

New Zealand.

ANNO TRICESIMO

VICTORIÆ REGINÆ.

No. 2.

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AN ACT to amend the Law of Partnership. Title. [10th August 1866.]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled and by the authority of the same as follows—

I. The Short Title of this Act shall be “The Partnership Law Amendment Act 1866.” Short Title.

II. 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. Advance of money at interest varying with profits not to constitute the lender a partner.

III. 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 or give him the rights of a partner. The remuneration of agents and others by share of profits not alone to make them partners.

IV. 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. Certain annuitants not to be deemed partners.

V. 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 good-will 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. Vendor of good-will for share of profits not therefore to be deemed a partner.

VI. 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 In case of bankruptcy or insolvency lender not to rank with other creditors.

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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.

VII. In the construction of this Act the word "person" shall include a partnership firm a joint stock company and a corporation.

WELLINGTON, NEW ZEALAND :

Printed under the authority of the New Zealand Government, by GEORGE DIDSBURY, Government Printer.