

## **Partnerships – Introduction and removal of partners**

Many businesses are set up with gusto and enthusiasm at a time when all parties are happy with each other. Unfortunately, this enthusiasm does not often extend to setting out an agreement recording the terms on which the parties come together.

Problems can, and do, arise later, though and the Partnership Act 1890 will not help if you need to admit a new member or remove a partner, except in very limited circumstances.

Many people do not realise that, unless there is a written agreement to the contrary, the Act requires unanimous consent of all partners for admission of a new partner.

Similarly the Act specifically states that you cannot expel a partner unless there is an express agreement of the partners to that effect. It is clearly too late to try to get that agreement at the point you want to remove a partner.

There are some circumstances in which partner can be removed and we can advise you on those. In addition, there may be other steps that can be taken to minimise the damage that might otherwise be caused to the partnership.

 HENTYS  
CORPORATE