

Section Nine

Amendments to *Partnership Act*

Section 1

Is amended by adding the following:

“British Columbia Limited Liability Partnership” means a Limited Liability Partnership registered under part 4 as a British Columbia Limited Liability Partnership.

“Extra-provincial Limited Liability Partnership” means a Limited Liability Partnership formed under the laws of another jurisdiction but does not include an extra-provincial limited partnership within the meaning of part 3.

“Limited Liability Partnership” means a partnership other than a limited partnership that is formed or continued as a Limited Liability Partnership under part 4 or that is an Extra-provincial Limited Liability Partnership.

“British Columbia Partner” with respect to an Extra-provincial Limited Liability Partnership includes a partner who ordinarily resides outside British Columbia all or part of the time but practices in British Columbia.

“Governing Jurisdiction” with respect to a partnership means the jurisdiction of the law which governs the interpretation of the Partnership Agreement by operation of law or through a provision in the Partnership Agreement or another document created by the partnership.

Part 4

Section 81

In this part “misconduct” (“includes”?) means negligence, wrongful act or omission, malpractice, or misconduct.

“Registrar” means the Registrar pursuant to the *Business Names Act*.

Section 82(1)

Subject to subsection (2), a partner or former partner in a British Columbia Limited Liability Partnership is not individually liable by means of indemnification, contribution, assessment, or otherwise for debts, obligations, or liabilities of the partnership or another partner that arise from the misconduct of:

- (1) another partner; or
- (2) an employee, agent, or representative of the partnership

that occurs in the course of the partnership business while the partnership is a Limited Liability Partnership.

Section 82(2)

Subsection 1 does not operate to protect a partner from liability where the partner knew of the misconduct and failed to take reasonable steps to prevent its commission or where the misconduct was committed by an employee, agent, or representative of the partnership over the whom the partner had direct supervision or control with respect to such misconduct and the partner failed to provide such adequate and competent supervision as would normally be expected of a partner in those circumstances.

Section 82(3)

Subject to section 82, the liability of a partner in a Limited Liability Partnership is limited to the interest of that partner in the assets of the Limited Liability Partnership.

Section 83(1)

A British Columbia Limited Liability Partnership that is not an Extra-provincial Limited Liability Partnership is formed:

- (3) when two or more persons enter into a written agreement that designates the partnership as a Limited Liability Partnership and states that this Act governs the agreement; and
- (4) a Certificate of Registration is issued by the Registrar pursuant to the *Business Names Act*.

Section 83(2)

A partnership may be continued as a British Columbia Limited Liability Partnership that is not an Extra-provincial Limited Liability Partnership if all of the partners:

- (5) enter into an agreement that continues the partnership as a Limited Liability Partnership and states that this Act governs the agreement; or
- (6) if there is an existing agreement between the partners that forms the partnership, amend the agreement to designate that the partnership is a Limited Liability Partnership and states that this Act governs the agreement; and
- (7) a Certificate of Registration is issued by the Registrar pursuant to the *Business Names Act*.

Section 83(3)

Upon the continuance of a partnership as a British Columbia Limited Liability Partnership under section 83.2:

- (8) the British Columbia Limited Liability Partnership possesses all the property, rights, privileges, and franchises and is subject to all liabilities, including civil, criminal, and quasi criminal, all contracts, disabilities, and debts of the partnership which were in existence immediately before the continuance; and
- (9) all persons who were partners immediately before the continuance remain liable for all debts, obligations, and liabilities of the partnership that arose before the continuance.

Section 83(4)

A Limited Liability Partnership may carry on business in British Columbia only for the purpose of practising a profession governed by an Act and only if:

- (10) that Act expressly permits a Limited Liability Partnership to practice the profession;
- (11) the governing body of the profession requires the partnership to maintain a minimum amount of liability insurance; and
- (12) the partnership complies with section 83(5).

Section 83(5)

No British Columbia Limited Liability Partnership formed or continued by an agreement and no Extra-provincial Limited Liability Partnership shall carry on business unless it has registered its firm name under the *Business Names Act*.

Section 83(6)

To amend, renew, or cancel the registration of its firm name, a British Columbia Limited Liability Partnership mentioned in subsection 1 shall register an amendment, renewal, or cancellation of a registration in accordance with the requirements of the *Business Names Act*.

Registration of Extra-provincial Limited Liability Partnerships

Section 84(1)

A partnership that has a status of a Limited Liability Partnership under the laws of a jurisdiction outside British Columbia shall be treated as an ordinary partnership with respect to rights and obligations that are acquired or incurred by the partnership under British Columbia law while the partnership is carrying on business in British Columbia before registration as an Extra-provincial Limited Liability Partnership.

Section 84(2)

A partnership that:

- (13) has the status of a Limited Liability Partnership under the laws of a jurisdiction outside British Columbia; and
- (14) includes partners that carry on practice whether through a professional corporation or not, in one or more professions that are governed by an Act and whose governing body requires the partnership to maintain a minimum amount of liability insurance;

may apply to the Registrar to be registered as an Extra-provincial Limited Liability Partnership.

Section 84(3)

The laws of the Governing Jurisdiction of the Limited Liability Partnership shall govern:

- (15) a partnership's organization and internal affairs; and
- (16) the liability of its partners for debts, obligations, and liabilities of or chargeable to the partnership or any of its partners.

Notwithstanding subsection (b), a British Columbia partner of an Extra-provincial Limited Liability Partnership shall not have any greater protection against individual liability in respect of his practice in British Columbia than a partner in a British Columbia Limited Liability Partnership has under this part.

Section 85

If the Registrar is satisfied that an applicant for registration as a British Columbia Limited Liability Partnership or as an Extra-provincial Limited Liability Partnership meets the requirements of this Act, the Registrar shall register the applicant and provide the applicant with a Certificate of Registration.

Section 86

A Certificate of Registration issued by the Registrar is conclusive evidence that the Limited Liability Partnership named in the Certificate is registered under this Act. The date of such Certificate of Registration

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shall be conclusively deemed to be the date of formation or continuation of a British Columbia Limited Liability Partnership or the date of registration of an Extra-provincial Limited Liability Partnership.

Section 87

The name of a Limited Liability Partnership shall contain the words “Limited Liability Partnership” or the abbreviation “LLP” as the last words or letters of its name.

Section 88

No Limited Liability Partnership shall carry on business under a name other than its registered firm name.

Section 89

Nothing in this act prevents a Limited Liability Partnership from carrying on its business and exercising its powers in any Province or Territory of Canada or another country.

Section 90

A person may serve a notice or document on an Extra-provincial Limited Liability Partnership at its British Columbia place of business, if any, or its address required to be maintained under the laws of the jurisdiction of formation or its principal office address.

Section 91

- (17) The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*.
- (18) Without limiting subsection (17) above, the Lieutenant Governor in Council may make regulations as follows:
 - (a) respecting applications for registration of Limited Liability Partnerships under Part 4;
 - (b) governing name requirements for British Columbia Limited Liability Partnerships; and
 - (c) establishing or providing for the manner of establishing fees to be charged in respect of anything done and any service or thing provided under this Act.
 - (d) respecting any matter the Lieutenant Governor in Council considers necessary for carrying out the purposes of this Act.