits in consideration of Sale of Goodwill not to make the Seller a Partner.

4. No Person receiving by way of Annuity or otherwise a Portion of the Profits of any Business, in consideration of the Sale by him of the Goodwill of such Business, shall, by reason only of such Receipt, be deemed to be a Partner of or be subject to the Liabilities of the Person carrying on such Business.

In case of Bankruptcy, &c., Lender not to rank with other Creditors.

5. In the event of any such Trader as aforesaid being adjudged a Bankrupt, or taking the Benefit of any Act for the Relief of Insolvent Debtors, or entering into an Arrangement to pay his Creditors less than Twenty Shillings in the Pound, or dying in insolvent Circumstances, the Lender of any such Loan as aforesaid shall not be entitled to recover any Portion of his Principal, or of the Profits or Interest payable in respect of such Loan, nor shall any such Vendor of a Goodwill as aforesaid be entitled to recover any such Profits as aforesaid until the Claims of the other Creditors of the said Trader for valuable Consideration in Money or Money's Worth have been satisfied.

Interpretation of "Person."

6. In the Construction of this Act the Word "Person" shall include a Partnership Firm, a Joint Stock Company, and a Corporation.

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