



Limited partnership company
Comparison between the Companies Law for the year of 1437H and Companies Law for the year of 1443H

The old Law	The new Law
<p>Article 38</p> <p>1 -A limited partnership comprises two types of partners, one of which includes at least one partner who is jointly liable in all his assets for the company's debts and liabilities, and the other type includes at least one partner whose liability is limited to the value of his share in the partnership's capital. A limited partner shall not acquire the capacity of merchant.</p> <p>2 - General partners shall be subject to provisions applicable to partners in an unlimited liability company.</p> <p>3- The provisions of the unlimited liability company shall apply to limited partnership for what is not mentioned as special provision in this chapter.</p>	<p>Article 51</p> <p>A limited partnership: is a company that comprises two types of partners, one of which includes at least one partner (a natural or legal partner) who is jointly liable in all his assets for the company's debts and liabilities, and the other type includes at least one partner (a natural or legal partner) whose liability is limited to the value of his share in the partnership's capital. A limited partner shall not acquire the capacity of merchant.</p> <p>General partners shall be subject to provisions applicable to partners in an unlimited liability company.</p> <p>The provisions of the unlimited liability company shall apply to limited partnership for what is not mentioned as special provision in this chapter.</p>
<p>Difference:</p> <p>The old law didn't specify the type of limited partnerships company's partners, whether they are natural or legal partners? In the other hand the new law specified the two types of partners as natural or legal partners.</p>	
-	<p>Article 52</p> <p>The company's articles of association shall specifically include the following:</p> <ul style="list-style-type: none"> a- Partners' names and details. b- Company's name. c- Company's head office. d- Company's purpose. e- Company's capital and its distribution to the partners, details of each partner's equity and its due date. f- Management of company. g- Partners resolutions, and the quorum required for its issuance h- How to distribute profits and losses among the partners. i- Commencement and end of the company's fiscal year.



	<p>j- Company's expiration.</p> <p>k- Any provision, term or statements that the partners agree to include in the article of association that doesn't conflict with the provisions of the Law.</p>
<p>Difference: The old law didn't specify any conditions for the details of the article of association unlike the new law that specified the details of article of association.</p>	
<p>Article 40 A limited partner may not interfere in the limited partnership's external business, even with a power of attorney; otherwise, he shall be jointly liable in all his assets for the partnership's debts and liabilities arising from such interference. If the limited partner's interference causes a third party to believe that such partner is a general partner, he shall be considered jointly liable in all his personal assets towards such third party for the partnership's debts. A limited partner may participate in the limited partnership's internal management in accordance with its articles of association, without any liability on his part.</p>	<p>Article 53</p> <p>1- The limited partner -or whoever delegates him- may look twice during the fiscal year on the progress of company's business, examine its records and documents, and to extract a brief statement on the company's financial status from these records and documents.</p> <p>2- A limited partner may not interfere in the limited partnership's external business, even with a power of attorney; otherwise, he shall be jointly liable in all his assets for the partnership's debts and liabilities arising from such interference. However, a limited partner may participate in the limited partnership's internal management in accordance with its articles of association, without any liability on his part, unless if the limited partner's interference causes a third party to believe that such partner is a general partner, he shall be considered jointly liable in all his personal assets towards such third party for the partnership's debts.</p>
<p>Difference: Clause (1) has been added in the new law which allowed the limited partner -or whoever delegates him- may look twice during the fiscal year on the progress of company's business, examine its records and documents, and to extract a brief statement on the company's financial status from these records and documents.</p>	
	<p>Article 54 The general and limited partners may agree in the company's articles of association that the company shall have a general assembly and specify its specialization and procedures for assembly meeting.</p>



<p>Difference:</p> <p>The new law authorized the existence of general assembly, if it's agreed on in the company's article of association and to specify its specialization and procedures for assembly meeting.</p>	
	<p>Article 55</p> <p>1- Unless the company's articles of association stipulate otherwise, the partners' resolutions shall be issued as follows:</p> <ul style="list-style-type: none">a. Resolutions regarding the amendment on memorandum of association: passed by the unanimous consent of the general partners, and the consent of the majority owners of the capital of the limited partners.b. Other resolutions: by the approval of the numerical majority of the general partner's opinions.c. The limited partner may not request the dissolution of the company or participate in voting on matters relating to the appointment or dismissal of its manager.
<p>Difference:</p> <p>The old law didn't specify the mechanism of issuing the partners resolutions unlike the new law that specified the mechanism of issuing partners resolutions as clarified in the Article.</p>	
<p>Article 41</p> <p>A limited partner may assign his share to any other partner in the limited partnership. He may also assign his share to a third party upon the consent of all general partners as well as limited partners owning a majority share in the limited partners' capital, unless the limited partnership's articles of association stipulate otherwise.</p>	<p>Article 56</p> <p>1- A limited partner may assign all or part of his share to any other partner in the limited partnership company.</p> <p>2- A limited partner may assign all or part of his share to a third party upon the consent of all general partners as well as limited partners owning a majority share in the limited partners' capital, unless the limited partnership's articles of association stipulate otherwise.</p> <p>3- A general partner may assign all or part of his share for the benefit of limited partner or to a third party according to the provisions of Clause (2) of this Article.</p> <p>4- If the limited partner does not submit his share in the company's capital on the due date before assigning it, the assignee shall be responsible for providing it.</p>



	5- General or limited partners may be entered in the company; after the approval of all the general partners without the need to obtain the approval of the limited partners, unless the company's articles of association stipulate otherwise.
<p>Difference:</p> <p>The new Law added the Clauses 3-5 which allowed the general partner may assign all or part of his share for the benefit of limited partner or to a third party according to the provisions of Clause (2) of this Article. In addition, if the limited partner does not submit his share in the company's capital on the due date before assigning it, the assignee shall be responsible for providing it. The general or limited partners may be entered in the company; after the approval of all the general partners without the need to obtain the approval of the limited partners, unless the company's articles of association stipulate otherwise.</p>	
<p>Article 42</p> <p>A limited partnership company shall not terminate upon the death, confiscation, declaration of bankruptcy, insolvency, or withdrawal of a limited partner, unless its articles of association stipulate otherwise.</p>	<p>Article 57</p> <p>A limited partnership company shall not terminate upon the death, confiscation, insolvency, or by opening any liquidation procedures against him in accordance with the bankruptcy law, or withdrawal of a limited partner, unless its articles of association stipulate otherwise.</p>
<p>Difference:</p> <p>The new Law added on of the conditions where a limited partnership company shall not terminate which is upon opening any liquidation procedures against him in accordance with the bankruptcy law.</p>	