

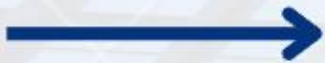
UNIVERSITAS KRISTEN WIRA WACANA SUMBA

WEEK 12

A PARTNERSHIP AGREEMENT

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ENGLISH FOR LAW



Review

Employment tribunals:

- hear cases and make decisions on matters connected with employment.
- encourage both parties to reach agreement before a case is heard.
- deal cases in the areas of employment, for example, discrimination at work, unfair dismissal, breaches of health and safety regulations, payment and redundancy claims.
- have the power to make decisions.

Cont....

Before making a claim, you need to tell an employment tribunal office:

- your name and address
- the name and address of the respondent that you are making a claim against.
- the details of your complaint.

employment pekerjaan	tribunal office kantor pengadilan	collect mengumpulkan	online version versi online
decisions keputusan-keputusan	enquiries permintaan keterangan	seek help mencari bantuan	correct form form yang benar
agreement keepakatan	legal advice nasehat hukum	complaints pengaduan-pengaduan	strict tegas
unfair dismissal pemecatan tidak yang adil	trade union organisasi pekerja	conditions syarat-syarat	cases kasus-kasus
safety keselamatan	member anggota	respondent tergugat	address alamat

A partnership agreement

A partnership agreement is a legally binding contract between two or more people that set up in business together. It outlines the terms and conditions of their business relationship such as:

- how the partners run the partnership.
- how the partners share the profits.
- how the partners share the risks, costs, and responsibilities.
- how the partners terminate the partnership.

It is very important to use a solicitor to draw up a written partnership agreement before you start running a new business relationship.

Key Vocabulary Before reading

draw up	contribute	management	notice
partnership agreement	profits	authority	expel
advise	equally	bills	dissolved
trade under	loss	retire	resignation
capital	duties	resign	leave

Key Vocabulary Before reading

draw up menyusun	contribute kontribusi	management managemen	notice pemberitahuan
partnership agreement perjanjian Kerjasama	profits keuntungan	authority otoritas	expel memecat
advise menasehati	equally secara adil	bills tagihan-tagihan	dissolved membubarkan
trade under berdagang dibawah	loss kerugian	retire pensiun	resignation pengunduran diri
capital modal	duties tugas-tugas	resign mundur	leave meninggalkan

Reading

A partnership agreement

My name is Umbu Soleman. I draw up lots of partnership agreements for new businesses. It is not compulsory to have a partnership agreement but I always advise my clients to have a partnership agreement. I meet my clients and I ask them lots of questions about the partnership.

First, I need information about the partners and what name the partnership will trade under. That means the name that the partnership will use for its business. I also need details of the capital of the partnership. The capital is all the money, property, and assets the partnership has. Each partner has to decide how much money he or she going to contribute to the partnership. Contribute means the same as invest.

Second, I ask my clients about the profits of the partnership. Partners often share their profits equally but sometimes they get different shares of the profits depending on how much of the capital they contributed or how much work they do in partnership. If the partnership makes a loss, then the losses are usually divided in the same proportion as the profits.

Cont....

Third, I have to know about the duties and responsibilities of each partner. I also ask about the management of the business. Partners must decide who has the authority to sign the cheques for the partnership, pay bills, buy things for the partnership and etc.

Fourth, I also talk to my clients about what will happen when the partners leave the partnership, either because they retire or resign. Retirement is when the partner leaves the partnership because he or she reaches a certain age. Resignation is when a partner decide to leave for some other reason. The partners must decide on the notice period for resignation, for example, on how many weeks or how many months' warning a partner has to give other partner before leaving the partnership.

Finally, partners have to think about the reasons to expel a partner. To expel someone means to force that person to leave the partnership because he or she has done something really bad. Also, they have to think that the possibility that the partnership can be dissolved. It means the partnership can end.

(Catherine, Mason, 2016, pp.243)

Question

1. What does Umbu Soleman draw up?
2. What is the capital of partnership?
3. What does contribute mean?
4. How do partners in partnership share the profits?
5. Do partners in partnership share the losses the same proportion as the profits?
6. What information does Umbu Soleman want to know about the management in business?
7. How do partners leave the partnership?
8. What is retirement in partnership?
9. What do partners do if they want to resign the partnership?
10. What does expel mean in partnership ?

Answer

1. What does Umbu Soleman draw up?

- Umbu Soleman draws up lots of partnership agreement and give advice to his clients about partnership.

In the text:

“My name is Umbu Soleman. I draw up lots of partnership agreements for new businesses. I always advise my clients to have a partnership agreement. I meet my clients and I ask them lots of questions about the partnership.”.

Cont....

2. What is a capital of partnership?

- Capital in partnership means all the money, property, and assets that each of the partner has to share.

In the text:

“I also need details of the capital of the partnership. The capital is all the money, property, and assets the partnership has. Each partner has to decide how much money he or she is going to contribute to the partnership”.

Cont....

3. What does contribute mean?

- Contribute means invest

In the text:

“Each partner has to decide how much money he or she going to contribute to the partnership. Contribute means the same as invest”.

Cont....

4. How do partners in partnership share the profits?

- Partners share the profits equally but sometimes they share differently depending on how much capital they contributed or how much work they do.

In the text:

“Partners often share their profits equally but sometimes they get different shares of the profits depending on how much of the capital they contributed or how much work they do in partnership”.

Cont....

5. Do partners in partnership share the losses the same proportion as the profits?

- Yes, they do.

In the text:

“. If the partnership makes a loss, then the losses are usually divided in the same proportion as the profits”.

Cont....

6. What information does Umbu Soleman want to know about the management in business?

- Umbu wants to know who has the authority to sign the cheques, pay bills, and buy things.

In the text:

“Partners must decide who has the authority to sign the cheques for the partnership, pay bills, buy things for the partnership and etc”.

Cont....

7. How do partners leave the partnership?

- Partners can leave the partnership because of retirement or resignation.

In the text:

“Fourth, I also talk to my clients about what will happen when the partners leave the partnership, either because **they retire or resign**”. **Retirement** is when the partner leaves the partnership because he or she reaches a certain age. **Resignation** is when a partner decide to leave for some other reason.

Cont....

8. What is retirement in partnership?

- Retirement is when the partner leaves the partnership because he or she reaches a certain age.

In the text:

“Retirement is when the partner leaves the partnership because he or she reaches a certain age.”

Cont....

9. What do partners do if they want to resign the partnership?

- They must give a notice period for resignation in weeks or months' warning.

In the text:

“The partners must decide on the notice period for resignation, for example, on how many weeks or how many months' warning a partner has to give other partner before leaving the partnership”.

Cont....

10. What does expel mean in partnership ?

- Expel means force someone (partner) to leave partnership.

In the text:

“To expel someone means to force that person to leave the partnership because he or she has done something really bad.

Exercise

Put the correct word from the key vocabulary into the sentences below.

1. Krisna _____ for a new partnership agreement for that new business.
2. I always _____ my clients before they sign a partnership agreement.
3. Erwin and Yuven will _____ the name of their partnership agreement with Perusahaan Untung.
4. They discuss seriously the _____ of their partnership agreement such as money, property, and the bills.
5. According to their partnership agreement, they have to share _____ their profits and loss.
6. Each of the partners share their _____ and responsibilities.
7. The company will _____ one of their partners because of his bad behavior.
8. Markus left the partnership because he is going to _____. He is 60 years old.

Answer

1. Krisna **draws up** for a new partnership agreement for that new business.
2. I always **advise** my clients before they sign a partnership agreement.
3. Erwin and Yuven will **trade under** the name of their partnership agreement with Perusahaan Untung.
4. They discuss seriously the **capital** of their partnership agreement such as money, property, and the bills.

Answer

5. According to their partnership agreement, they have to share **equally** their profits and loss.
6. Each of the partners share their **duties** and responsibilities.
7. The company will **expel** one of their partners because of his bad behavior.
8. Markus left the partnership because he is going to **retire**. He is 60 years old.

Exercise

Read the text again and decide if these statements are true or false

1. Every partnership must have a partnership agreement. _____
2. All of the partners always have to contribute the same amount of money they set up the partnership. _____
3. The partners usually share losses in the same proportion as they receive the profits. _____
4. The partners should decide who is responsible for the management of the partnership. _____
5. Resign is the same thing as retire. _____
6. Expel is the same thing as resign. _____
7. Notice period is a warning that a new partner will join the partnership. _____
8. Partnership can be dissolved or it means that the partnership can be continued _____

Answer

1. Every partnership must have a partnership agreement. _____

False.

In the text “It is not compulsory to have a partnership agreement”.

2. All of the partners always have to contribute the same amount of money they set up the partnership. _____

False

In the text "Each partner has to decide how much money he or she going to contribute to the partnership. Contribute means the same as invest”.

Cont....

3. The partners usually share losses in the same proportion as they receive the profits.

True

In the text “If the partnership makes a loss, then the losses are usually divided in the same proportion as the profits.

4. The partners should decide who is responsible for the management of the partnership. _____

True

In the text “Partners must decide who has the authority to sign the cheques for the partnership, pay bills, buy things for the partnership”.

Cont....

5. Resign is the same thing as retire. _____

False.

In the text " Retirement is when the partner leaves the partnership because he or she reaches a certain age. Resignation is when a partner decide to leave for some other reason

6. Expel is the same thing as resign. _____

False

In the text "To expel someone means to force that person to leave the partnership because he or she has done something really bad.

Cont....

7. Notice period is a warning that a new partner will join the partnership. _____

False

In the text “The partners must decide on the notice period for resignation, for example, on how many weeks or how many months’ warning a partner has to give other partner before leaving the partnership”.

8. Partnership can be dissolved or it means that the partnership can be continued

False

In the text “It means the partnership can end”.

Key points for a partnership agreement

Umbu Soleman has a detailed checklist to discuss with his clients. Here is some of the points on the checklist:

- Names of the partners (Nama-nama partner)
- Partnership name (Nama kemitraan)
- Capital contribution of partners (Kontribusi modal setiap partner)
- Share of profits or losses (Pembagian keuntungan atau kerugian)
- Cheque signing arrangements (Pengaturan tandatangan check)
- Period of notice for resignation (Periode pemberitahuan pengunduran diri)
- Retirement age (Usia pensiunan)

Review

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Cont....

Keypoints on a partnership agreement:

- Names of the partners (Nama-nama partner)
- Partnership name (Nama kemitraan)
- Capital contribution of partners (Kontribusi modal setiap partner)
- Share of profits or losses (Pembagian keuntungan atau kerugian)
- Cheque signing arrangements (Pengaturan tandatangan check)
- Period of notice for resignation (Periode pemberitahuan pengunduran diri)
- Retirement age (Usia pensiunan)

Reference

1. Catherine, Mason. (2016). *The Lawyer's English Language Teaching Coursebook* (2nd ed.). Global Legal English LTD.

Terima kasih