

# GETTING THE DEAL THROUGH (CANADA CHAPTER) – PRIVATE EQUITY 2019 – FUND FORMATION

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A limited partnership is typically used for private equity funds in Canada. This allows ‘flow-through’ treatment for investors (ie, income tax is not paid at the partnership level). Limited partnerships are formed provincially and, to be created, a declaration must be filed in the applicable province. However, they do not have a separate legal personality.

A Canadian limited partnership is, similar to most other jurisdictions, a partnership with passive investors (limited partners) and a general partner who is charged with the management and operation of the business for the partnership and has unlimited liability for all of the obligations of the limited partnership. Limited partner investors do not take part in the management of the fund and are only liable to the extent of the amount they contribute or agree to contribute.

For the full report, download the Canadian Chapter of [Getting the Deal Through - Private Equity 2019 - Fund Formation](#)