# 417781 - They both worked to make a computer program, then rented it out. Who should take the program and the customers when they dissolve the partnership?

**the question**

I have a company that develops computer programs at the request of some special customers. Recently the company has offered only one program, in return for a monthly subscription fee paid by customers. I developed it with money provided by my partner, and my efforts and administration. Because my share of the profits was unfair from the beginning, I want to dissolve the partnership, return the capital and profits to my partner, but continue doing business with the program and customers who are subscribing to it, which I developed with my partner's money. Is it permissible for me to continue doing this work after ending the partnership? I want to do that, so what is the solution?

**Detailed answer**

Praise be to Allah.

A partnership is a permissible, non-binding contract, according to the majority of scholars. It is permissible to dissolve it even without the consent of the other party, unless the terms stipulate a particular duration, in which case it must continue until the end of that period.

With regard to dissolving the partnership that you mentioned, the money must be given back to the owner of the capital, and anything surplus to that of equipment, programs, patents or tradenames, if there are any, should be evaluated and sold to a third party – which is called turning goods into cash – or they may be evaluated and sold to one of you, and the proceeds should be divided according to the proportions agreed upon. One of you is not more entitled than the other to carry on using the program.

If you do not sell the program to a third party, it must be evaluated, then one of you can buy it, with mutual consent. If both of you want it, then the solution is to draw lots, then the one whose name is drawn may buy it.

It says in *al-Ma'ayir ash-Shar'iyyah* (p. 199): The partnership ends when its duration is over, or it may end before that with the agreement of the partners, or by selling to a third party what is in the possession of the company. The partnership may also be ended with the evaluation and sale of its assets, which is to be regarded as if the existing company was closed down and a new company was started, as the assets that were not sold in a real sense were evaluated, and their value is the capital of the new company. If the partnership is liquidated because the agreed-upon duration came to an end, then the remaining goods should be sold, based on whatever price you can get in the market, and the proceeds may be used to liquidate the company's business in the following manner:

a. Paying costs of liquidation.
b. Paying off any financial commitments from the assets of the partnership.
c. Dividing the remaining assets between the partners, according to the percentage of capital invested by each of them. If the assets are not sufficient to return the capital, then they should be divided among them in such a way that the loss of each is commensurate with the capital he invested. End quote.

Drawing lots is prescribed when people are competing for their dues.

The great scholar as-Sa'di (may Allah have mercy on him) said:

Drawing lots is to be resorted to when there is ambiguity with regard to rights, or there is competition.

Based on that, this program that you developed using the partnership funds belongs to both of you, so you should work out the value of that program and the value of any patents, and of all the assets of the company, then you can buy them yourself, or you can sell them as described above.

And Allah knows best.