

No. 19 OF 1928.

*Amended by
Law 14/1941.*

TO AMEND THE LAW AS TO PARTNERSHIP.

A.D. 1928.

RONALD STORRS.]

[May 5, 1928.

19 of 1928.

BE it enacted :—

1. This Law may be cited as the Partnership Law, 1928. Short title.

2. In this Law—

“ Court ” means the District Court. Interpreta-
tion.

“ Business ” includes every trade, occupation, or profession

“ Firm ” means and includes persons who have entered into partnership with one another.

“ Firm name ” means the name under which a firm carries on business.

“ General Partner ” shall mean any partner who is not a limited partner as defined by this Law.

PART I.

3.—(1) No company, association, or partnership consisting of more than ten persons shall be formed for carrying on the business of banking unless it is registered as a company under the Companies (Limited Liability) Law, 1922, or any amendment thereof or is formed in pursuance of some other law. Prohibition of partnerships exceeding certain number.

(2) No company, association, or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any business that has for its object the acquisition of gain by the company, association, or partnership, or by the individual members thereof, unless it is registered as a company under the Companies (Limited Liability) Law, 1922, or any amendment thereof, or is formed in pursuance of some other law. *New section 3A added by Law 14/41.*

General Partnerships.

4.—(1) Partnership is the relation which subsists between persons carrying on a business in common with a view of profit. Definition of partnership.

(2) But the relation between members of any company or association which is—

(a) registered as a company under any Law relating to the registration of limited liability companies ; or

(b) formed or incorporated by or in pursuance of any other Law,

is not a partnership within the meaning of this Law.

Rules for determining existence of partnership.

5. In determining whether a partnership does or does not exist, regard shall be had to the following rules :—

(1) joint tenancy, tenancy in common, joint property, common property, or part ownership does not of itself create a partnership as to anything so held or owned, whether the tenants or owners do or do not share any profits made by the use thereof ;

(2) the sharing of gross returns does not of itself create a partnership, whether the persons sharing such returns have or have not a joint or common right or interest in any property from which or from the use of which returns are derived ;

(3) the receipt by a person of a share of the profits of a business is *prima facie* evidence that he is a partner in the business, but the receipt of such a share, or of a payment contingent on or varying with the profits of a business, does not of itself make him a partner in the business ; and in particular—

(a) the receipt by a person of a debt or other liquidated amount, by instalments or otherwise, out of the accruing profits of a business does not of itself make him a partner in the business or liable as such ;

(b) a contract for the remuneration of a servant or agent of a person engaged in a business by a share of the profits of the business does not of itself make the servant or agent a partner in the business or liable as such ;

(c) a person being the widow or child of a deceased partner, and receiving by way of annuity a portion of the profits made in the business in which the deceased person was a partner, is not, by reason only of such receipt, a partner in the business or liable as such ;

(d) the advance of money by way of loan to a person engaged or about to engage in any business on a contract with that 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 the business, does not of itself make the lender a partner with the person or persons carrying on the business or liable as such :

Provided that the contract is in writing and signed before a certifying officer by or on behalf of all the parties thereto ; and

(e) a person receiving, by way of annuity or otherwise, a portion of the profits of a business in consideration of the sale by him of the goodwill of the business is not, by reason only of such receipt, a partner in the business or liable as such.

6. In the event of any person to whom money has been advanced by way of loan upon such a contract as is mentioned in the last section, or of any buyer of a goodwill in consideration of a share of the profits of the business being adjudged a bankrupt, entering into an arrangement to pay his creditors less than twenty shillings in the pound, or dying in insolvent circumstances, the lender of the loan shall not be entitled to recover anything in respect of his loan, and the seller of the goodwill shall not be entitled to recover anything in respect of the share of profits contracted for, until the claims of the other creditors of the borrower or buyer for valuable consideration in money or money's worth have been satisfied.

Postponement of right of person lending or selling in consideration of share of profits in case of insolvency.

Relations of Partners to Persons dealing with them.

7. Every partner is an agent of the firm and his other partners for the purpose of the business of the partnership ; and the acts of every partner who does any act for carrying on in the usual way business of the kind carried on by the firm of which he is a member bind the firm and his partners, unless the partner so acting has in fact no authority to act for the firm in the particular matter, and the person with whom he is dealing either knows that he has no authority or does not know or believe him to be a partner.

Power of partner to bind firm.

8. An act or instrument relating to the business of the firm and done or executed in the firm-name, or in any other manner showing an intention to bind the firm, by any person thereto authorised, whether a partner or not,

Partners bound by acts on behalf of firm.

is binding on the firm and all the partners: Provided that this section shall not affect any general rule of law relating to the execution of deeds or negotiable instruments.

Partner using credit of firm for private purposes.

9. Where one partner pledges the credit of the firm for a purpose apparently not connected with the firm's ordinary course of business, the firm is not bound, unless he is in fact specially authorised by the other partners; but this section does not affect any personal liability incurred by an individual partner.

Effect of notice that firm will not be bound by acts of partner.

10. If it has been agreed between the partners that any restriction shall be placed on the power of any one or more of them to bind the firm, no act done in contravention of the agreement is binding on the firm with respect to persons having notice of the agreement.

Liability of partners.

11. Every partner in a firm is liable jointly with the other partners for all debts and obligations of the firm incurred while he is a partner; and after his death his estate is also severally liable in a due course of administration for such debts and obligations, so far as they remain unsatisfied but subject to the prior payment of his separate debts.

Liability of firm for wrongs.

12. Where, by any wrongful act or omission of any partner acting in the ordinary course of the business of the firm or with the authority of his co-partners, loss or injury is caused to any person not being a partner in the firm, or any penalty is incurred, the firm is liable therefor to the same extent as the partner so acting or omitting to act.

Misapplication of money or property received for or in custody of firm.

13. In the following cases, namely,

(1) where one partner, acting within the scope of his apparent authority, receives the money or property of a third person and misapplies it; and

(2) where a firm in the course of its business receives the money or property of a third person, and the money or property so received is misapplied by one or more of the partners while it is in the custody of the firm; the firm is liable to make good the loss.

Liability for wrongs joint and several.

14. Every partner is liable jointly with his co-partners and also severally for everything for which the firm while he is a partner therein becomes liable under either of the two last preceding sections.

15. If a partner, being a trustee, improperly employs trust-property in the business or on the account of the partnership, no other partner is liable for the trust-property to the persons beneficially interested therein: Provided as follows:—

Improper employment of trust property for partnership purposes.

(1) this section shall not affect any liability incurred by any partner by reason of his having notice of a breach of trust; and

(2) nothing in this section shall prevent trust money from being followed and recovered from the firm, if still in its possession or under its control.

16.—(1) Every one who, by words spoken or written, or by conduct, represents himself, or who knowingly suffers himself to be represented, as a partner in a particular firm, is liable as a partner to any one who has, on the faith of any such representation, given credit to the firm, whether the representation has or has not been made or communicated to the person so giving credit by or with the knowledge of the apparent partner making the representation or suffering it to be made.

Persons liable by "holding out."

(2) Provided that where after a partner's death the partnership business is continued in the old firm-name, the continued use of that name or of the deceased partner's name as part thereof shall not of itself make his executors or administrators estate or effects liable for any partnership debts contracted after his death.

17. An admission or representation made by any partner concerning the partnership affairs, and in the ordinary course of its business, is evidence against the firm.

Admissions and representations of partner.

18. Notice to any partner who habitually acts in the partnership business of any matter relating to partnership affairs operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner.

Notice to acting partner to be notice to firm.

19.—(1) A person who is admitted as a partner into an existing firm does not thereby become liable to the creditors of the firm for anything done before he became a partner.

Liabilities of incoming and outgoing partners.

(2) A partner who retires from a firm does not thereby cease to be liable for partnership debts or obligations incurred before his retirement.

(3) A retiring partner may be discharged from any existing liabilities, by an agreement to that effect between himself and the members of the firm as newly constituted and the creditors, and this agreement may be either express or inferred as a fact from the course of dealing between the creditors and the firm as newly constituted.

Revocation
of continuing
guarantee
by change
in firm.

20. A continuing guarantee or cautionary obligation given either to a firm or to a third person in respect of the transactions of a firm is, in the absence of agreement to the contrary, revoked as to future transactions by any change in the constitution of the firm to which, or of the firm in respect of the transactions of which, the guarantee or obligation was given.

Relations of Partners to one another.

Variation
by consent
of terms of
partnership.

21. The mutual rights and duties of partners, whether ascertained by agreement or defined by this Law, may be varied by the consent of all the partners, and such consent may be either express or inferred from a course of dealing.

Partnership
property.

22.—(1) All property and rights and interests in property originally brought into the partnership stock or acquired, whether by purchase or otherwise, on account of the firm, or for the purposes and in the course of the partnership business, are called in this Law partnership property, and must be held and applied by the partners exclusively for the purposes of the partnership and in accordance with the partnership agreement.

(2) Provided that the legal estate or interest in any land which belongs to the partnership shall devolve according to the nature and tenure thereof and the general rules of the law thereto applicable, but in trust, so far as necessary, for the persons beneficially interested in the land under this section.

(3) Where co-owners of an estate or interest in any land, not being itself partnership property, are partners as to profits made by the use of that land or estate, and purchase other land or estate out of the profits to be used in like manner, the land or estate so purchased belongs to them, in the absence of an agreement to the contrary, not as partners, but as co-owners for the same respective estates and interests as are held by them in the land or estate first mentioned at the date of the purchase.

23. Unless the contrary intention appears, property bought with money belonging to the firm is deemed to have been bought on account of the firm.

Property bought with partnership money.

24.—(1) A writ of execution shall not issue against any partnership property except on a judgment against the firm.

Procedure against partnership property for partner's separate judgment debt.

(2) The Court or a Judge may, on the application by summons of any judgment creditor of a partner, make an order charging that partner's interest in the partnership property and profits with payment of the amount of the judgment debt and interest thereon, and may, by the same or a subsequent order, appoint a receiver of that partner's share of profits (whether already declared or accruing), and of any other money which may be coming to him in respect of the partnership, and direct all account and inquiries, and give all other orders and directions, which might have been directed or given if the charge had been made in favour of the judgment creditor by the partner, or which the circumstances of the case may require.

(3) The other partner or partners shall be at liberty at any time to redeem the interest charged, or, in case of a sale being directed, to purchase the same.

25. The interests of partners in the partnership property, and their rights and duties in relation to the partnership, shall be determined, subject to any agreement, express or implied, between the partners, by the following rules:—

Rules as to interests and duties of partners, subject to special agreement.

(1) 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 firm;

(2) the firm must indemnify every partner in respect of payments made and personal liabilities incurred by him—

(a) in the ordinary and proper conduct of the business of the firm; or

(b) in or about anything necessarily done for the preservation of the business or property of the firm;

(3) a partner making, for the purposes of the partnership, any actual payment or advance beyond the amount of capital which he has agreed to subscribe, is entitled to interest at the rate of 9 per cent. per annum from the date of the payment or advance;

(4) a partner is not entitled, before the ascertainment of profits, to interest on the capital subscribed by him ;

(5) every partner may take part in the management of the partnership business ;

(6) no partner shall be entitled to remuneration for acting in the partnership business ;

(7) no person may be introduced as a partner without the consent of all existing partners ;

(8) any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners, but no change may be made in the nature of the partnership business without the consent of all existing partners ; and

(9) the partnership books are to be kept at the place of business of the partnership (or the principal place, if there are more places than one), and every partner may, when he thinks fit, have access to and inspect and copy any of them.

Expulsion
of partner.

26. No majority of partners can expel any partner, unless a power to do so has been conferred by express agreement between the partners.

Retirement
from
partnership
at will.

27.—(1) Where no fixed term has been agreed upon for the duration of the partnership, any partner may determine the partnership at any time on giving notice of his intention to do so to all the other partners.

(2) Where the partnership has originally been constituted by deed, a notice in writing, signed by the partner giving it, shall be sufficient for this purpose.

Where
partnership
for term is
continued
over, con-
tinuance on
old terms
presumed.

28.—(1) Where a partnership entered into a fixed term is continued after 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 expiration of the term, so far as is consistent with the incidents of a partnership at will.

(2) A continuance of the business by the partners or such of them as habitually acted therein during the term, without any settlement or liquidation of the partnership affairs, is presumed to be a continuance of the partnership.

Duty of
partner
to render
accounts,
etc.

29. Partners are bound to render true accounts and full information of all things affecting the partnership to any partner or his legal representatives.

30.—(1) Every partner must account to the firm for any benefit derived by him, without the consent of the other partners, from any transaction concerning the partnership or from any use by him of the partnership property, name, or business connection.

Account-ability of partners for private profits.

(2) This section applies also to transactions undertaken after a 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.

31. If a partner, without the consent of the other partners, carries on any business of the same nature as and competing with that of the firm, he must account for and pay over to the firm all profits made by him in that business.

Duty of partner not to compete with firm.

32.—(1) An assignment by any partner of his share in the 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 partnership, to interfere in the management or administration of the partnership business or affairs, or to require any accounts of the partnership transactions, or to inspect the partnership books, but entitles the assignee only to receive the share of the profits to which the assigning partner would otherwise be entitled, and the assignee must accept the account of profits agreed to by the partners.

Rights of assignee of share in partnership.

(2) In the case of a dissolution of the partnership, whether as respects all the partners or as respects the assigning partner, the assignee is entitled to receive the share of the partnership assets to which the assigning partner is entitled as between himself and the other partners, and, for the purpose of ascertaining that share, to an account as from the date of the dissolution.

Dissolution of Partnership and its Consequences.

33.—(1) Subject to any agreement between the partners, a partnership is dissolved,

Dissolu-tion by expiration or notice.

(a) if entered into for a fixed term, by the expiration of that term; or,

(b) if entered into for a single adventure or undertaking, by the termination of that adventure or undertaking; or,

(c) if entered into for an undefined time, by any partner giving notice to the other or others of his intention to dissolve the partnership.

(2) In the last mentioned case the partnership is dissolved as from the date mentioned in the notice as the date of dissolution, or, if no date is so mentioned, as from the date of the communication of the notice.

Dissolution
by bank-
ruptcy,
death, or
charge.

34.—(1) Subject to any agreement between the partners, every partnership is dissolved as regards all the partners by the death or bankruptcy of any partner.

(2) A partnership may, at the option of the other partners, be dissolved if any partner suffers his share of the partnership property to be charged under this Law for his separate debt.

Dissolution
by illegality
of partner-
ship.

35. A partnership is in every case dissolved by the happening of any event which makes it unlawful for the business of the firm to be carried on or for the members of the firm to carry it on in partnership.

Dissolution
by the Court

36. On application by a partner, the Court may decree a dissolution of the partnership in any of the following cases :—

(1) When a partner is shown, to the satisfaction of the Court, to be of permanently unsound mind, in which case the application may be made as well on behalf of that partner by his next friend, or person having to intervene as by any other partner ;

(2) when a partner, other than the partner suing, becomes in any other way permanently incapable of performing his part of the partnership contract ;

(3) when a partner, other than the partner suing, has been guilty of such conduct as, in the opinion of the Court, regard being had to the nature of the business, is calculated to prejudicially affect the carrying on of the business ;

(4) when a partner, other than the partner suing, wilfully or persistently commits a breach of the partnership agreement or otherwise so conducts himself in matters relating to the partnership business that it is not reasonably practicable for the other partner or partners to carry on the business in partnership with him ;

(5) when the business of the partnership can only be carried on at a loss ; and

(6) whenever in any case circumstances have arisen which, in the opinion of the Court, render it just and equitable that the partnership be dissolved.

37.—(1) Where a person deals with a firm after a change in its constitution, he is entitled to treat all apparent members of the old firm as still being members of the firm until he has notice of the change.

Rights of persons dealing with firm against apparent members of firm.

(2) An advertisement in the *Cyprus Gazette* as to a firm whose principal place of business is in Cyprus shall be notice as to persons who had no dealings with the firm before the date of the dissolution or change so advertised.

(3) The estate of a partner who dies, or who becomes bankrupt, or of a partner who, not having been known to the person dealing with the firm to be a partner, retires from the firm, is not liable for partnership debts contracted after the date of the death, bankruptcy, or retirement respectively.

38. On the dissolution of a partnership or retirement of a partner, any partner may publicly notify the same, and may require the other partner or partners to concur for that purpose in all necessary or proper acts, if any, which cannot be done without his or their concurrence.

Right of partner to notify dissolution.

39. After the dissolution of a partnership, the authority of each partner to bind the firm, and the other rights and obligations of the partners, continue, and in case of dissolution by an Order of Court, unless the Court otherwise directs, notwithstanding the dissolution, so far as may be necessary to wind up the affairs of the partnership, and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise: Provided that the firm is in no case bound by the acts of a partner who has become bankrupt but this proviso does not affect the liability of any person who has, after the bankruptcy, represented himself or knowingly suffered himself to be represented as a partner of the bankrupt.

Continuing authority of partners for purposes of winding up.

40. On the dissolution of a partnership, every partner is entitled, as against the other partners in the firm and all persons claiming through them in respect of their interests as partners, to have the property of the partnership applied in payment of the debts and liabilities of the firm, and to have the 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 firm; and for that purpose any partner or his representatives may, on the termination of the partnership, apply to the Court to wind up the business and affairs of the firm.

Rights of partners as to application of partnership property.

Apportionment of premium where partnership prematurely dissolved.

41. Where one partner has paid a premium to another on entering into a partnership for a fixed term, and the partnership is dissolved before the expiration of that term otherwise than by the death of a partner, the Court may order the repayment of the premium, or of such part thereof as it thinks just, having regard to the terms of the partnership contract and to the length of time during which the partnership has continued; unless—

(1) the dissolution is, in the opinion of the Court, wholly or chiefly due to the misconduct of the partner who paid the premium; or

(2) the partnership has been dissolved by an agreement containing no provision for a return of any part of the premium.

Rights where partnership dissolved for fraud or misrepresentation

42. Where a partnership contract is rescinded on the ground of the fraud or misrepresentation of one of the parties thereto, the party entitled to rescind is, without prejudice to any other right, entitled—

(a) to a lien on, or right of retention of, the surplus of the partnership assets, after satisfying the partnership liabilities, for any sum of money paid by him for the purchase of a share in the partnership and for any capital contributed by him; and is

(b) to stand in the place of the creditors of the firm for any payments made by him in respect of the partnership liabilities; and

(c) to be indemnified by the person guilty of the fraud or making the representation against all the debts and liabilities of the firm.

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

43.—(1) Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with its capital or assets without any final settlement of accounts as between the firm 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, at the option of himself or his representatives to such share of the profits made since the dissolution as the Court may find to be attributable to the use of his share of the partnership assets, or to interest at the rate of 9 per cent. per annum on the amount of his share of the partnership assets.

(2) Provided that where, by the partnership contract an option is given to surviving or continuing partners to purchase the interest of a deceased or outgoing partner, and that option is duly exercised, the estate of the deceased partner or the outgoing partner or his estate, as the case may be, is not entitled to any further or other share of profits; but if any partner assuming to act in exercise of the option does not in all material respects comply with the terms thereof, he is liable to account under the preceding provisions of this section.

44. Subject to any agreement between the partners the amount due from the 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.

Retiring or deceased partner's share to be a debt.

45. In settling accounts between the partners after a dissolution of partnership, the following rules shall, subject to any agreement, be observed:—

Rule for distribution of assets on final settlement of accounts.

(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;

(b) the assets of the firm, 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:—

(1) in paying the debts and liabilities of the firm to persons who are not partners therein;

(2) in paying to each partner rateably what is due from the firm to him for advances as distinguished from capital;

(3) in paying to each partner rateably what is due from the firm to him in respect of capital;

(4) the ultimate residue, if any, shall be divided among the partners in the proportion in which profits are divisible.

PART II.

Limited Partnerships.

46.—(1) From and after the commencement of this Law limited partnership shall be formed only in the manner and subject to the conditions by this Law provided.

Definition and constitution of limited partnership.

(2) A limited partnership must consist of one or more persons called general partners, who shall be liable for all debts and obligations of the firm, and one or more persons to be called limited partners, who shall at the time of entering into such partnership contribute thereto a sum or sums as capital or property valued at a stated amount, and who shall not be liable for the debts or obligations of the firm beyond the amount so contributed.

(3) A limited partner shall not during the continuance of the partnership, either directly or indirectly, draw out or receive back any part of his contribution, and if he does so draw out or receive back any such part shall be liable for the debts and obligations of the firm up to the amount so drawn out or received back.

(4) A body corporate may be a limited partner.

Registration
of limited
partnership
required

47. Every limited partnership must be registered as such in accordance with the provisions of this Law, or in default thereof it shall be deemed to be a general partnership, and every limited partner shall be deemed to be a general partner.

Modifi-
cations of
general law
in case of
limited
partnership.

48.—(1) A limited partner shall not take part in the management of the partnership business, and shall not have power to bind the firm :

Provided that a limited partner may by himself or his agent at any time inspect the books of the firm and examine into the state and prospects of the partnership business, and may advise with the partners thereon

If a limited partner takes part in the management of the partnership business he shall be liable for all debts and obligations of the firm incurred while he so takes part in the management as though he were a general partner.

(2) A limited partnership shall not be dissolved by the death or bankruptcy of a limited partner, and the lunacy of a limited partner shall not be a ground for dissolution of the partnership by the Court unless the lunatic's share cannot be otherwise ascertained and realised.

(3) In the event of the dissolution of a limited partnership its affairs shall be wound up by the general partners unless the Court otherwise orders.

(4) Subject to any agreement express or implied between the partners—

(a) Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the general partners ;

(b) A limited partner may, with the consent of the general partners, assign his share in the partnership, and upon such an assignment the assignee shall become a limited partner with all the rights of the assignor ;

(c) The other partners shall not be entitled to dissolve the partnership by reason of any limited partner suffering his share to be charged for his separate debt ;

(d) A person may be introduced as a partner without the consent of the existing limited partners.

(e) A limited partner shall not be entitled to dissolve the partnership by notice.

PART III.

Registration.

49.—(a) Any partnership whether general or limited carrying on business in Cyprus shall be registered in manner hereinafter mentioned with the Registrar of Partnerships within one month of the coming into operation of this Law. Partnership to be registered.

(b) Any partnership hereafter established and carrying on business in Cyprus shall be so registered within one month of the date of its establishment.

50. The registration of a partnership shall be effected by sending by post or delivering to the Registrar a statement in writing signed by the partners in the prescribed form containing the following particulars :— Manner and particulars of registration.

(a) The firm name ;

(b) The general nature of the business ;

(c) The principal place of the business ;

(d) The names, the description and residence of the partners other than limited partners, (if any) ;

(e) The term, if any, for which the partnership is entered into, and the date of its commencement ;

(f) A statement if such be the case that the partnership is limited, and the name, the description, and residence of every limited partner as such ;

(g) The sum contributed by each limited partner, and whether paid in cash or how otherwise ;

(h) The names of the partners who are authorised to administer the affairs of the partnership, to manage it and to sign for it.

Registration of changes in partnership.

51. If during the continuance of a partnership any change is made or occurs in—

- (a) the firm name,
- (b) the general nature of the business,
- (c) the principal place of the business,
- (d) the partners or the names of any partner,
- (e) the term or character of the partnership,
- (f) the sum contributed by any limited partner,

(g) the liability of any partner by reason of his becoming a limited instead of a general partner or a general instead of a limited partner,

a statement signed by the firm, specifying the nature of the change shall within seven days be sent by post or delivered to the Registrar.

Provisions as to registration to apply to individuals carrying on business under a business name.

52.—(1) The provisions of this Law with regard to registration shall apply to all individuals having a place of business in Cyprus and carrying on business under a business name which does not consist of their true names provided always that where the business is carried on by a trustee in bankruptcy or a receiver or manager appointed by any Court, registration shall not be necessary.

(2) When a business is carried on under two or more business names, each of those business names must be stated.

Penalty for default in registration

53. If any firm or person by this Law required to furnish a statement of particulars or of any change in particulars shall without reasonable excuse make default in so doing in the manner and within the time specified by this Law, every partner in the firm or the person so in default shall be liable on summary conviction to a fine not exceeding one pound for every day during which the default continues, and the Court shall order a statement of the required particulars or change in the particulars to be furnished to the Registrar within such time as may be specified in the order

54. The statement so registered as provided in section 50 or any change thereof registered as provided in section 51 shall be published by the Registrar in the *Cyprus Gazette*.

Notices in Gazette.

55. Any person who makes, signs, sends, or delivers for the purpose of registration under this Law any false statement known by him to be false, shall be liable to imprisonment with hard labour for a term not exceeding two years or to a fine not exceeding fifty pounds, or to both such imprisonment and fine.

Penalty for making false return.

56. On receiving any statement made in pursuance of this Law the Registrar shall cause the same to be filed, and he shall send by post or deliver to the firm or person from whom such statement shall have been received a certificate in the prescribed form of the registration thereof and the certificate or a certified copy thereof shall be kept exhibited in a conspicuous position at the principal place of business of the firm or individual and if not kept so exhibited, every partner in the firm or the person, as the case may be, shall be liable on summary conviction to a fine not exceeding five pounds.

Registrar to file statement and issue certificate of registration.

57. The Registrar shall keep, in proper books to be provided for the purpose, a register and an index of all partnerships registered as aforesaid, and of all the statements registered in relation to such partnership.

Register and index to be kept.

58. The Registrar of Companies shall be the Registrar of Partnerships.

Registrar of Companies to be Registrar under Law.

General.

59.—(1) Every partnership shall keep books of account provided always that for the purposes of this section partners shall be deemed not to have kept proper books of account if they have not kept such books or accounts as are necessary to exhibit or explain their transactions and financial position in their trade, business or profession, including a book or books containing entries from day to day in sufficient detail of all cash received and cash paid and, where the trade or business have involved dealings in goods, also accounts of all goods sold including a description in sufficient detail of all goods sold and purchased whether for cash or credit, as will enable such goods to be identifiable and also particulars of the name and address of the supplier or purchaser of such goods, and statements

Duty to keep books of account.

of annual stocktakings showing the basis upon which such stocktakings are made: Provided that a partnership engaged in any retail trade in which it would be a hardship or against the usual custom of the trade to enter such details as are hereinbefore required, then and in such cases, the omission shall be deemed to be excusable.

(2) Any person who fails to keep proper books of account as hereinbefore provided shall be liable on summary conviction to a fine not exceeding ten pounds or to imprisonment for a term not exceeding six months or to both such punishments.

All partnerships deemed to be constituted under this Law.

60. Any partnership carrying on business in Cyprus whether formed before or after the date of the coming into operation of this Law shall be deemed to be constituted in accordance with the provisions of this Law.

Power to Governor in Council to make rules.

61.—(1) The Governor in Council may make rules concerning any of the following matters:—

- (a) The fees to be paid to the Registrar under this Law;
- (b) The duties or additional duties to be performed by the Registrar for the purposes of this Law;
- (c) The forms to be used for the purposes of this Law;
- (d) Generally the conduct and regulation of registration under this Law and any matters incidental thereto.

(2) The Governor with the advice and assistance of the Chief Justice may by writing under the hand and official seal of the Governor and the hand of the Chief Justice make Rules of Court for regulating the practice (including scales of fees and evidence), in respect of proceedings of any kind, including proceedings for the winding up of limited partnerships, under this Law.

Repeal.

62. The following enactments are hereby repealed:—
The Ottoman Commercial Code Articles 1-52.
The Mejele Articles 1329-1448.

Commencement of Law.

63. This Law shall come into operation on a day to be fixed by the Governor by notice in the *Cyprus Gazette*.

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