

If, in conformity with the articles of partnership, the firm's accounts must be closed yearly, the dissolution will take effect at the closing of the yearly accounts.

Article 138.

In case of bankruptcy of one of the partners, the firm will be dissolved if the trustee demands it in writing, and if six months have elapsed from the date of such a request and the firm have been unable to dissuade the trustee from applying for dissolution.

Article 139.

In the case of death of one of the partners, the continuance of the firm is dependent on the sanction of the remaining partners and the successor of the deceased partner.

If the remaining partners decide continue the firm, the successor of the deceased partner must, within a month from the date of the death, state in writing whether or not he agrees to the firm being continued. When the successor of the deceased partner notifies his agreement, he shares in the profits and losses incurred during the said interval. Otherwise, he will share the profits earned during the period, but will not be liable for any losses.

If no reply is received by the end of the month, he will be considered to have consented to the continuance of the firm.

Article 140.

In the case of insanity or incapacity of one of the partners, the procedure laid down in the preceding article will be followed.

for his own account or for the account of a third party, carry on a business similar to that of the firm, or enter as general partner or limited partner, another firm engaged in a similar business.

Article 135.

Any general partnership may, by unanimous consent of the partners, be turned into a joint stock company.

In this case, all regulations relating to joint stock companies must be observed.

Article 136.

A. general partnership must be dissolved:-

- (a) In cases provided for in paragraphs (a), (b) and (c) of Article 93.
- (b) By unanimous consent of the partners;
- (c) When for certain reasons one of the partners asks the Court for the dissolution of the firm, and the Court, judging the reasons adequate decrees the dissolution;
- (d) In the case of request for dissolution by one of the partners in conformity with Article 137.
- (e) In the case of bankruptcy of one of the partners in conformity with Article 138;
- (f) In the case of death or incapacitation of one of the partners, in conformity with Article 139 and 140.

Note: if in the case provided for in paragraph (c) the reasons for the dissolution concern exclusively one or more partners the Court may, at the request of the other partners, decree the expulsion of the said partner or partners instead of the dissolution of the firm.

Article 137.

The dissolution of the firm may take place when the articles do not deprive the partners of the right to do so and when the dissolution is not prompted by a desire to cause damage. The request for dissolution must be notified to the partners in writing six months in advance.

issued six months at least in advance, notified the firm of their intention to do so.

In such cases, as long as the decree of dissolution has not been made absolute, the firm or the partners may avoid dissolution by paying the said creditors what is owed to them, to the extent of the debtor's share in the firm, or by securing their consent or by any other means.

Article 130.

Neither the company's debtor can claim the benefit of any set-off against a debt that may be due to him by one of the partners, not can the partner himself exercise the right to set-off against the debt due by his creditor to the firm.

Nevertheless, whosoever is at the same time a creditor of the firm and a debtor of one of the partners and whose claim remains unsatisfied after dissolution of the firm, can exercise his right of set-off against the partner in question.

Article 131.

If a partner is declared bankrupt, or if one of the personal creditors of a partner demands the dissolution of the firm by virtue of Article 129, the other partners may expel this partner by paying him in cash his share of the assets.

Article 132.

If, in consequence of losses, the share capital of the partners is reduced, the payment of any interest or profits to partners is forbidden until the reduction in capital has been made good.

Article 133.

Except in the case provided for above, the firm cannot compel any of the partners to made good his capital reduced by losses. Neither can it compel him to subscribe capital in excess of that which is fixed by the articles of partnership.

Article 134.

No partner may, without the consent of the other partners,

Any agreement between the partners which is contrary to the above-mentioned regulation is null and void so far as third parties are concerned.

Article 126.

In the event of dissolution of a general partnership, until the firm's liabilities have been paid out of the firm's assets, the personal creditors of the partners have no claim on the said assets.

If the firm's assets are not sufficient to meet its liabilities, the creditors have the right to claim from all partners, jointly or severally the balance of their debt. In this case they will have no priority over the personal creditors of the partners.

Article 127.

A general partnership may be declared bankrupt, even after dissolution, provided that the firm's assets have not been distributed.

Article 128.

The firm's bankruptcy does not necessarily involve the bankruptcy of the partners. Similarly, the bankruptcy of one of the partners does not necessarily involve the bankruptcy of the firm.

Article 129.

A partner's personal creditors have no right to secure or obtain payment of their claim from the assets of the firm. Nevertheless, they can, so far as the profits to which their debtor is entitled, or to that payment which would be made to him in the event of dissolution, take such legal action as they deem appropriate.

When a partner's personal creditors are unable to obtain payment from his separate estate, and when their debtor's share in the firm's profits is not sufficient to meet the debts he owes to them, they may demand the dissolution of the firm (whether the latter is formed for a limited or unlimited period) subject to the conditions, however, that they have by means of an official notice

Article 120.

In a general partnership, the partners must appoint one person at least as director, who may be chosen from among the partners or outside the partnership.

Article 121.

The limits of the responsibility of the director or directors of the general partnership are those fixed by article 51.

Article 122.

If in a general partnership one or more partners made a contribution not in cash, the valuation of such a contribution must be made beforehand and with the consent of all the partners.

Article 123.

In a general partnership none of the partners may transfer his share to other persons without the consent of the other partners.

Article 124.

As long as a general partnership is in existence, the firm's liabilities must be claimed from the firm itself. After the dissolution the firm's creditors may, in order to recover their claim, sue all the partners jointly or severally.

In any case, none of the partners can, by reason of the fact that the amount of the firm's liabilities is higher than the amount of his own contribution, refuse to meet the said liabilities. Only between the partners themselves, and if the articles of the partnership so provide, will each partner be held liable to meet the firm's liabilities, in proportion to the contribution he has made.

Article 125.

Whoever enters as a general partner in an existing firm of this type is liable with the other partners for debts contracted by the firm before he joined it, whether or not the name of the firm has been changed.

قانون تجارت ایران به انگلیسی (۴)
(۴) Iranian Commercial Code

Section 3.

General Partnership

Article 116.

A general partnership is one formed between two or more persons with joint and several responsibility, under a common name for the purposes of trade.

When the partnership's assets are not sufficient to meet its liabilities, each of the partners is liable for the payment of all the debts of the firm.

Any stipulation among partners to the contrary is null and void so far as third parties are concerned.

Article 117.

In the firm's name the term "General partnership" must appear, as well as the name of at least one of the partners.

If the firm's name does not include the names of all partners, the names of the partner or partners mentioned must be followed by "and company", "and brothers" or a similar expression.

Article 118.

A general partnership is formed when all the capital in cash has been paid up, and when contributions other than in cash have been valued and delivered.

Article 119.

Unless provided otherwise in the articles of partnership, profits will be shared between partners in proportion to their capital.