**The main points of distinction between partnership and co-ownership are as follow**

**Co-ownership vs Partnership**

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| **Basic of Difference** | **Partnership** | **Co-ownership** |
| **Contract** | Partnership always arises out of contract | Co-ownership may or may not be based on agreement. it can also arise by operation of law. Such as by inheritance. on the death of father, sons and daughters become co-owners of property |
| **Number of partners** | The limit for maximum number of partners is 20 in a firm and 10 for banking | There is no ceiling on the maximum limit of co-owners. |
| **Agency relationship** | A partner is an agent of the other partners. He can bind them for his acts in the ordinary course of business | A co-owner is not the agent of the other co-owner. Every co-owner is responsible for his own deeds only |
| **Sharing of profit and loss** | A partnership is always entered into for business. It involves haring f profits and losses | A co-ownership does not involve sharing of profits and losses |
| **Right of investment** | If a partner spends money for the business, he can demand its repayment | If a co-owner can transfer his right and interest without the consent of the other co-owners. |
| **Transfer of interest** | A partner cannot transfer his right and interest to any person without consulting his partners. | A co-owner can transfer his right and interest without the consent of the other co-owners. |
| **Right of division** | No partner can seek division of the partnership property in parts his only right is to have a share of the profits or demand the payment of his share in cash | A co-owner has a tight to demand the division of property in parts |
| **Minor** | A minor cannot enter into a contract and as such is not able to become a regular partner of a firm | A minor can be the co-owner of a property |
| **Regulations** | Partnership business is regulated by the partnership Act of 1932 as adopted in Pakistan & India | There is no separate law to regulate co ownership |
| **Dissolution** | Partnership can be dissolved on the insolvency, death misconduct etc or a partner | A co-ownership cannot be dissolved on any such grounds |