



GENERAL PARTNERSHIP LAW

DIFC LAW NO.11 OF 2004

Consolidated Version No. 2
(March 2022)

As Amended by

DIFC Law Amendment Law
DIFC Law No.2 of 2022

DIFC Law Amendment Law
DIFC Law No.8 of 2018

CONTENTS

PART 1: GENERAL.....	1
1. Title.....	1
2. Legislative Authority.....	1
3. Application of the Law.....	1
4. Date of enactment.....	1
5. Commencement.....	1
6. Schedules.....	1
7. Administration of the Law.....	1
PART 2: FORMATION AND REGISTRATION.....	2
8. Definition of and meaning of General Partnership.....	2
9. Prohibition.....	2
10. General Partnership agreement.....	2
11. Presumptions for the existence of a General Partnership.....	2
12. Registration.....	2
13. Recognised Partnership.....	3
14. Maintenance of Accounting Records.....	3
PART 3: ADMINISTRATION OF AFFAIRS OF A GENERAL PARTNERSHIP.....	4
15. Licence.....	4
16. Conduct of Business in the DIFC.....	4
17. Management of the General Partnership.....	4
18. Maintenance of Accounting Records.....	4
19. Accounts.....	4
20. Records.....	5
PART 4: DUTIES OF THE PARTNERS.....	6
21. Accountability of Partners.....	6
22. Duty of Partner not to compete with General Partnership.....	6
PART 5: GENERAL PARTNERSHIP AUTHORISATION.....	7
CHAPTER 1 – AUTHORISATION.....	7
23. Power of Partner to bind the General Partnership.....	7
24. Legal person.....	7
25. Partners bound by acts on behalf of General Partnership.....	7
26. Partner using resources of General Partnership for private purposes.....	7
27. Indemnification.....	7
CHAPTER 2 – LIABILITIES.....	7
28. Liability of Partners.....	7
29. Liability of the General Partnership.....	8
30. Safe keeping of money and property.....	8
31. Misapplication of money or property.....	8
32. Admissions and representations of Partners.....	8
33. Notice to Partner.....	8
34. Liabilities of incoming and outgoing Partners.....	8
CHAPTER 3 – CONSENTS.....	8
35. Variation by consent of terms of General Partnership.....	8
PART 6: PROPERTY.....	9
36. General Partnership Property.....	9
37. Judgment debt procedure against a Partner.....	9
38. Rules in relation to interest.....	9
PART 7: STRIKE OFF, DISSOLUTION AND CONTINUANCE.....	10

CHAPTER 1 – STRIKE OFF, RESTORATION AND DISSOLUTION.....	10
39. Strike off and Restoration.....	10
39A. Dissolution by expiration or notice.....	10
40. Dissolution by bankruptcy, death or charge.....	10
41. Dissolution by illegality of General Partnership.....	10
42. Protection of creditors.....	10
43. Dissolution by the Court.....	10
 CHAPTER 2 – CONTINUANCE IN CERTAIN CIRCUMSTANCES.....	 11
44. Removal of a Partner.....	11
45. Outgoing Partners.....	11
46. Where continuance of old terms is presumed.....	11
47. Rights of assignee of share in General Partnership.....	11
 CHAPTER 3 – RIGHTS OF THIRD PARTIES.....	 12
48. Rights of persons dealing with General Partnership.....	12
 CHAPTER 4 – RIGHTS OF PARTNERS.....	 12
49. Continuing authority of Partners for purposes of winding up.....	12
50. Rights of Partners as to application of General Partnership Property.....	12
51. Apportionment of premium on premature dissolution.....	12
52. Rights where General Partnership is dissolved for fraud or misrepresentations.....	12
 CHAPTER 5 – SHARING OF PROFITS ON DISSOLUTION.....	 13
53. Right of outgoing Partner in certain cases to share profits made after dissolution.....	13
54. Outgoing or deceased Partner’s share to be a debt.....	13
55. Distribution of assets on final settlement of accounts.....	13
56. Postponement of rights of person in case of insolvency.....	13
 PART 8: POWERS AND REMEDIES.....	 14
57. Application of Operating Law.....	14
 PART 9: MISCELLANEOUS.....	 15
58. Power to make Regulations.....	15
59. Waivers and Modification of the Regulations.....	15
60. Public Register.....	15
61. Fees.....	16
 Schedule 1.....	 17
Schedule 2.....	20

PART 1: GENERAL

1. Title

This Law may be cited as the “General Partnership Law 2004”.

2. Legislative Authority

This Law is made by the Ruler of Dubai.

3. Application of the Law

This Law applies in the jurisdiction of the Dubai International Financial Centre.

4. Date of enactment

This Law is enacted on the date specified in the Enactment Notice in respect of this Law.

5. Commencement

This Law comes into force on the date specified in the Enactment Notice in respect of this Law.

6. Schedules

(1) Schedule 1 contains:

- (a) interpretative provisions which apply to this Law; and
- (b) a list of defined terms used in this Law.

(2) Schedule 2 contains prescribed fines for contraventions of this Law.

7. Administration of the Law

This Law and any legislation made under this Law is administered by the Registrar.

PART 2: FORMATION AND REGISTRATION

8. Definition of and meaning of General Partnership

A General Partnership is the relationship which exists between two or more persons jointly carrying on any business, purpose or activity with a view to making a profit.

9. Prohibition

A person shall not carry on the business of a General Partnership in the DIFC unless the General Partnership is:

- (a) a General Partnership which has been registered in accordance with Article 12; or
- (b) a Recognised Partnership which has been registered in accordance with Article 13.

10. General Partnership agreement

Each Partner of a General Partnership shall enter into a partnership agreement signed by all the Partners.

11. Presumptions for the existence of a General Partnership

In the absence of a General Partnership agreement an unincorporated body of persons who carry on any business, purpose or activity with a view to making profit shall be deemed to be a partnership unless:

- (a) there exists an agreement or articles of association between such persons and which specifies the relationship as being that of an unincorporated association or a body corporate; or
- (b) none of the persons hold themselves out or represent themselves as being members of a Partnership.

12. Registration

- (1) On the formation of a General Partnership, the Partners shall apply for registration of the General Partnership by signing and filing with the Registrar an application for registration.
- (2) The application for registration shall set out:
 - (a) the use of the General Partnership name which must end with the word partnership;
 - (b) the address of the registered office of the General Partnership in the DIFC;
 - (c) the nature of the business to be conducted by the General Partnership in the DIFC; and
 - (d) the name and address of each of the Partners of the General Partnership.
- (3) The Registrar may direct the Partners to submit additional information reasonably required for him to determine the application.
- (4) The Registrar may refuse to register a General Partnership or any Partner for such reason as he believes to be proper grounds for refusing such registration.
- (5) Where the Registrar refuses to register a General Partnership or any Partner he shall not be bound to provide any reason for his refusal and his decision shall not be subject to appeal or review in any court.
- (6) The Registrar may register a General Partnership in accordance with the Regulations.

13. Recognised Partnership

- (1) The Partners of a General Partnership formed outside of the DIFC which carries on business in the DIFC shall apply for registration as a Recognised Partnership by signing and filing with the Registrar an application for registration.
- (2) The application for registration shall set out:
 - (a) the name of the Recognised Partnership;
 - (b) the address for service of the Recognised Partnership in the DIFC, and the name and address of the person authorised to accept service of any Document on behalf of the Recognised Partnership;
 - (c) the nature of the business to be conducted by the Recognised Partnership in the DIFC;
 - (d) the name and address of each of those Partners of the Recognised Partnership; and
 - (e) any additional information reasonably required by the Registrar.
- (3) The Registrar may refuse to register a Recognised Partnership or any Partner for such reason as he believes to be proper grounds for refusing such registration.
- (4) Where the Registrar refuses to register a Recognised Partnership or any Partner he shall not be bound to provide any reason for his refusal and his decision shall not be subject to appeal or review in any court.
- (5) The Registrar may register a Recognised Partnership in accordance with the Regulations.

14. Maintenance of Accounting Records

- (1) A Recognised Partnership shall keep Accounting Records which are sufficient to show and explain its transactions so as to:
 - (a) disclose with reasonable accuracy the financial position of the Recognised Partnership at any time; and
 - (b) enable the Partners to ensure that any accounts prepared by the Recognised Partnership under this Part comply with the requirements of this Law.
- (2) A Recognised Partnership's Accounting Records shall be:
 - (a) kept at such place as the Partners think fit unless specifically prescribed in the Regulations;
 - (b) preserved by the Recognised Partnership for at least six (6) years from the date upon which they were created or for some other period as may be prescribed in the Regulations;
 - (c) open to inspection by a Partner or auditor of the Recognised Partnership at all reasonable times; and
 - (d) otherwise kept and maintained in such manner as may be prescribed in the Regulations.

PART 3: ADMINISTRATION OF AFFAIRS OF A GENERAL PARTNERSHIP

15. Licence

A General Partnership or Recognised Partnership shall hold a Commercial Licence pursuant to Article 9 of the Operating Law.

16. Conduct of Business in the DIFC

A General Partnership and a Recognised Partnership shall comply with the requirements of this Law and Part 3 of the Operating Law in respect to the conduct of its business in the DIFC.

17. Management of the General Partnership

Unless otherwise agreed by all the Partners:

- (a) every Partner shall take part in the management of the General Partnership business;
- (b) no person may become a Partner without the consent of all existing Partners; and
- (c) any difference arising as to ordinary matters connected with the General Partnership business may be decided by a majority of the Partners, but no change may be made in the nature of the General Partnership business without the consent of all existing Partners.

18. Maintenance of Accounting Records

(1) The General Partnership shall keep Accounting Records which are sufficient to show and explain its transactions so as to:

- (a) disclose with reasonable accuracy the financial position of the General Partnership at any time; and
- (b) enable the Partners to ensure that any accounts prepared by the General Partnership under this Part comply with the requirements of this Law.

(2) A General Partnership's Accounting Records shall be:

- (a) kept at such place as the Partners think fit unless specifically prescribed in the Regulations;
- (b) preserved by the General Partnership for at least six (6) years from the date upon which they were created, or for some other period as may be prescribed in the Regulations;
- (c) open to inspection by a Partner or auditor of the General Partnership at all reasonable times; and
- (d) otherwise kept and maintained in such manner as may be prescribed in the Regulations.

19. Accounts

(1) The Partners of a General Partnership shall cause accounts to be prepared in relation to each financial year of the General Partnership;

(2) The accounts shall:

- (a) be prepared in accordance with accounting principles or standards approved by the Registrar or prescribed in the Regulations;

- (b) show a true and fair view of the profit or loss of the General Partnership for the period and of the state of the General Partnership's affairs at the end of the period; and
 - (c) comply with any other requirements of this Law.
- (3) A General Partnership's accounts shall be approved by the Partners and signed on their behalf by at least one of them.
 - (4) Within six (6) months after the end of the financial year, the accounts for that year shall be prepared and approved by the Partners.
 - (5) A General Partnership shall file the accounts with the Registrar within thirty (30) days of the accounts being approved by the Partners.
 - (6) In this Part, references to "accounts" are to those prepared in accordance with this Article.
 - (7) Unless the Regulations or the partnership agreement otherwise provide, it shall not be necessary for a General Partnership to appoint an auditor or have its accounts audited.

20. Records

Unless otherwise agreed by all the Partners every Partner is entitled to access to any Records or other information of the General Partnership.

PART 4: DUTIES OF THE PARTNERS

21. Accountability of Partners

- (1) Unless otherwise agreed by all the Partners, a Partner must account to the General Partnership and hold in a fiduciary capacity any property, profit or benefit derived by the Partner in the conduct of the General Partnership's business or affairs derived from a use by the Partner of the General Partnership's property, name or business connection.
- (2) This Article applies also to transactions undertaken after a General Partnership has been dissolved by the death of a Partner and before the affairs thereof have been completely wound up, either by any surviving Partner or by the representatives of the deceased Partner.

22. Duty of Partner not to compete with General Partnership

- (1) Unless otherwise agreed by all the Partners, a Partner shall refrain from competing with the General Partnership in the conduct of the partnership's business or affairs before the dissolution of the General Partnership.
- (2) If a Partner, without the consent of the other Partners:
 - (a) carries on any business; or
 - (b) undertakes any transactions,competing with that of the General Partnership, he must account for and pay over to the General Partnership any profits made by him in that business or those transactions.

PART 5: GENERAL PARTNERSHIP AUTHORISATION

CHAPTER 1 – AUTHORISATION

23. Power of Partner to bind the General Partnership

- (1) Each Partner is an agent of the General Partnership for the purpose of the business of the General Partnership.
- (2) An act of a Partner in the ordinary course of the partnership's business or activities binds the General Partnership, unless:
 - (a) the Partner had no authority to act for the General Partnership in the particular matter and the person with whom the Partner was dealing had notice that the Partner had no authority; or
 - (b) there are circumstances of fraud or misrepresentation.
- (3) If it has been agreed between the Partners that a restriction shall be placed on the power of any one or more of them to bind the General Partnership, no act done in contravention of the agreement is binding on the General Partnership in respect of persons having notice of the agreement.

24. Legal person

- (1) The General Partnership is a legal person and can sue and be sued in its own name.
- (2) Article 24(1) does not alter the joint and several liability of the Partners.

25. Partners bound by acts on behalf of General Partnership

An act or instrument relating to the business of the General Partnership and done or executed in the General Partnership name, or in any other manner showing an intention to bind the General Partnership, by any authorised person, whether a Partner or not, is binding on the General Partnership and all the Partners.

26. Partner using resources of General Partnership for private purposes

Unless otherwise agreed by all the Partners, a Partner of a General Partnership shall not use information, money or property of the General Partnership for a purpose other than the business carried on by the General Partnership.

27. Indemnification

Subject to such standards and restrictions, if any, as are set out in the General Partnership agreement, a General Partnership may, and shall have power to indemnify any Partner or other person from and against any and all claims and demands whatsoever.

CHAPTER 2 – LIABILITIES

28. Liability of Partners

- (1) Unless otherwise agreed by all the other Partners, each Partner is Liable jointly and severally with the other Partners, for all debts and obligations of the General Partnership incurred while he is a Partner.
- (2) Subject to Article 34(3), on the death of a Partner or former Partner, his estate remains Liable in the same way as he would have been had he lived, for such debts and obligations incurred by him during his tenure as a Partner, so far as they remain unsatisfied and until the affairs of the Partnership have been completely wound up.

29. Liability of the General Partnership

The General Partnership is Liable for any wrongful act, omission, loss or injury as a result of any Partner acting in the ordinary course of the business of the General Partnership, or with the authority of the Partners.

30. Safe keeping of money and property

Subject to any agreement with a person as to the application of money or property, and to any other obligation at law, where a Partner receives money or property in a fiduciary capacity belonging to another person, he shall place such money or property in safe keeping and make appropriate arrangements to preserve the money or property held on behalf of another person.

31. Misapplication of money or property

If a Partner in a General Partnership:

- (a) acting within the scope of his apparent authority receives money or property in a fiduciary capacity on behalf of a third person and misapplies it; or
- (b) in the course of its business receives money or property of a third person in a fiduciary capacity, and the money or property so received is misapplied by one or more of the Partners while it is in the custody of the General Partnership,

the General Partnership is Liable to make good the loss.

32. Admissions and representations of Partners

An admission or representation made by any Partner concerning the affairs of the General Partnership, and in the ordinary course of its business, is evidence against the General Partnership.

33. Notice to Partner

A written notice to a Partner, operates as a notice to the General Partnership, except in the case of a fraud on the General Partnership committed by or with the consent of that Partner.

34. Liabilities of incoming and outgoing Partners

- (1) A person who is admitted as a Partner into an existing General Partnership does not become Liable to the creditors of the General Partnership for anything done before he became a Partner.
- (2) An outgoing Partner is not Liable for the General Partnership debts or obligations incurred after he ceases to be a Partner.
- (3) An outgoing Partner or the estate of a deceased Partner may be discharged by agreement from any liabilities existing at the date when he ceased to be a Partner.

CHAPTER 3 – CONSENTS

35. Variation by consent of terms of General Partnership

The mutual rights and duties of Partners, whether ascertained by written agreement or defined by this Law, may be varied with the consent of all the Partners, and such consent must be in writing.

PART 6: PROPERTY

36. General Partnership Property

Unless otherwise agreed by all the Partners:

- (a) all General Partnership Property must be held and applied by the Partners exclusively for the purposes of the General Partnership and in accordance with the General Partnership agreement.
- (b) all General Partnership Property must be held jointly and severally.

37. Judgment debt procedure against a Partner

- (a) Where proceedings are instituted against a Partner in relation to General Partnership Property, the Court may, on the application of a creditor in respect of a Partner in the General Partnership, make orders it deems appropriate in the circumstances to release a Partner's interest in the General Partnership for the satisfaction of the judgment debt.
- (b) A Partner aggrieved by an application or orders made under Article 37(a) may apply to the Court to make orders to preserve rights in relation to General Partnership Property and to make such other orders as it thinks fit.

38. Rules in relation to interest

Unless otherwise agreed by all the Partners, the interest of Partners in General Partnership Property and their rights and duties in relation to the General Partnership shall be determined, by the following rules:

- (a) all the Partners are entitled to share equally in the capital and profits of the business, and must contribute equally towards the losses whether of capital or otherwise sustained by the General Partnership;
- (b) the General Partnership must indemnify every Partner in respect of payments made from his own money or property and personal liabilities incurred by him:
 - (i) in the ordinary and proper conduct of the business of the General Partnership; or
 - (ii) in or about anything necessarily done for the preservation of the business or property of the General Partnership; or
- (c) a Partner making, for the purpose of the General Partnership any actual payment or advance beyond the amount of capital which he has agreed to subscribe, is entitled to interest agreed at the United Arab Emirates Central Bank ninety (90) day deposit rate.

PART 7: STRIKE OFF, DISSOLUTION AND CONTINUANCE

CHAPTER 1 – STRIKE OFF, RESTORATION AND DISSOLUTION

39. Strike off and Restoration

The provisions of Articles 32 and 33 of the Operating Law apply to a General Partnership and, so far as the law allows, a Recognised Partnership.

39A. Dissolution by expiration or notice

- (1) Subject to Article 42 and any agreement between the Partners, a General Partnership, if entered into for an undefined time and for no fixed adventure or undertaking may be dissolved by any Partner giving written notice to the others of his intention to dissolve the partnership.
- (2) In the circumstances of Article 39A(1), the General Partnership is dissolved as from the date mentioned in the notice as the date of dissolution, or, if that date is not so mentioned, as from the date of the communication of the notice.

40. Dissolution by bankruptcy, death or charge

- (1) Subject to any agreement between the Partners, a General Partnership is dissolved by the death or bankruptcy of any Partner.
- (2) The remaining Partners shall notify the Registrar of the occurrence of the circumstances in Article 40(1).

41. Dissolution by illegality of General Partnership

A General Partnership is in every case dissolved by the happening of any event which makes it unlawful for the business of the General Partnership to continue.

42. Protection of creditors

- (1) A Partner or Partners who wishes or wish to dissolve a General Partnership by agreement or other voluntary means, other than by an application to the Court under Article 43, must give notice to the Registrar and request his written consent to the dissolution of the General Partnership.
- (2) The Registrar shall give his consent to the dissolution of the General Partnership where the Partners satisfy the Registrar that there are no outstanding liabilities to creditors, guarantees or other legal obligations on the General Partnership after its intended dissolution.
- (3) The Registrar may at his absolute discretion refuse to give his consent to the dissolution of a General Partnership.
- (4) Upon refusing to give his consent, the Registrar shall, without undue delay, inform the applicant Partner or Partners in writing of such refusal and where requested by the applicant, the reasons for such refusal.
- (5) Where the Registrar refuses to give his consent to the dissolution of the General Partnership, an aggrieved Partner may apply to the Court for an order under Article 43.

43. Dissolution by the Court

On application by the Registrar or a Partner, the Court may order a dissolution of the General Partnership where:

- (a) a Partner, other than the Partner instituting proceedings, is under a disability or is otherwise incapable of performing his part of the General Partnership contract;

- (b) a Partner, other than the Partner instituting proceedings, has contravened the law and in the opinion of the Court will prejudicially affect the carrying on of the business in the DIFC;
- (c) a Partner, other than the Partner instituting proceedings, wilfully or persistently contravenes the General Partnership agreement or DIFC laws, or otherwise so conducts himself in matters relating to the General Partnership business that it is not reasonably practicable for the other Partner or Partners to carry on the business in general Partnership with him;
- (d) the business of the General Partnership is being carried on at a loss;
- (e) circumstances have arisen which, in the opinion of the Court, render it just and equitable that the General Partnership be dissolved; or
- (f) it is in the interests of the DIFC to make such an order.

CHAPTER 2 – CONTINUANCE IN CERTAIN CIRCUMSTANCES

44. Removal of a Partner

- (1) On the application of a Partner or the General Partnership, the Court may order the removal of a Partner in circumstances that it deems appropriate.
- (2) An order of the Court under Article 44(1) does not dissolve the General Partnership.

45. Outgoing Partners

- (1) The retirement, death, incapacity or removal of a Partner dissolves the General Partnership, unless the agreement provides for the continuance of the partnership, or in the absence of such a provision, the remaining Partners elect to continue the General Partnership.
- (2) Where the General Partnership continues as provided for in Article 45(1), the Partners must provide the Registrar with a copy of an indemnity for the liabilities of the outgoing or deceased Partner. In the absence of such an indemnity the Registrar may refuse to allow the continuance of the General Partnership.

46. Where continuance of old terms is presumed

- (1) If a General Partnership entered into for a definite or specific venture or term is continued after the venture is completed or the term has expired, and without any express new agreement, the rights and duties of the Partners remain the same as they were at the expiry, so far as it is consistent with the terms of a General Partnership.
- (2) A continuance of the business by the Partners of such of them as regularly acted for it without any settlement or winding up of the General Partnership affairs, is presumed to be a continuance of the General Partnership.

47. Rights of assignee of share in General Partnership

- (1) An assignment by any Partner of his share in the General Partnership, either absolute or by way of mortgage or redeemable charge, does not, as against the other Partners, entitle the assignee, during the continuance of the General Partnership, to:
 - (a) interfere in the management or administration of the General Partnership business or affairs;
 - (b) require any accounts of the General Partnership transactions; or
 - (c) inspect the General Partnership's records or books.

- (2) The assignee is entitled to receive the share of profits to which the assigning Partner would otherwise be entitled, and the assignee must accept the accounts of profits agreed to by the General Partnership.
- (3) In the case of a dissolution of the General Partnership, whether as respects all the Partners or as respects the assigning Partner, the assignee is entitled to receive the share of the General Partnership assets to which the assigning Partner is entitled.
- (4) The assignee is Liable for the debts to which the assigning Partner would otherwise be Liable, and the assignee must accept the amount of the debt agreed to by the General Partnership.

CHAPTER 3 – RIGHTS OF THIRD PARTIES

48. Rights of persons dealing with General Partnership

- (1) Where a person continues to deal with a General Partnership after a change in its constitution or dissolution he is entitled to treat all apparent members of the old General Partnership as still being members of the General Partnership until he has notice of the change.
- (2) An advertisement made as prescribed in the Regulations shall be sufficient notice to persons who had dealings with the General Partnership before the date of the dissolution or change so advertised, of the changed constitution of the General Partnership.

CHAPTER 4 – RIGHTS OF PARTNERS

49. Continuing authority of Partners for purposes of winding up

After the dissolution of a General Partnership the authority of each Partner to bind the General Partnership, and the other rights and obligations of the Partners, continue notwithstanding the dissolution so far as may be necessary to wind up the affairs of the General Partnership, and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise.

50. Rights of Partners as to application of General Partnership Property

Unless otherwise agreed by all the Partners:

- (a) on the dissolution of a General Partnership every Partner is entitled to have:
 - (i) property of the General Partnership applied in payment of the debts and liabilities of the General Partnership; and
 - (ii) surplus assets after such payment applied in payment of what may be due to the Partners respectively after deducting what may be due from them as Partners to the General Partnership;
- (b) any Partner or his representatives may on the dissolution of the General Partnership apply to the Court to wind up the business and affairs of the General Partnership.

51. Apportionment of premium on premature dissolution

Where one Partner has paid a premium to another on entering into a General Partnership for a fixed term, and the General Partnership is dissolved before the expiration of that term, the Court may, having regard to the terms of the General Partnership agreement and to the length of time of the partnership, make an order or orders in relation to the premium or such part of it as it thinks appropriate.

52. Rights where General Partnership is dissolved for fraud or misrepresentations

Where a General Partnership agreement is rescinded on the ground of the fraud or misrepresentation of one of the parties, the party entitled to rescind is, without prejudice to any other right, entitled to:

- (a) a lien on, or right of retention of, the surplus of the General Partnership assets, after satisfying the General Partnership liabilities, for any sum of money paid by him for the purchase of a share in the General Partnership and for any capital contributed by him;
- (b) stand in the place of the creditors of the General Partnership for any payments made by him in respect of the General Partnership liabilities; and
- (c) be indemnified by the person guilty of the fraud or making the representation, against any loss suffered by him as a result of the wrong doing to the General Partnership.

CHAPTER 5 – SHARING OF PROFITS ON DISSOLUTION

53. Right of outgoing Partner in certain cases to share profits made after dissolution

Where any member of a General Partnership has died or otherwise ceased to be a Partner, and the surviving or continuing Partners carry on the business of the General Partnership with its capital or assets without any final settlement of accounts as between the General Partnership and the outgoing Partner or his estate, then, in the absence of any agreement to the contrary, the outgoing Partner or his estate is entitled to such share of the profits made since the dissolution as the Court thinks just in the circumstances.

54. Outgoing or deceased Partner's share to be a debt

Unless otherwise agreed by all the Partners, subject to any agreement between the Partners, the amount due from surviving or continuing Partners to an outgoing Partner or the representatives of a deceased Partner in respect of the outgoing or deceased Partner's share is a debt accruing at the date of the dissolution or death.

55. Distribution of assets on final settlement of accounts

Unless otherwise agreed by all the Partners, the following rules shall apply when settling accounts between the Partners after a dissolution of a General Partnership:

- (a) losses, including losses and deficiencies of capital, shall be paid first out of profits, next out of capital, and lastly, if necessary, by the Partners individually in the proportion in which they were entitled to share profits; and
- (b) the assets of the General Partnership including the sums, if any, contributed by the Partners to make up losses or deficiencies of capital, shall be applied in the following manner and order:
 - (i) in paying the debts and liabilities of the General Partnership to persons who are not Partners therein;
 - (ii) in paying to each Partner rateably what is due from the General Partnership to him for advances as distinguished from capital;
 - (iii) in paying to each Partner rateably what is due from the General Partnership to him in respect of capital; and
 - (iv) the ultimate residue, if any, shall be divided among the Partners in the proportion in which profits are divisible.

56. Postponement of rights of person in case of insolvency

Where money has been advanced to the General Partnership by way of unsecured loans or for the purchase of goodwill in consideration for a share of profits of the business, and the General Partnership becomes insolvent, the lender or buyer shall not be entitled to recover any amount until the claims of all other creditors have been satisfied.

PART 8: POWERS AND REMEDIES

57. Application of Operating Law

Part 5 of the Operating Law applies to a General Partnership or Recognised Partnership in respect of the powers and remedies of the Registrar.

PART 9: MISCELLANEOUS

58. Power to make Regulations

- (1) The Board of Directors of the DIFCA may make Regulations for the purposes of this Law to facilitate the administration of, or further the objects of, this Law.
- (2) Without limiting the generality of Article 58(1), such Regulations may be made in relation to:
 - (a) the objectives, powers or functions of the Registrar under this Law;
 - (b) forms, procedures, notice and requirements under this Law;
 - (c) the filing of certain material;
 - (d) the manner in which such material shall be filed;
 - (e) which material, or parts of the material, shall be made available for viewing by the public;
 - (f) the use of an electronic or computer-based systems for the filing, delivery or deposit of, Documents or information required under or governed by the Law and Regulations;
 - (g) the circumstances in which persons shall be deemed to have signed or certified Documents on an electronic or computer-based system for any purpose under the Law; and
 - (h) the payment of fees to the Registrar.
- (3) Where any legislation made for the purpose of this Law purports to be made in exercise of a particular power or powers, it shall be taken also to be made in the exercise of all powers under which it may be made.
- (4) Articles 46 and 47 of the Operating Law 2018 apply to the making of Regulations under this Law.
- (5) Without limiting the generality of Article 58(1), the Regulations under this Article may:
 - (a) make different provision for different cases or circumstances;
 - (b) include supplementary, incidental and consequential provisions;
 - (c) be made to facilitate the administration of, or further the purposes of this Law and another law, or other laws; and
 - (d) require the doing of an act or thing, the default of which may result in a fine payable under that Law.

59. Waivers and Modification of the Regulations

The powers to waive and modify the Operating Law and Regulations contained in Article 60 of the Operating Law, shall apply to this Law and Regulations made thereunder.

60. Public Register

- (1) The Registrar shall publish and maintain a register of current and past registrations of General Partnerships in such a manner as may be prescribed in the Regulations.
- (2) The Registrar shall publish and maintain a register of current and past registrations of Recognised Partnerships in such a manner as may be prescribed in the Regulations.

- (3) The Registrar shall make a reasonably current version of any register, maintained under this Article freely available for viewing by the public on the website of the DIFC.

61. Fees

- (1) The Board of Directors of the DIFCA may make Regulations requiring the payment to the Registrar of such fees as may be prescribed in respect of:
 - (a) the performance by the Registrar of such functions under this Law as may be specified in the Regulations, including the receipt by him of any document under this Law which is required to be delivered to him; and
 - (b) the inspection of Documents or other material held by him under this Law.
- (2) The Registrar may charge a fee for any services provided by him otherwise than in pursuance of an obligation imposed on him by this Law.
- (3) Where a fee is provided for or charged under this Article for the performance of an act or duty by the Registrar, no action need be taken by him until the fee is paid, and where the fee is payable on the receipt by him of a Document required to be delivered to him he shall be deemed not to have received it until the fee is paid.

**SCHEDULE 1
INTERPRETATION**

1. Rules of interpretation

- (1) In this Law, a reference to:
 - (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
 - (b) a “person” includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
 - (c) an obligation to publish or cause to be published a particular Document shall, unless expressly provided otherwise in the Law, include publishing or causing to be published in printed or electronic form;
 - (d) a “day” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar day which is either a Saturday, Sunday or an official public holiday, the obligation shall take place on the next calendar day which is a business day;
 - (e) a “business day” means a calendar day, excluding Saturdays, Sundays or official public holidays;
 - (f) a “week” shall mean a calendar week or seven (7) days, whichever is applicable in the circumstances;
 - (g) a “month” shall mean a period of thirty (30) days;
 - (h) a “year” shall mean a period of three hundred and sixty five (365) days and a “calendar year” shall mean a year of the Gregorian calendar;
 - (i) a reference to the masculine gender includes the feminine;
 - (j) the singular shall include the plural and vice versa; and
 - (k) “dollar” or “\$” is a reference to United States Dollars unless the contrary intention appears.
- (2) The headings in the Law shall not affect its interpretation.
- (3) A reference in this Law to a Part, Chapter, Article or Schedule by number only, and without further identification, is a reference to the Part, Chapter, Article or Schedule of that number in this Law;
- (4) A reference in an Article or other division of this Law to an Article by number or letter only, and without further identification, is a reference is a reference to the Article of that number or letter contained in the Article or other division of this Law in which that reference occurs.
- (5) Unless the context otherwise requires, where this Law refers to an enactment, the reference is to that enactment as amended from time to time, and includes a reference to that enactment as extended or applied by or under another enactment, including any other provision of that enactment
- (6) References in this Law to writing, filing, instrument or certificate include any mode of communication that preserves a record of the information contained therein and is capable of being reproduced in tangible form, including electronic means.

2. Legislation in the DIFC

References to legislation and Guidance in the Law shall be construed in accordance with the following provisions:

- (a) Federal Law is law made by the federal government of the United Arab Emirates;
- (b) Dubai Law is law made by the Ruler, as applicable in the Emirate of Dubai;
- (c) DIFC Law is law made by the Ruler (including, by way of example, the Law), as applicable in the DIFC;
- (d) the Law is The General Partnership Law, DIFC Law No.11 of 2004 made by the Ruler;
- (e) the Regulations are legislation made by the Board of Directors of the DIFCA for the purpose the Law and are binding in nature;
- (f) Guidance is indicative and non-binding and may comprise (i) guidance made and issued by the Registrar under the Law; and (ii) any standard or code of practice issued by the Board of Directors of the DIFCA which has not been incorporated into the Regulations; and
- (g) references to “Legislation administered by the Registrar” are references to DIFC Law and Regulations conferring functions and powers on the Registrar.

3. Defined Terms

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings

Term	Definition
Accounting Records	Records and underlying Documents comprising initial and other accounting entries and associated supporting Documents such as: <ul style="list-style-type: none"> (a) cheques; (b) Records of electronic funds transfers; (c) invoices; (d) contracts; (e) the general and subsidiary ledgers, journal entries and other adjustments to the financial statements that are not reflected in journal entries; and (f) work sheets and spread sheets supporting costs allocations, computations, reconciliations and disclosures.
Board of Directors of the DIFCA	the governing body of the DIFCA.
Court	the DIFC Court as established under Dubai Law.
DIFCA	the DIFC Authority.
DIFC	the Dubai International Financial Centre.
DIFC Law	has the meaning given in Article 2 of Schedule 1 to the Law.
Document	includes summons, notice, statement, return, account, order and other legal process and registers.
General Partnership	a general partnership which is formed in the DIFC.

Term	Definition
General Partnership Property	all property real, personal, tangible and intangible, or any interests therein acquired by the General Partnership, whether by purchase or otherwise.
Law	the General Partnership Law 2004.
Liable	jointly and severally liable.
Licence	has the meaning given to the term in the Operating Law.
Operating Law	the Operating Law DIFC Law No. 7 of 2018, and where relevant, include a reference to any Regulations made thereunder.
Partner	includes all Partners of a General Partnership who have entered into an agreement and are registered as Partners in accordance with the provisions of this Law.
person	has the meaning given in Article 1 of this Schedule 1 of this Law.
President	the president of the DIFC, appointed by a decree of the Ruler pursuant to Dubai Law.
Recognised Partnership	a general partnership which is formed outside of the DIFC and is registered in accordance with Article 13.
Records	Documents and other records however stored.
Registrar	the Registrar appointed under the Operating Law.
Regulations	has the meaning given in Article 2 of Schedule 1 to the Law.
Regulatory Law	the Regulatory Law No. 1 of 2004.
Ruler	the Ruler of the Emirate of Dubai.
Schedule	a Schedule to the Law.

**SCHEDULE 2
CONTRAVENTIONS WITH FINES STIPULATED**

Article	Contravention	Maximum Fine (USD)
9	Carrying on a business as a general partnership without registration	\$20,000
14(1)	Failure of Recognised Partnership to keep Accounting Records	\$15,000
14(2)(a) or (b)	Non-compliant maintenance of Accounting Records by Recognised Partnership	\$2,000
14(2)(c)	Failure of Recognised Partnership to keep Accounting Records open to inspection	\$1,000
18(1)	Failure of General Partnership to keep Accounting Records as required	\$15,000
18(2)(a) or (b)	Non-compliant maintenance of Accounting Records by General Partnership	\$2,000
18(2)(c)	Failure of General Partnership to keep Accounting Records open to inspection	\$1,000
19	Failure of General Partnership to prepare, approve or file accounts as required	\$15,000