

This agreement does not create a company. If you want to trade through a company, incorporate it under the companies law of your country and register it in the [commercial register](#). In Saudi Arabia, the Companies Law, Royal Decree No. M/132 dated 1/12/1443H (30 June 2022), sets the company forms, including the general partnership, the limited partnership, the joint-stock company, the simplified joint-stock company and the limited liability company. Founders who want a company must incorporate one under it. [1] In the UAE, companies are governed by the Commercial Companies Law (Federal Decree-Law No. 32 of 2021). [2] This template records the partners' commercial understanding: contributions, profit sharing, management and exit. It can also serve as a founders' agreement before incorporation. The [memorandum of association](#) of a company is a different document.

🔗 **Saudi Companies Law:** <https://laws.boe.gov.sa/BoeLaws/Laws/LawDetails/a8376aea-1bc3-49d4-9027-aed900b555af/1>

🔗 **UAE Commercial Companies Law:** <https://u.ae/en/information-and-services/business/Doing-business/doing-business-on-the-mainland/full-foreign-ownership-of-commercial-companies>

Partnership agreement

A GCC-wide contractual arrangement between partners: contributions, profit sharing, management and exit. It can also serve as a founders' agreement before incorporation. It does not create a company. Replace every [\[placeholder\]](#) and delete the options that don't apply.

1. Parties

[\[Partner 1: name, ID/CR, address\]](#) and [\[Partner 2: name, ID/CR, address\]](#) (each a "Partner").

2. Purpose

The Partners cooperate to [\[describe the business/project\]](#) in [\[territory\]](#).

3. Nature of the relationship

This agreement is a contractual arrangement between the Partners. It does not by itself establish a company registered in the commercial register.

Option: the Partners intend to incorporate a [\[form\]](#) company by [\[date\]](#), and the agreed terms will be reflected in its memorandum of association.

4. Contributions

Each Partner contributes: [\[cash/in-kind/work\]](#) valued at [\[●\]](#).

5. Profit and loss

Profits and losses are shared [\[●% / ●%\]](#).

6. Management and decisions

[Partner/manager] manages day-to-day operations. These decisions require unanimous written consent: [list].

7. Accounts

The Partners keep separate books and a bank account [●]. Each Partner may inspect them on reasonable notice.

8. Confidentiality and non-compete

Each Partner protects the other's confidential information and uses it only for the purpose of this agreement.

Option: no Partner carries on a competing activity during the agreement and for [●] months after it ends, within [area].

9. Transfer and pre-emption

No Partner transfers its interest without the other's prior written consent. The other Partner has a right of first refusal on the terms offered by a third party.

10. Exit, death or incapacity

[Valuation method and buy-out procedure.] A Partner may leave by giving written notice of [●] days. The remaining Partner may buy the leaving Partner's interest at [valuation method] within [●] days.

11. Term and dissolution

This agreement runs for [term]. On dissolution, assets are liquidated and distributed after debts are paid, in the profit-sharing proportions in clause 5.

12. Disputes

The Partners try to settle a dispute by amicable negotiation for [●] days. If they cannot, the dispute goes to [courts of ● / arbitration under ●].

13. Language and signatures

This agreement is made in Arabic and English. If they conflict, the Arabic text prevails.

Partner 1: name [●] · capacity [●] · signature [●] · date [●]

Partner 2: name [●] · capacity [●] · signature [●] · date [●]

About this template

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How we prepared this template: we drafted it from the official legislation and government platforms listed under Sources, and checked each legal statement against the official text on the review date. Where an official form or platform exists, we link to it and you should use it. Laws change; check the sources before use and have the final text reviewed by a licensed lawyer.

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Sources

- [1] Companies Law, Royal Decree No. M/132 dated 1/12/1443H (30 June 2022)
<https://laws.boe.gov.sa/BoeLaws/Laws/LawDetails/a8376aea-1bc3-49d4-9027-aed900b555af/1>
- [2] UAE Government portal (u.ae), Commercial Companies Law (Federal Decree-Law No. 32 of 2021)
<https://u.ae/en/information-and-services/business/Doing-business/doing-business-on-the-mainland/full-foreign-ownership-of-commercial-companies>
- [3] UAE Legislation, Federal Decree-Law No. 25 of 2025 (Civil Transactions Law)
<https://uaelegislation.gov.ae/en/legislations/4011>
- [4] UAE Government portal (u.ae), Where to find the UAE's federal laws
<https://u.ae/en/information-and-services/justice-safety-and-the-law/Law/how-are-uae-laws-issued-and-how-to-find-them/where-to-find-uae-federal-laws>