

## INTRODUCTION

**Purpose and currency of checklist.** This checklist is designed to be used with the CLIENT IDENTIFICATION, VERIFICATION, AND SOURCE OF MONEY (A-1), CLIENT FILE OPENING AND CLOSING (A-2), and PARTNERSHIP AGREEMENT DRAFTING (B-9) checklists. The checklist is current to September 4, 2025.

## LEGEND



Checkbox



Important Reminder



Deadline or Limitation Date

## NEW DEVELOPMENTS

- **Investment Canada Act.** Recent amendments to the *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.) and changes to policy announced by the Minister of Innovation, Science and Industry (the “Minister”) continue to address changing threats that can arise from foreign investment.
- **Modernization.** *An Act to Amend the Investment Canada Act*, S.C. 2024, c. 4 received Royal Assent on March 22, 2024, with certain amendments coming into force September 3, 2024. The amendments further the Minister’s ability to detect, review, and restrict foreign investments that are potentially injurious to Canadian national security.
- **Investment digital media sector.** Foreign investors and Canadian businesses in the investment digital media sector (the “IDM sector”) must review their investment plans for potential connections to entities owned or influenced by hostile foreign states and consult with Innovation, Science and Economic Development Canada’s Investment Review Division at least 45 days before implementing any investment. Foreign investors in Canada’s IDM sector must ensure their investments support the creation and retention of Canadian intellectual property and comply with stringent undertakings and possible reviews for net benefit by the Minister of Canadian Heritage, focusing on maintaining Canadian control and cultural expression.
- **Guidelines on the National Security Review of Investments.** On March 5, 2025, the Minister announced updates to the *Investment Canada Act* Guidelines on National Security Review of Investments. These guidelines set out the process for reviewing foreign investments, such as the establishment or acquisition of a Canadian business, to determine whether they pose a risk to Canada’s national security based on the factors identified in the guidelines.
- **Net benefit review thresholds.** For minimum enterprise values or asset values of Canadian businesses triggering a review to determine whether a foreign investment is likely to result in a net benefit to Canada, see the [net benefit review thresholds](#) effective for 2025.
- **Mandatory disclosure regime to report transactions.** Enhanced mandatory disclosure rules under ss. 237.3 to 237.4 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) consist of changes to the existing reportable transaction rules and a new rule to report “notifiable transactions”. These rules apply to transactions occurring after June 21, 2023. Members of the legal profession are caught by the rules through the definition of an “advisor” and are therefore exposed to the

possibility of substantial penalties. Legal professionals are currently exempt from the rules pending determination of the Federation of Law Societies' of Canada's challenge to the constitutionality of these rules on the grounds that they infringe the Canadian Charter of Rights and Freedoms, Part I of the Constitution Act, 1982, being Schedule B to the Canada Act 1982 (U.K.), c. 11 (specifically, that the rules create potential conflicts of interest between legal professionals and their clients). Other parties, such as clients and accountants, are not exempt from the rules. Lawyers should consider advising their clients to consult with accountants and other professionals, such as tax counsel, on their obligations as well as updating their reporting correspondence.

- **Transparency register.** Private companies incorporated under the *Business Corporations Act* must create and maintain a “transparency register” of information about “significant individuals” (as defined by s. 119.11 of the *Business Corporations Act*). Consult the *Business Corporations Act* and British Columbia government websites to confirm compliance. Under the *Business Corporations Amendment Act, 2023*, S.B.C. 2023, c. 20, expected to take effect in fall 2025, private British Columbia companies will be required to file their transparency register information online with the BC Business Registry: (i) within six months of incorporation, amalgamation, restoration, or continuation; (ii) within 15 days of the company becoming aware of any changes to its transparency register; and (iii) annually (within the prescribed period yet to be announced). For further information, see the Government of British Columbia's website and the associated modernization updates.
- **Canada Business Corporations Act.** Amendments to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the “CBCA”) which took effect August 31, 2022, require distributing corporations (generally, only public companies governed under the CBCA) to comply with new requirements with respect to the election of directors. Note the amendments in s. 106 of the CBCA, with respect to “majority voting” and “individual election” requirements. Accordingly, if a CBCA company is being incorporated, and particularly if it may become a reporting issuer, attention should be given to the company's articles with respect to electing and appointing its directors. As of January 22, 2024, corporations created under the CBCA are required to file information regarding individuals with significant control (“ISC”) with Corporations Canada and to keep a copy of their ISC register with their corporate records.
- **Purpose-built rental exemption.** Effective January 1, 2024, certain new purpose-built rental buildings are exempt from the further 2% property transfer tax applied to residential property values that exceed \$3,000,000 and meet the eligibility requirements.
- **Competition Act.**
  - **Provisions related to restrictive covenants and exclusivity clauses.** Landlords and tenants may negotiate restrictive covenants and exclusivity clauses in their leases to: control tenant use and tenant mix; grant a tenant the exclusive right to conduct certain activities; and restrict other tenants from conducting those activities. Amendments to the *Competition Act*, R.S.C. 1985, c. C-34 (the “Competition Act”) came into effect on December 15, 2023. The Competition Bureau of Canada issued “*Competitor Property Controls and the Competition Act*”, dated June 4, 2025, which outlines the Competition Bureau's enforcement approach to competitor property controls under the *Competition Act* following Royal Assent of Bill C-56 (<https://competition-bureau.canada.ca/en/how-we-foster-competition/education-and-outreach/publications/competitor-property-controls-and-competition-act>). The Competition Bureau has taken the position that restrictive covenants and exclusivity clauses may amount to property controls

insulating firms from competition, thereby falling under the “abuse of dominance” and the “anti-competitive collaboration” provisions under ss. 78 and 90.1 of the *Competition Act*, respectively. Lawyers should review the *Competition Act* and the Competition Bureau’s guidance to determine whether any such restrictive covenant or exclusivity clause granting a tenant exclusive rights to carry on a particular activity, or restricting certain tenants from carrying out certain activities, amounts to a “competitor property control” subject to risk enforcement action by the Competition Bureau before the Competition Tribunal. Upon determining that a competitor property control is contrary to the *Competition Act*, the Competition Bureau may seek remedies including: prohibiting the terms of the competitor property control and its enforcement; requiring other measures to restore competition where necessary; and seeking administrative monetary penalties. Where a competitor property control raises issues under s. 90.1 of the *Competition Act*, the Competition Bureau will consider all parties to the agreement to be potential targets of its investigation (tenants and landlords alike).

- **Greenwashing provisions.** The *Competition Act* added new provisions that took effect June 20, 2024. The new provisions require companies making environmental claims about their products or services to support these claims with adequate and proper testing. Furthermore, any statements regarding the environmental benefits of a business or its activities must be substantiated using “internationally recognized methodologies”. On June 5, 2025, the Competition Bureau issued guidance detailing its expectations (e.g., what constitutes a recognized methodology, and principles for substantiation and future-oriented claims), though the guidelines are not binding.
- ***Business Practices and Consumer Protection Act.*** Bill 4, the *Business Practices and Consumer Protection Amendment Act, 2025* received Royal Assent on March 31, 2025. The consequential amendments will come into force by regulation and are expected to introduce provisions that prohibit suppliers from mandating dispute resolution processes through consumer contract terms. Parties may still mutually agree to submit to arbitration or another form of dispute resolution.
- **Removing oneself as a director.** Effective May 4, 2023, a person who claims not to be a director but who is recorded as a director in a company’s notice of articles may, on notice to the company, apply to the registrar for the removal of their name and address from the company’s notice of articles (*Business Corporations Act*, s. 127.1, as amended B.C. Reg. 114/2023). On application, the registrar must alter the company’s notice of articles if the applicant provides satisfactory proof that they are not a director of the company, and the company failed to file a notice of change of directors with the registrar.
- **Resolutions upheld despite being made during annual general meeting not called in accordance with company’s articles.** In *Yinghe Investment (Canada) Ltd. v. CCM Investment Group Ltd.*, 2024 BCCA 285, a dispute arose when an annual general meeting was held without proper adherence to the company’s articles (the meeting was called by a single director instead of the required plural “directors”). The court found that the chambers judge did not err in exercising his discretion under s. 229 of the *Business Corporations Act*, as the decision to allow certain resolutions to stand was made in the company’s best interests.
- ***Income Tax Act.*** Amendments to the *CBCA* that took effect November 2, 2023, authorize the communication of certain taxpayer information to an official of the Department of Industry for the purpose of verifying and validating the data that must be filed by certain private corporations under s. 21.21 of the *CBCA* in relation to the corporate beneficial ownership registry.

- **Forced sale provisions and anti-deprivation rule.** In *ATB Financial v. Mayfield Investments Ltd.*, 2025 ABKB 61, the court declared a forced sale provision triggered by the bankruptcy of a shareholder to be void and unenforceable, as it violated the anti-deprivation rule. While not yet considered by courts in British Columbia a similar outcome is possible and this case should accordingly be considered when drafting shareholders agreement.
- **Amendments to the *Land Title Act* and *Property Law Act*.** The *Land Title and Property Law Amendment Act, 2024*, S.B.C. 2024, c. 9 came into force May 21, 2024, amending the *Land Title Act*, R.S.B.C. 1996, c. 250 and the *Property Law Act*, R.S.B.C. 1996, c. 377. The amendments recognize the power and capacity of a First Nation to hold, acquire, and dispose of land in the name of the First Nation as owner and register its ownership in the land title office in its First Nation name.

#### OF NOTE

- **Aboriginal law.** Special considerations apply to partnership involving Indigenous persons or lands belonging to First Nations. While significant tax and other advantages may be available under the *Indian Act*, R.S.C. 1985, c. I-5, such advantages are affected by the following: the type of business; transaction nature; business entity (sole proprietorship, partnership, joint venture, trust, or incorporated company); location of business activity (either on or off First Nations lands); and the specific First Nation and its applicable governance. Effective May 11, 2023, the *Budget Measures Implementation Act, 2023* came into force, amending the *Treaty First Nation Taxation Enabling Act*, S.B.C 2007, c. 38, and the *Nisga'a Final Agreement Act*, S.B.C. 1999, c. 2. These legislative amendments allow taxing treaty First Nations and the Nisga'a Nation, respectively, to implement tax exemptions for property on their lands. Businesses engaging in activities on First Nations lands, lands subject to treaty rights, or lands over which there are claims of Aboriginal rights or title are strongly encouraged to familiarize themselves with applicable laws and policies. Consider seeking the advice of a lawyer who has experience in Aboriginal law matters. Further information on Aboriginal law issues is available on the “Aboriginal Law” page on the “Practice Areas” section of the Continuing Legal Education Society of British Columbia website ([www.cle.bc.ca](http://www.cle.bc.ca)) and in other CLEBC publications. See also *Negotiating & Structuring Business Transactions with First Nations 2011* (CLEBC, 2011) as well as M.J. MacDonald, “First Nations Partnerships”, in *Working with Partnerships 2016* (CLEBC, 2016), available through CLEBC Courses on Demand.
- **Money laundering—companies, trusts, and other entities.** As a means of laundering money, criminals use ordinary legal instruments (such as shell and numbered companies, bare trusts, and nominees) in the attempt to disguise the true owners of real property, the beneficial owners. These efforts can be hard to detect. As such, lawyers must assess the facts and context of the proposed retainer and financial transactions. Lawyers should be aware of red flags, and if a lawyer has doubts or suspicions about whether they could be assisting in any dishonesty, crime, or fraud, they should make enough inquiries to determine whether it is appropriate to act and make a record of the results of their inquiries (*BC Code* rules 3.2-7 and 3.2-8 and Law Society Rules 3-103(4), 3-109, and 3-110). See the anti-money laundering resources on the Law Society’s “Client ID & Verification” [webpage](#), including: “Forming Companies and Other Structures—Managing the Risk”; “Source of Money FAQs”; “Risk Assessment Case Studies for the Legal Profession”; “Red Flags Quick Reference Guide”; “Risk Advisories for the Legal Profession”; and free online Law Society and Federation of Law Societies of Canada courses. Also see the Discipline Advisories (an updated list can be found at [www.lawsociety.bc.ca/for-lawyers/discipline-advisories/](http://www.lawsociety.bc.ca/for-lawyers/discipline-advisories/)), which include topics

such as Client ID & Verification, Country/geographic risk and Private lending. Lawyers may contact a Law Society practice advisor at [practiceadvice@lsbc.org](mailto:practiceadvice@lsbc.org) for a consultation about the applicable *BC Code* rules and Law Society Rules and obtain guidance.

- **Tax Alert.** As many aspects of a partnership agreement may have significant tax implications for the parties, it is recommended the parties seek advice from their respective tax advisors on the formation and governance of the partnership.
- **Law Society of British Columbia.** For changes to the Law Society Rules and other Law Society updates and issues “of note”, see LAW SOCIETY NOTABLE UPDATES LIST (A-3).
- **Additional resources.** For further information about partnership agreements, see *Advising British Columbia Businesses* (CLEBC, 2006–), *Partnerships and Societies for Legal Support Staff and Junior Lawyers 2011* (CLEBC, 2011), and *Working with Partnerships 2016* (CLEBC, 2016).

## CONTENTS

1. Initial Contact
2. Initial Interview
3. After the Initial Interview
4. Drafting the Agreement
5. Closing the File

1.	INITIAL CONTACT	
1.1	Conduct a conflicts of interest check and refer to the CLIENT FILE OPENING AND CLOSING (A-2) checklist.	<input type="checkbox"/>
1.2	Arrange the initial interview.	<input type="checkbox"/>
1.3	Ask the client to bring all relevant information to the initial interview.	<input type="checkbox"/>
1.4	Confirm compliance with Law Society Rules 3-98 to 3-110 for client identification and verification and the source of money for financial transactions, and complete the CLIENT IDENTIFICATION, VERIFICATION, AND SOURCE OF MONEY (A-1) checklist. Consider periodic monitoring requirements (Law Society Rule 3-110).	<input type="checkbox"/>
1.5	Discuss the terms of your retainer and the calculation of your fee. Refer to the CLIENT FILE OPENING AND CLOSING (A-2) checklist.	<input type="checkbox"/>

2.	INITIAL INTERVIEW	
2.1	Clarify your role and that of other advisors to the client. Make it clear for whom you are acting. If you will be retained by more than one party, even when parties consent to a joint retainer, comply with <i>Code of Professional Conduct for British Columbia</i> (the “ <i>BC Code</i> ”, rules 3.4-5 to 3.4-9, and refer to item 2.4 in the CLIENT FILE OPENING AND	<input type="checkbox"/>

	CLOSING (A-2) checklist. If you are acting for an organization, unless acting under a joint retainer, be clear that you are acting for the organization and not for individuals associated with the organization ( <i>BC Code</i> , rule 3.2-3). Urge others, in writing, to get independent legal representation. Make it clear that you are not protecting their interests and that you are acting exclusively in the interests of your client ( <i>BC Code</i> , rule 7.2-9). Consider including a waiver or acknowledgement form to be completed by the client to this effect.	
2.2	Discuss the background of the parties and their relationship, the business of the partnership, the general nature of the proposed agreement as the client understands it, and the client's objectives and expectations.	<input type="checkbox"/>
2.3	Determine whether the parties can incorporate rather than form a partnership and, if so, discuss the relative advantages and disadvantages of incorporation.	<input type="checkbox"/>
2.4	Discuss the definition and tests for the existence of a partnership ( <i>Partnership Act</i> , ss. 1 to 4), including the fact that a general partnership can exist in the absence of a partnership agreement, and may exist already, depending on the conduct of the parties. A limited partnership does not arise when an agreement is executed, but only when a certificate is filed ( <i>Partnership Act</i> , s. 51). Similarly, a limited liability partnership arises only when a registration statement is filed, although it may have existed as a general or a limited partnership before filing. Any business carried on by the parties before filing may be carried on as a general partnership. Advise the client that entering into negotiations in respect of a partnership agreement can give rise to fiduciary obligations.	<input type="checkbox"/>
2.5	Discuss the advantages and disadvantages of general and limited partnerships, and the possibility of registering as a limited liability partnership, including that an existing general partnership or limited partnership may register as a limited liability partnership. Discuss the limitations and risks of a partner acting in a limited liability capacity.	<input type="checkbox"/>
2.6	Where a general partnership is to be established, discuss the relevant provisions of the <i>Partnership Act</i> , including:	<input type="checkbox"/>
	.1 Agency, effect of actions of a partner (ss. 7 to 10 and 16 to 18).	
	.2 Liability of partners (ss. 11 to 15, subject to s. 95(2) in the case of a limited liability partnership, and s. 19).	
	.3 Duties and rights of partners (ss. 22, 27, 31 to 33, and 40 to 47).	
	.4 Partnership property and judgments (ss. 23 to 27).	
	.5 Assignment of interest (s. 34).	
	.6 Effect of a change in constitution (ss. 20 and 39).	
	.7 Expulsion of a partner (s. 28).	
	.8 Termination and continuation of a partnership (ss. 29 and 30).	
	.9 Dissolution (ss. 35 to 38).	
	.10 Where the partnership is formed for trading, manufacturing, or mining purposes, the requirement to file a registration statement and to amend it as required (ss. 81 to 88).	


	.11 Limitations on names similar to corporations (s. 89).	
2.7	Where a limited partnership is to be established, discuss the relevant provisions of the <i>Partnership Act</i> , including:	<input type="checkbox"/>
	.1 Such provisions set out in item 2.6 of this checklist as are applicable (s. 49).	
	.2 The formation of a limited partnership occurs only upon the filing of a certificate (s. 51), and that any prior activity may be as partners without limited liability.	
	.3 Limitations on names similar to corporations (s. 89).	
	.4 The need to amend the certificate as required (s. 70) or to cancel it (s. 69).	
	.5 The requirement that there be at least one limited and one general partner (s. 50).	
	.6 The ability of a partner to be both a general and a limited partner (s. 52).	
	.7 Requirements for maintaining an office and records (ss. 54 and 70).	
	.8 Powers and rights of general partners (ss. 56, 73, and 78).	
	.9 Powers and rights of limited partners (ss. 55, 58 to 62, 66, 68, and 73).	
	.10 Liability of limited partners (ss. 57, 63, 64, and 68).	
	.11 Addition of limited partners (s. 65).	
	.12 Assignment of a limited partner's interest (s. 66).	
	.13 Partnership property and judgments (s. 76).	
	.14 Dissolution (s. 67).	
	.15 Renunciation by a person who mistakenly believed itself to be a limited partner (s. 75).	
2.8	If a limited liability partnership is to be used, discuss the relevant provisions of the <i>Partnership Act</i> , including:	<input type="checkbox"/>
	.1 That Parts 1, 2, 4, and 5 apply (s. 95(1)), except as provided in s. 95(2)).	
	.2 Limitations on names similar to corporations (s. 89).	
	.3 Limited personal liability of partners is addressed in ss. 104, 105, and 106.	
	.4 Partners in a limited liability partnership may be personally liable in respect of a partnership obligation if and to the same extent as a director would be liable for the obligations of a limited company (excluding common-law obligations and those under <i>Business Corporations Act</i> , S.B.C. 2002, c. 57, s. 142), and directors of a corporation that is itself a partner in a limited liability partnership have the same potential liability (s. 105).	
	.5 A partner in a limited liability partnership retains liabilities that arose in an existing partnership before it became a limited liability partnership (s. 106).	
	.6 Upon registration of a partnership as a limited liability partnership, existing clients must be notified (s. 107).	

	.7 Records must be maintained (s. 109) in a registered office in British Columbia (s. 108).	
	.8 Annual reports and changes in the registration statement must be filed (ss. 110 and 111).	
	.9 There are restrictions on distributions of partnership property of a limited liability partnership, and liability for a distribution contrary to such provisions (ss. 112 and 113).	
	.10 Winding-up and dissolution require notice and may be subject to court order (ss. 126 and 127).	
	.11 Registration may be cancelled by the registrar (s. 129), although it is not thereby dissolved, and the <i>Partnership Act</i> applies to it as if the partners were partners in a general partnership.	
2.9	Discuss <i>Partnership Act</i> provisions that may be modified by agreement: e.g., rights, duties, powers, and liabilities of partners (ss. 21, 27, 32, 33, 45 to 47, 56, 59, 61, 63, and 78); expulsion (s. 28); termination of the partnership (s. 29); dissolution (ss. 35, 36, and 67); partnership property (ss. 23(3) and 24); and assignment of a limited partner's interest (s. 66).	<input type="checkbox"/>
2.10	Discuss in detail the proposed agreement, referring to the clauses set out in the PARTNERSHIP AGREEMENT DRAFTING (B-9) checklist. Include key points and <i>Partnership Act</i> provisions:	<input type="checkbox"/>
	.1 Who are to be the partners:	
	(a) Partners may be individuals, corporations, partnerships, or legal representatives.	
	(b) Consider the desirability of a Canadian residency requirement in light of provisions under the <i>Income Tax Act</i> , R.S.C. 1985, c. 1 (5th Supp.), permitting a partner to transfer property to a Canadian partnership, and sections permitting dissolution in certain circumstances, without immediate tax cost. Note that including a residency requirement will also necessitate including a provision for expulsion of a partner who becomes a non-resident.	
	.2 Purpose and term of the partnership:	
	(a) What type of partnership is it? What is its purpose?	
	(b) What term is appropriate, and how is the partnership to be terminated?	
	(c) Advise that the Supreme Court of Canada has clarified that for tax (and other) purposes, a partnership must meet the fundamental criteria that a partnership is "the relation which subsists between persons carrying on business in common with a view of profit" ( <i>Partnership Act</i> , s. 2).	
	.3 Management of the partnership and the role of the partners, bearing in mind the implications if a limited partner takes part, or is deemed to have taken part, in the management of the business:	
	(a) In general, what role is each partner or each type of partner (general and limited) to play?	

	(b) Who has banking and signing authority, who is responsible for day-to-day management, and how are major decisions made?	
	(c) If a partner is a corporation or other legal person, how will it be represented, and what will be the effect of various circumstances such as the death of the representative?	
	(d) Is it intended that all general or limited liability partners be and remain actively involved in management? If the client is going to be a general or limited liability partner and is not going to be actively involved, advise the client to keep informed of the partnership's financial affairs. Consider whether it is desirable that the client be a signing officer.	
	(e) Is the client going to be an employee of the partnership? If so, consider the need for a separate employment contract (possibly tied to the partnership agreement) or for employment clauses in the agreement. If the client is to be a limited partner, ensure that they are not giving services as part of their contribution (s. 55).	
	(f) Is competition or conflict of interest to be permitted and, if so, to what extent and by what procedure? Stress the accountability provisions (ss. 32 and 33). Even if provision is made in the partnership agreement, advise that it may still be desirable to disclose and obtain clear consent regarding particular conflict situations.	
	(g) Should there be any restrictive covenants, including non-competition covenants and non-solicitation covenants (which require careful drafting in order to be enforceable)?	
	(h) Ensure that nothing in the agreement (e.g., restriction of the powers of the general partners) constitutes participation by the limited partners in management (s. 64).	
	.4 Financing:	
	(a) In general, how much money is needed for the proposed venture, for what purposes is it to be spent (on what, how much, when), how is the partnership to be financed, how will partners put money into the partnership and on what terms, how will the capital accounts of each partner be monitored, and how will partners get their money out?	
	(b) If the client has not already done so, advise the client to discuss financing issues with a financial advisor (e.g., the prospective accountant, auditor, or bank).	
	(c) Are items such as cars, office furniture, computers, tools and equipment, etc. to be provided by the partnership, or will they be the responsibility of each partner?	
	(d) Consider advising the client to meet with the other parties and draw up a pro forma budget. This might be attached to the partnership agreement as a statement of intention or the partnership agreement may provide for how the partners will approve the budget and any deviations each year.	

	(e) Discuss methods by which partners can get a return from the partnership (e.g., salary, interest on loans, repayment of loans, distributions) and the prohibition of a return of capital to limited partners except as provided (s. 62).	
	(f) Discuss the status and priority of a loan to the partnership by a partner, and explain the special position of a limited partner under s. 60 and a limited liability partner under s. 112.	
	.5 Partnership property:	
	(a) In general, what property is or will be partnership property and what property being dealt with is or will be separate property?	
	(b) Discuss whether any property will be assigned to the partnership by the partners at the time of formation, and consider whether any additional documentation such as an assignment of property is required.	
	(c) What is the nature of the interest of each partner in the partnership and its assets (e.g., whether, in the case of a general or limited liability partnership, the interest of each partner consists merely of contractual rights, or if it represents an undivided interest in the assets of the partnership)? The entitlement of limited partners is limited generally to their contribution plus any profits; they do not have any “independent” ownership rights in the property of the limited partnership.	
	.6 Restrictions on any transfer of interest. In general, whether there will be any restrictions (such as rights of first refusal, shotgun provisions, piggy-back or drag-along rights) and, if so, in what circumstances and why such restriction is needed.	
	.7 Consequences of certain types of events:	
	(a) In general, discuss various types of events that might occur, and the desired consequences. Determine whether the consequences are to be optional or mandatory. Events to be considered should include death, termination of employment, a partner’s desire to sell the partner’s interest in the partnership, retirement, incapacity, bankruptcy, insolvency, default under the partnership agreement or an employment contract, change in control of a corporate partner, or a partner ceasing to be resident in Canada for the purposes of the <i>Income Tax Act</i> , etc.	
	(b) Ensure that you have covered any circumstances in which a partner can force the other partners to buy that partner out, and circumstances in which other partners can force a partner to sell.	
	.8 Where a sale to the partnership or the other partners is contemplated:	
	(a) Is the sale to the partnership, the partners, or both? If it is to both, how is this to be handled (e.g., priority, procedures, timing)?	
	(b) How is the purchase to be paid and funded?	
	.9 Valuation (of interest, of purchase price in various circumstances, etc.):	
	(a) Values or methods for calculating the values should be set out in the partnership agreement and should be practical, reasonable, and certain.	





	(b) Advise the client to consult a financial advisor as to the most appropriate valuation methods.	
	.10 Mechanisms for dispute resolution (e.g., a shotgun or compulsory purchase clause, dissolution of the partnership, arbitration, or mediation).	
	Note the first Protocol of Amendment to the New West Partnership Trade Agreement (the “NWPTA”), signed January 6, 2015, which clarified labour mobility language and dispute resolution provisions.	⚡
2.11	Advise regarding the tax consequences of the partnership and the proposed provisions, including the treatment of partners under the <i>Income Tax Act</i> , and the responsibility of the partnership to collect and remit PST/GST, or advise the client to get specialized tax advice (particularly with respect to provisions dealing with purchase of the interest of a deceased partner or in cases where the partnership intends to operate in multiple jurisdictions).	<input type="checkbox"/>
	<b>Note:</b> Both PST and GST are generally applicable to legal services. Further information about the GST and PST can be found at <a href="http://www.canada.ca/en/services/taxes.html">www.canada.ca/en/services/taxes.html</a> and <a href="http://www2.gov.bc.ca">www2.gov.bc.ca</a> .	⚡
2.12	Ensure that the proposed provisions are workable and reasonable in the circumstances.	<input type="checkbox"/>
2.13	In the case of a limited partnership, stress that:	<input type="checkbox"/>
	.1 No action should be taken before the certificate is filed, as the limited partnership does not exist until that time and persons carrying on business before the filing may be liable as general partners.	
	.2 The limited liability of a limited partner may be lost, for example where:	
	(a) That partner was or became aware of a false statement in the certificate filed pursuant to s. 51 of the <i>Partnership Act</i> (s. 74).	
	(b) That partner’s name appears in the firm name, contrary to s. 53 of the <i>Partnership Act</i> .	
	(c) That partner takes part in the management of the business (s. 64).	
	(d) That partner’s, or the partnership’s, liability is governed by the law of another jurisdiction that does not recognize the limitation of a partner’s liability.	
2.14	In the case of a limited liability partnership, advise that a partnership does not become a limited liability partnership until the registration statement is filed (s. 96).	<input type="checkbox"/>
2.15	Discuss whether the partnership will carry on business in any other jurisdictions and should be extraprovincially registered. Note that in the case of general partnerships, registration as an extraprovincial partnership is not available, and the partnership legislation of the applicable province(s) should be consulted for any registration requirements. With respect to limited partnerships and limited liability partnerships, the NWPTA eliminates certain duplicative reporting requirements for extraprovincial registration in Alberta, Saskatchewan, and, as of January 1, 2020, Manitoba.	<input type="checkbox"/>

2.16	Discuss the provisions of the <i>Securities Act</i> , R.S.B.C. 1996, c. 418, if applicable. Advise that, generally, a person is prohibited from trading in a security when such trade would be in the course of a distribution to the public. If partnership interests are distributed to persons in another jurisdiction, the securities laws of that jurisdiction must also be considered.	<input type="checkbox"/>
2.17	Discuss the possible use of a management company. Discuss the implications and risks for limited liability where a limited partner (or director or officer of a corporate limited partner) acts as a director or officer of the management company or of a general partner. Emphasize, at a minimum, that the person should be careful to separate any such positions from their status as a limited partner.	<input type="checkbox"/>
2.18	Discuss requirements to file transparency declarations and reports with the Land Owner Transparency Registry under the <i>Land Owner Transparency Act</i> , S.B.C. 2019, c. 23, if applicable.	
2.19	Where the client has not already done so, advise the client to discuss the various issues with the other parties and reach a satisfactory solution that will ensure continuing fairness to all parties, and then inform you of the results.	<input type="checkbox"/>
2.20	Get instructions to proceed with drafting the partnership agreement and any other agreements required, including an employment contract or an assignment of property to the partnership, if appropriate.	<input type="checkbox"/>

<b>3.</b>	<b>AFTER THE INITIAL INTERVIEW</b>	
3.1	Confirm your retainer. Refer to the CLIENT FILE OPENING AND CLOSING (A-2) checklist.	<input type="checkbox"/>
3.2	Confirm compliance with Law Society Rules 3-98 to 3-110 on client identification and verification (see item 1.4 in this checklist), and consider ongoing monitoring requirements under Rule 3-110.	<input type="checkbox"/>
3.3	If the client is a company, verify who has the authority to give instructions ( <i>BC Code</i> , rule 3.2-3, Commentary [1]). Consider getting a directors' resolution confirming your retainer and giving one director or officer the authority to instruct you. Communicate with counsel representing the other parties that you are acting for your client. If other parties are unrepresented, urge them in writing to get independent legal representation. As noted in item 2.2, make it clear to the other parties that you are not protecting their interests and that you are acting exclusively in the interests of your client ( <i>BC Code</i> , rule 7.2-9).	<input type="checkbox"/>
3.4	Conduct any relevant searches, such as:	<input type="checkbox"/>
	.1 Company searches of all corporate parties.	
	.2 Name search and firm name reservation with the Corporate Registry (s. 89).	
	.3 Registrations under the <i>Personal Property Security Act</i> , R.S.B.C. 1996, c. 359.	
	.4 Land title office.	

3.5	Consider legislation in other relevant jurisdictions (e.g., where the partnership intends to carry on business or to sell interests), in particular whether the limited liability of the limited partners will be effective in such jurisdictions. Discuss compliance with extraprovincial registration and reporting requirements.	<input type="checkbox"/>
3.6	Open a document file and retain successive drafts of the agreement. Open a separate sub-file for each major document required in the matter.	<input type="checkbox"/>

<b>4.</b>	<b>DRAFTING THE AGREEMENT</b>	
4.1	Prepare an outline of the agreement, indicating the clauses from your precedent file that will be included (see the PARTNERSHIP AGREEMENT DRAFTING (B-9) checklist), ensuring that each clause is revised according to the specific needs and circumstances of the client. Also prepare an outline of any other documents required, such as a <i>Partnership Act</i> , s. 81 registration statement, a s. 96 registration statement, a s. 51 certificate, an employment contract, or an assignment of property to the partnership.	<input type="checkbox"/>
4.2	Prepare the first draft.	<input type="checkbox"/>
4.3	Review the first draft, checking each segment to ensure that it achieves the client's objectives, and checking the document as a whole to ensure that it is internally consistent. Make any necessary corrections and prepare the second draft.	<input type="checkbox"/>
4.4	Go over the second draft with the client, or send it to the client with a request that that client review it and note any changes or questions. Discuss changes or questions.	<input type="checkbox"/>
4.5	Make any changes required to the second draft, and send copies to the other parties or their lawyers for comment. Review any alterations with the client.	<input type="checkbox"/>
4.6	Prepare the final documents. Ensure compliance with the requirements of <i>Partnership Act</i> , s. 81, s. 96, or s. 51, as appropriate.	<input type="checkbox"/>
4.7	Arrange for signing and execution of:	<input type="checkbox"/>
	.1 Partnership agreement.	
	.2 General partnership registration statement (s. 81), if applicable.	
	.3 Limited partnership certificate (s. 51) (caution regarding the effect of knowledge of any false statement therein), if applicable.	
	.4 Limited liability partnership registration statement (s. 96), if applicable.	
	.5 Employment contracts.	
	.6 Assignment(s) of property.	
4.8	Advise the client of their ongoing compliance obligations for annual filings and renewal statements.	<input type="checkbox"/>

5.	<b>CLOSING THE FILE</b>	
5.1	File documents:	<input type="checkbox"/>
	.1 File s. 81 registration statement with the registrar within three months after formation of the firm (s. 82), accompanied by the prescribed fee (s. 93). Note that electronic filing of the registration statement is now permitted.	
	.2 File s. 51 certificate for a limited partnership with the registrar immediately, accompanied by the prescribed fee (s. 93), and notify the client as soon as this is done.	
	.3 File s. 96 registration statement for a limited liability partnership immediately, accompanied by the prescribed fee (s. 93).	
5.2	Complete any assignments of property to the partnership, as well as any necessary registrations.	<input type="checkbox"/>
5.3	Prepare a reporting letter and account as soon as practicable after closing. Where a partnership was registered as a limited liability partnership, advise the client to take reasonable steps to notify all of its existing clients in writing that the partnership was registered as a limited liability partnership and of the changes to the liability of the partners as a consequence of such registration (s. 107). Advise that changes in circumstances, legislation (e.g., tax law), insurance requirements, etc. make it essential that the agreement be reviewed from time to time. Ascertain whether the client wishes to meet for this purpose from time to time and, if so, make entries in your diary and “BF” systems.	
5.4	Close the file. See the CLIENT FILE OPENING AND CLOSING (A-2) checklist.	<input type="checkbox"/>