

The Partnership and the Independent Patrimony of its Partners: the Bankruptcy of Ferme C.G.R. Enr. S.E.N.C.

April 1, 2010

Author

Jean Legault

Partner, Lawyer

On April 16, 2010, the Quebec Court of Appeal issued a judgment concerning the right of a general partnership (“S.E.N.C.”) to file for assignment under the *Bankruptcy and Insolvency Act* without its partners having also filed for the assignment of their assets, themselves.

By responding affirmatively to this question, the Court has not only rejected the long-established practice of the Superintendent of Bankruptcy, but went further and affirmed the independent character of the patrimony of the S.E.N.C. with respect to that of the partners as individuals. The Court therefore distinguished earlier jurisprudence, based on the *Civil Code of Lower Canada*, which had decided that in the absence of a legal personality, a partnership may not own assets, its property being divided between the partners.