

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 PROCEDURE (B-8) checklists. The provisions suggested in this checklist must be considered in relation to the particular facts in the matter at hand, and augmented and revised as appropriate. The checklist is current to September 4, 2025. All section references are to the *Partnership Act*, R.S.B.C. 1996, c. 348, unless otherwise indicated.

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 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) 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/), 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 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).

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1. INITIAL CONTACT		
1.1	Complete the CLIENT FILE OPENING AND CLOSING (A-2) and PARTNERSHIP AGREEMENT PROCEDURE (B-8) checklists. 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"/>

2. EFFECTIVE DATE OF AGREEMENT	
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3. IDENTIFICATION OF PARTIES		
3.1	Distinguish general and limited partners.	<input type="checkbox"/>
3.2	Provide for the addition of partners.	<input type="checkbox"/>


4. RECITALS		
4.1	General statement of the legal relationship between the parties and the reasons for entering into the agreement.	<input type="checkbox"/>
4.2	Statement relating the recitals to the rest of the agreement.	<input type="checkbox"/>

5. INTERPRETATION		
5.1	Definitions:	<input type="checkbox"/>
	.1 Specific definitions (consider setting out in a schedule).	
	.2 Statement that accounting terms not defined have the meanings ascribed to them in accordance with Generally Accepted Accounting Principles (GAAP), including any new applicable principles based on Accounting Standards for Private Enterprises (ASPE) or International Financial Reporting Standards (IFRS), as applicable.	
5.2	Choice of law and forum for applicable law and dispute resolution.	<input type="checkbox"/>
5.3	General principles that govern the interpretation of the agreement (e.g., use of the masculine form, insertion of headings for convenience only).	<input type="checkbox"/>
5.4	Schedules, such as:	<input type="checkbox"/>
	.1 Definitions (see item 5.1.1 in this checklist).	
	.2 Pro forma budget (see item 7.8 in this checklist).	
	.3 Assets that are partnership property (see item 9.2 in this checklist).	

6. PARTNERSHIP		
6.1	Establishment of the partnership.	<input type="checkbox"/>
6.2	Name:	<input type="checkbox"/>
	.1 Note any limits on names and business name reservation provisions for all partnerships (see the PARTNERSHIP AGREEMENT PROCEDURE (B-8) checklist).	
	.2 For a limited partnership, ensure compliance with s. 53.	
	.3 For a limited liability partnership, use one of the required descriptions at the end of the business name (<i>Partnership Act</i> , s. 100).	

	.4 Consider provisions regarding amendment and, where the partnership name includes the names of partners, retention or deletion of the name of a departed partner and indemnification from any liability resulting from continued use of that name.	
	.5 Consider provisions regarding intellectual property and trademark concerns if the business name is not protected.	
6.3	Description of business. Consider including provisions that allow the business to expand or modify its future business activities.	<input type="checkbox"/>
6.4	Place or places of business.	<input type="checkbox"/>
6.5	Offices. Consider whether the partnership should be extraprovincially registered in other jurisdictions. For registration requirements outside British Columbia with respect to general partnerships, consult the partnership legislation of the province in question. 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"/>
6.6	Term. For example, does it commence before execution? (Note that limited partnerships do not commence until the certificate is filed, and limited liability partnerships do not become such until the registration statement is filed, and therefore activities prior to those times could have been undertaken as general partners.) Does the partnership continue until a specified date, or until terminated as provided in the agreement?	<input type="checkbox"/>
6.7	Addition of partners:	<input type="checkbox"/>
	.1 Terms and conditions.	
	.2 Restrictions (e.g., maximum number of partners).	

7.	CONDUCT OF THE AFFAIRS OF THE PARTNERSHIP	
7.1	Duties and powers of partners, including any restrictions on powers, distinguishing where appropriate between types of partners (i.e., general and limited) and individual partners, and including such matters as:	<input type="checkbox"/>
	.1 How major decisions are made (e.g., see item 8.7 of the SHAREHOLDERS' AGREEMENT DRAFTING (B-7) checklist).	
	.2 How day-to-day decisions are made.	
	.3 Partners' duties to be considered:	
	(a) Duty to devote full energy, a specified amount of time, or a particular skill to the business of the partnership, subject to any prescribed right to vacations and sabbaticals and subject to any carve-out of activities not intended to be covered by the partnership agreement.	

	(b) Duty not to compete (and what constitutes competition) while a partner and for a reasonable time thereafter, within a reasonable geographic area, or not to solicit customers or employees for a reasonable time after ceasing to be a partner. Alternatively, consider provision for payment of a specified sum, or a reduction in capital to be returned, in the event the partner competes with the partnership or solicits clients after ceasing to be a partner. Consider including a severability clause in case the non-compete restrictions are found unreasonable and/or unenforceable.	
	(c) Duty not to disclose or use any confidential information acquired by reason of the partner's association with the partnership, both while a partner and for a reasonable time thereafter. Include a definition for what constitutes "confidential information".	
	(d) Methods for authorizing exceptions.	
	.4 Filing a registration statement for a general partnership under ss. 81 and 82, if required.	
	.5 Specific duties of the general partner of a limited partnership, such as:	
	(a) Filing s. 51 certificate and any amendments or cancellations that may be required.	
	(b) Establishing an office and keeping records there (as required for a limited partnership, pursuant to s. 54).	
	.6 Filing a registration statement under s. 96 for a limited liability partnership.	
	.7 Filing annual reports under s. 110 for a limited liability partnership.	
7.2	Is a partners' committee to be established? Will it have specified duties and powers (e.g., its consent may be required for specified major decisions or for permitting a partner to compete or act in a conflict of interest) while considering the liability position of limited partners?	<input type="checkbox"/>
7.3	General partner has power of attorney for limited partner(s) for specified purposes (e.g., filing amendments to certificate of limited partnership).	<input type="checkbox"/>
7.4	Meetings, including rights of limited partners:	<input type="checkbox"/>
	.1 Place and time.	
	.2 Calling a meeting, including notice requirements.	
	.3 Quorum and voting.	
	.4 Record date.	
7.5	Liability of partners, distinguishing general and limited partners, and including liability of general partner to limited partners and provisions applicable in a limited liability partnership. Clarify that the liability of limited partners is restricted to their capital contributions.	<input type="checkbox"/>

7.6	Indemnification of the partnership and the partners, distinguishing general and limited partners in various circumstances and, where appropriate, partners in a limited liability partnership.	<input type="checkbox"/>
7.7	Whether a general partner may also be a limited partner.	<input type="checkbox"/>
7.8	Pro forma budget (consider attachment as a schedule and inclusion of a statement of intent).	<input type="checkbox"/>
7.9	Whether a partner is to be employed by the partnership and, if so, consider:	<input type="checkbox"/>
	.1 Including employment provisions in the partnership agreement.	
	.2 Having a separate employment or management contract tied to the partnership agreement so that a default by the partner under either the employment contract or the partnership agreement would constitute a default under both agreements.	
7.10	Fiscal year.	<input type="checkbox"/>
7.11	Bank and accounts.	<input type="checkbox"/>
7.12	Signing officers.	<input type="checkbox"/>
7.13	Auditor/accountant.	<input type="checkbox"/>
7.14	Books of account, financial statements, accounting principles.	<input type="checkbox"/>
7.15	Access of limited partners to the books and records.	<input type="checkbox"/>
7.16	Reports and statements required to be made to partners, including those by the general partner(s) to the limited partners.	<input type="checkbox"/>

8. FINANCING		
8.1	Define the interest of each partner in the partnership as a percentage, as units (possibly of different classes), or otherwise. Consider whether to provide that the interest is a security for the purposes of s. 12 of the <i>Securities Transfer Act</i> , S.B.C. 2007, c. 10.	<input type="checkbox"/>
8.2	Initial capital contribution required and the basis on which it is determined.	<input type="checkbox"/>
8.3	Mechanisms by which the partnership may raise additional funds for working capital or otherwise:	<input type="checkbox"/>
	.1 Borrowing from an institutional lender:	
	(a) Whether the partnership is required to try to obtain funds in this manner before turning to the partners (as described in item 8.3.2 in this checklist).	

	(b) Whether the partners are required to enter into guarantees of indebtedness of the partnership (such guarantees are usually required by the lender to be joint and several, in which case include an appropriate provision for mutual indemnification).	
	.2 Additional loans or capital contributions from the partners:	
	(a) Circumstances in which the partnership may require this, how the decision is made, and whether there is a maximum amount that may be demanded.	
	(b) Basis of contribution (e.g., on percentage of interest).	
	(c) Notice requirements.	
	(d) Partners' obligation (or option) to advance funds.	
	(e) Where the partners are obligated to advance funds, a provision for consequences of failure to do so (e.g., reduction of interest).	
8.4	Whether the capital contributions or loans of the partners bear "interest", and if so, how it is calculated and paid (note that compensation on capital contributions is not really interest but a charge against surplus, and current tax advice is appropriate).	<input type="checkbox"/>
8.5	Whether and in what circumstances capital contributions can be withdrawn or loans can be required to be repaid.	<input type="checkbox"/>
8.6	Other contributions that may be or are required of partners (e.g., property, services). Consider including provisions regarding valuation of non-cash contributions by partners.	<input type="checkbox"/>
8.7	Obligations of partners to provide their own equipment, cars, office furniture, etc.	<input type="checkbox"/>
8.8	Obligations of partners with respect to costs and expenses.	<input type="checkbox"/>
8.9	Matters relevant to the determination of taxable income, such as the rate at which capital cost allowance ("CCA") is claimed, whether deductible expenses are capitalized, etc.	<input type="checkbox"/>
8.10	Allocation of profits and losses.	<input type="checkbox"/>
8.11	Distributions:	<input type="checkbox"/>
	.1 In what amounts distribution will occur (e.g., except as prohibited by the terms of debt financing, and to the extent permitted by law, after provision (by a specified mechanism) for necessary reserves).	
	.2 Frequency of distribution.	
	.3 Basis for distribution (e.g., based on each partner's book equity, percentage of interest).	

9. PARTNERSHIP PROPERTY		
9.1	Lease, sale, or contribution of property by partners to the partnership.	<input type="checkbox"/>
9.2	Statement of assets that are partnership property (consider attaching a schedule).	<input type="checkbox"/>
9.3	Statement of types of assets that will become partnership property.	<input type="checkbox"/>
9.4	Statement affirming types of assets that will not become partnership property (desirable when property is co-owned by partners who wish to claim CCA at different rates).	<input type="checkbox"/>
9.5	Statement regarding the nature of the interest of each partner in the partnership and its assets (e.g., whether the interest consists of contractual rights).	<input type="checkbox"/>

10. TRANSFER AND ENCUMBRANCE OF INTEREST IN PARTNERSHIP		
10.1	No partner shall dispose of or mortgage their interest except as set out in the agreement (ensure that the agreement specifies any differences between general and limited partners).	<input type="checkbox"/>
10.2	Conditions that must be met before a partner may dispose of their interest, including consideration of:	<input type="checkbox"/>
	.1 Written consent of all the other partners.	
	.2 Right of first refusal to be offered to the other partners. See, for example, item 10 of the SHAREHOLDERS' AGREEMENT DRAFTING (B-7) checklist, and adapt it to the circumstances.	
	.3 Piggy-back rights pursuant to which the partner may dispose of their interest pursuant to a right of first refusal only if the purchaser also purchases the interests of all, or certain of, the other partners on their request and on the same terms as the selling partner. See, for example, item 12 of the SHAREHOLDERS' AGREEMENT DRAFTING (B-7) checklist, and adapt it to the circumstances.	
	.4 Drag-along rights where a selling partner may require other partners to sell their interests on the same terms, if they do not exercise their rights of first refusal to buy. See, for example, item 12 of the SHAREHOLDERS' AGREEMENT DRAFTING (B-7) checklist, and adapt it to the circumstances.	
10.3	Circumstances in which a partner may force the purchase of that partner's interest or the sale of another partner's interest, including consideration of:	<input type="checkbox"/>
	.1 A compulsory buy-out (roulette or shotgun clause). See, for example, item 11 of the SHAREHOLDERS' AGREEMENT DRAFTING (B-7) checklist, and adapt it to fit the circumstances.	
	.2 A drag-along clause providing that a partner may require the other partners to join in the sale of all of their interests to an outsider, or a piggy-back clause giving a partner the right to participate in a sale of the selling partner's interests to a third party. See items 10.2.3 and 10.4.	

	.3 A clause providing that a partner may require the other partners to purchase that partner's interest upon the occurrence of specified events (e.g., default of obligations under partnership agreement, retirement from the work force or from active involvement in the partnership).	
10.4	Except where the default triggers a forced sale, a defaulting partner is not entitled to dispose of the defaulting partner's interest pursuant to the above provisions, unless prior to or concurrently with the transfer that partner ceases to be a defaulting partner.	<input type="checkbox"/>
10.5	Consider including a provision for set-off where the seller is indebted to the partnership.	<input type="checkbox"/>
10.6	Conditions upon which a transferee will be admitted as a partner.	<input type="checkbox"/>
10.7	Where a partner has disposed of all of the partner's interest in compliance with the agreement, obligation of the partners to use all reasonable efforts to have any guarantee or pledge given by the partner discharged or cancelled, and to indemnify the departing partner for those liabilities after the partner's departure.	<input type="checkbox"/>
10.8	Consider circumstances in which a potential purchaser under item 10.2.2 or item 10.3.1 of this checklist can decide not to close, or can renegotiate the purchase price (e.g., material adverse change before closing, breach of representations and warranties, failure to obtain requisite consents and approvals).	<input type="checkbox"/>

11.	EFFECT ON THE PARTNERSHIP OF VARIOUS EVENTS	
11.1	Provision for various events, including their effect and the procedures to be followed:	<input type="checkbox"/>
	.1 Withdrawal from the partnership.	
	.2 Retirement from the partnership.	
	.3 An active partner's incapacity or inability to work.	
	.4 Expulsion from the partnership (note that reasonable notice must be given before a partner is expelled).	
	.5 Death (also consider a provision that the partnership or partners be required to maintain life insurance policies on each other, to be used in financing a compulsory purchase of a deceased partner's interest). See also items 15 (insurance policies), 16 (sale on death), and 17 (wills/alter ego trust) of the SHAREHOLDERS' AGREEMENT DRAFTING (B-7) checklist.	
11.2	Default:	<input type="checkbox"/>
	.1 Circumstances that constitute a default, such as:	
	(a) Failure to carry out obligations under the agreement for a specified period of time after the other partners have made a written demand that the failure be cured.	

	(b) Failure to defend assiduously a proceeding affecting possession or management of the partner's interest for a specified period of time after the other partners have made a written demand that the failure be cured.	
	(c) Bankruptcy, commission of an act of bankruptcy, the appointment of a receiver or receiver-manager with respect to the partner's assets, or an assignment for the benefit of creditors or otherwise.	
	(d) Change in control of a corporate partner.	
	(e) Termination of employment, retirement or death of a partner, or of a representative of a partner which is a corporation or other legal person, who was employed by the partnership.	
	(f) Incapacity (as defined in the agreement).	
	.2 Consequences of default (indicate if consequences differ for different types of default; indicate alternatives), such as:	
	(a) Dissolution.	
	(b) Other partners may waive the specific default.	
	(c) Other partners may pursue any remedy available in law or equity.	
	(d) Other partners may take such actions as may reasonably be required to cure the default, in which case expenses shall be recoverable as provided in the agreement.	
	(e) Implementation of a buy/sell procedure, whereby the defaulting partner is deemed to offer to sell all or a part of the partner's interest to the other partners, possibly at a reasonably discounted value, but not at a value that would be a penalty. See item 10.3.	
	(f) Withholding payment—for so long as the defaulting partner remains in default—of all monies payable to that partner by the partnership by way of draws or participation in profits.	

12.	DISSOLUTION	
12.1	The partnership will be dissolved in the circumstances specified (e.g., written consent of the parties, insolvency of the partnership).	<input type="checkbox"/>
12.2	The partnership will not be dissolved in the circumstances specified (e.g., admission of a new partner, resignation of a partner).	<input type="checkbox"/>
12.3	Procedures to be followed upon dissolution (e.g., notices to creditors).	<input type="checkbox"/>

13.	MISCELLANEOUS AND GENERAL PROVISIONS	
13.1	Interest rate on any funds required to be paid to other partners. Clarify whether the interest rate applies only to overdue payments or to any outstanding balance.	<input type="checkbox"/>

13.2	Valuation methods (e.g., to value an interest in the partnership, the purchase price in various circumstances).	<input type="checkbox"/>
13.3	Whether insurance is to be carried by the partnership or the partners (e.g., life insurance (see item 11.1.5 in this checklist), income protection, accident insurance).	<input type="checkbox"/>
13.4	If a partner disposes of all of the partner's interest, in compliance with the agreement, then the partner is bound by only the rights and obligations that arose pursuant to the agreement prior to that disposition.	<input type="checkbox"/>
13.5	Execution of further assurances.	<input type="checkbox"/>
13.6	Entire agreement.	<input type="checkbox"/>
13.7	Amendments may be made as provided in the agreement (specify the type of amendment and the procedure that must be followed for each, particularly notice and consent requirements).	<input type="checkbox"/>
13.8	Any provision having the effect of imposing on a limited partner the duties of a general partner shall be of no force and effect.	<input type="checkbox"/>
13.9	Severability of invalid provisions.	<input type="checkbox"/>
13.10	Time is of the essence.	<input type="checkbox"/>
13.11	Failure to insist upon strict performance of any provision of the agreement shall not prevent a subsequent violation of the agreement from having the effect of an original violation.	<input type="checkbox"/>
13.12	Notices:	<input type="checkbox"/>
	.1 Addresses for service.	
	.2 Prepaid registered mail, facsimile, email, or other arrangement.	
	.3 Deemed date of receipt, including effect of any postal strike.	
13.13	Dispute resolution, with initial reference to parties' executives and discretion (or not) to elect mediation, arbitration, or recourse to the courts. Note that the first Protocol of Amendment to the NWPTA was signed on January 6, 2015, resulting in amendments that clarify labour mobility language and dispute resolution provisions).	<input type="checkbox"/>
13.14	Binding on heirs and executors, successors and permitted assigns.	<input type="checkbox"/>
13.15	Validity of counterparts, execution by facsimile or other specified electronic means, and other adopting instruments.	<input type="checkbox"/>
13.16	Execution of transparency declarations and reports required under the <i>Land Owner Transparency Act</i> , S.B.C. 2019, c. 23.	<input type="checkbox"/>