

1997 22

\*

(OCED)

1997 (22)

(2)

(Corporate Governance)

Cadbury

1992  
(Committee)

(1)

(Code Of Best Practice)

(king  
(3)

(vienot commission)

committee)

A new compact for

( )

.2011/10/25

2009/10/4

\*

/

(4)

(owner and directors)

(OECD)  
(10)

(OECD)

(OECD).

( )

(5)

(11)

(obligatory)

(8)

(465)

2010

% 40

(159)

(12)

(6)

306

1997 22

(7)

1997

2002

:

:

(8)

:

(9)(Complay or explain)

board culture which safeguards policies and processes"<sup>(17)</sup>

(OECD)

(John Farrar)

) :

.(

(13)

"corporate governance, in its narrow sense, refers to control corporation and system of accountability"<sup>(18)</sup>

(14)

)

<sup>(19)</sup>stakeholders))(

(

(15)

1992

: :

:

:

"corporate governance is the system by which companies are directed and controlled. Boards of Directors are responsible for the Governance of their companies. The shareholder's role in governance is to appoint the directors and auditors and to satisfy themselves that an appropriate governance structure is in place".<sup>(20)</sup> ern.gov

(16)

"

:

."

: (Gabrille O'donovan)

corporate governance as " an internal system encompassing policies, processes and people, which serves the needs of shareholders and other stakeholders, by directing and controlling management activities with good business service, objectivity, accountability and integrity. Sound corporate governance is reliant on external marketplace commitment and legislation, plus a healthy

"

<sup>(21)</sup>(OECD)

(The Nature of Firm) " " (22)  
(27)

Lockheed  
(28) 1977  
) 1983  
Separation of Ownership and control)) (  
journal of law & economic, )

(29) (1989) (23)

(30)  
2000  
(world.com) (Enron)  
(Arthur Anderson)  
(Parmalat) (Adelphia Communication)

(Lockheed) 1929 (Wall Street)  
1977  
(31) 1977/12/9  
(Sarbanes - Oxley Act) 2002

(24)

(32) (25 - 20)

(WTO)

(25)

1980-1970

(globalization) (Privatization)  
(OCED)

Centre for International Private Enterprise (CIPE)

1973 (26)

"

.

(33)

(OECD)

:

.1

(World Bank)

(Monetary Fund onalInternati)

International Private Enterprise)

International )

(Centre for

.2

(Accounting Board

(International Corporate Governance)

(International Institute Finance (IIF)

Rigonal corporate )

.3

(OECD)

(Governance MENA

.4

(34)

(37)

(35)

.5

:

:

:

.1

(36)

Cade of )

.(Ethics

:

:

.2

.3

"

Equitable treatment )

.5

(of shareholders

:

(38)

:

:

( )

:

.1

( )

:

.2

(41)

.3

:

.4

(42)

:

(OECD)<sup>(39)</sup>

1999

(43)

(40)

2003

-:

(Rights of Shareholders)

.1

Role and )

.2

(responsibility of the board

(transparency and disclosure)

.3

:

:

Interest of)

.4

(other Stakeholders

(44)

·  
:

)

(45)

(

%20

(46)

!

(47)

(51)

%50

%15

%75

(52)  
%20

%20

(48)

·  
:  
·

(49)

22

1997

(14)

(50)

( )

(58)

:

(53).2008

" 189

"

(59)

(54)

:

%30

45

%30

45

%10

(55)

%15

191

( )

(56)

%15

(57)

(60)

:

(61)

%10

( )

"

(65)

(62)"

(63)

:

(113)

(66)

% 50

( )

/99

(64)

:

(67)

%50

%25

:

(68)

%15

(69)

:

(Codbury Committee)

(132)

-2 .

-1 :

-4 .

-3 .

;(70)

:

( )

21

(90)

(71)

(132)

(133)

(73)

(72)

" /90

( )

!

132

(74)

( /90)

(75)

:

(172)

(79)

(76)

(

)

(157)

(80)

:

(81)

(82)

(77)

(78)

(83)

(Duty of care and skill)

(84)

(87)

:

:

282 278

(278)

/157

:

(278)

)

.(

(282)

)

(85)

.(

(86)

(417)

:

:

(88)

:

(91)

Duty of care )  
(89)

(and skill

(CEO)

(2002/3150)

(92)

(90)

" :

."

(93)

a)

(94) (duty to act bona fide

(4)

1962

(96)»

(148)

(95)

!

" /153

( )

(104)  
" (Credit Loynmais

S.A (CLSA))  
..... "  
(57)

"(97)

( )

(105)

1997

(98)

.( )

:

:

(106)

(99)

(38)

1988

(107)

1997

.

:

21

(100)

(101)

(102)

(103)

(Tranceperancy and disclosure)

(108)

(30)

(60)

:

(109)

:

(110)

(111)

(%10)

(115)

( 5000)

20  
(112)

(116)

( 5000)

(113)

(114)

.

:

(30)

(30)

(30)

(30)

(30)

:

-2

(117)

-3

-1

(120)

(Stakeholders)

:

:

:

(121)

(118)

(122)

(119)

( )  
(123)

(124)

(128)

(129)

(125)

( )

(126)

%15 -10

(130)

(188)

%1

:

:

:

(131)

(188)

(127)

2006 (57)  
2007

" "

(134)

(135)

%1

"

"

(132)

(136)"

"

(133)

%1

)

%75  
(%50

%25

:

%75

%25

(137)

(OECD)  
1997 22

-2

(90)

(134 132)

(90)

(133 132)

1997 22

:  
.1

2007 22

22

:

1997

OECD) (

-:

.(%10 %15)

-1

(%15-%30)

(%15-%25)

%20)

(% 10 -

.  
.2

(132,133)	(90)	.4			.3
					.5
			88-1-2009		
		(9)	"	-	(1)
				- "	
		(10)		-	.1
		(11)	Prentice D and Holand, Contermporary Issues in		(2)
			corporate Govrnance 1993. P8.		(3)
		8	"		
			CIPE		
		(12)	(		
2006	2		.5		(4)
	45		:	:	
		(13)	/		
			.89	2003	
			The state of Corpocate governance in Jordan,		(5)
			www.Ujn-jordan.org881-		
		(14)	http://www.hawkama/about hawkama.asp?id=1		1-2009.
			:		(6)
		(15)	"	2010	
			-(2	)	(7)
	.2		-196	( )	
		(16)	Mahomed.Jaffer and Syed sohail- corporate		.197
			Govrnance Issue s in Family owned Enterprises		
			published by CIPE available on this site		(8)
			The stat of corporate governance in Jordan		
			www. Ujn-jordan.org		

Larry Ribsten-Business Associations (4th-ed) (32) www.cipe.org(blog.p2.)  
 Anderson publishinon Cincinnati,ohio 2003 p.647  
 - - (33)  
 - -  
 .375 2001  
 Centre of International private Enterprise,Instituting (34)  
 corporate Governance in Dereloping, Emerging and  
 Transtional countries (2002) p.7  
 (35)  
 "corporate governace"  
 Conference Board, Commission pulic Trust and (36)  
 private Enterprise, A Ratinanl, where the article  
 anealyse the envatshan Enron company case p.5  
 clpe, corporate Governance Trends,winter 2005 p.2. (37)  
 - - (38)  
 1 2009 -  
 Kirkpatrick G, Improving corporate Governance (39)  
 standard: The work of the OECD and the principles  
 (2005),www.oecd.org/dataoecd/45/42/3365511.pdf  
 at 23 october 2005.  
 www oecd.org 1detaocod (40)  
 .3 - . (41)  
 Francis Rose, Company law 6<sup>th</sup> - ed, Sweet & (42)  
 Maxwell 2004 p. 56  
 (43)  
 .8  
 22 179 (44)  
 2007  
 22 /172 (45)  
 2007  
 22 144 (46)  
 2007  
 " (47)  
 21 " "  
 .139  
 - 2 - - (48) .2

Corporate Governance-Wikipedia, the free (17)  
 encyclopedia p.2  
 Farrar J, Governance Corporate: Theories, (18)  
 and practice 2 ed 2005. Principles,  
 (19)  
 Report of the committee on the financial Aspects of (20)  
 corporate governance Gee Professional publishing,  
 1994.  
 OECD (21)  
 - 1961  
 2008 30  
 2500 342  
 250  
 http://www.oecd.org.  
 OCED,OCED principlrs of corporate governace (22)  
 2004, p.22  
 Sir Adrian Cadury,Corporaty Goremonce and (23)  
 chairmanship.A personal view 2002,38  
 Monks Rand Minow N, Corporate Govrnance. 2 ed (24)  
 2004 p6.  
 Corporate Governance-Wikipedia, the free (25)  
 encyclopedia p.3  
 Craford,(urtis. J.2007) The Refrom of corporate (26)  
 Governance: Major Trend in the U.S corporate  
 Boardroom-1977-1997 http://www.xceo net/about-  
 us/crawford-dissertaion.php  
 Corporate Governance-wikipedia. (27)  
 - - (28)  
 " " -  
 - - -  
 .2007  
 Corporate Governance-Wikipedia, the free (29)  
 encyclopedia p.3  
 462 (30)  
 .306  
 ( ) (31)



211	(89)	" :		
2002/3150	(90)	"Agncy is the "		
- 2003/1/20	(91)	relationship which arises when one person is authorised to act as the representative of another person, The person authorized is the agent, the person authorizing id the principal"see Alx. Adams, law of business students, 2ed. G.B.,London,2000, p191.		
:		"	"	(77)
		.462	- 387	
		.1976 43	591	(78)
-		:	840	-
-		)		
Brenda Hannigan – company Law – Butterworth, Suffolk 2003 p335	(92)	(		-1
- - - - -	(93)			
.1970				
Brenda Hannigan – company Law – Butterworth, Suffolk 2003 p227	(94)			-2
Movitex Ltd V.Bulfied (1986) 2 Bcc 463	(95)	(		
(7)	(96)	1976	(838)	(79)
1978/6/1 1978		( )	:	
2793 1868			1990/1196	
.1978/7/1		(16)	(175)	(80)
87/25	(97)		2010 1960	
Francis Rose, CompanyLow Six ed Sweet & Maxwell London 2004 p. 87 See also Pender V. Lushington (1877),ch D 70.	(98)	1997 22	161	(81)
- - -	(99)		(278 157)	(82)
19 -			1997 22	(83)
Brenda Hannigan – company Law – Butterworth, Suffolk 2003 p499. The Auther state that: Disclosure has always been seen as the price to be paid by incorporation in returen for conferring of limited liability insulntes, their personal fortune from the reach of the company's creditors. P 499-500	(100)	404 2004	-	
.82	(101)	22	278	(84)
)	(102)	.522 -	.1997	(85)
		-		(86)
		-	-	
.2004			297 - 1998	
p.490 and 465 Farrar's company law	(103)	11	2/ /3	(88)
Farrar,s said that" behaviour can be influenced merely by requiring it to be disclosed".	(104)	248 ( )	1993	
			2009/	

22		3/113	(119)	CIPE			(105)
		1997		www.cisa.com.			
	(115	114)	(120)	1977	22	140	(106)
		1997	22				
- 2004/4/27	(	)	2003/3425	1977	22	181	(107)
			(121)				
			(122)	1977	22	140	(108)
				22		168	(109)
				1977	22	143	(110)
							1997
							(111)
				443	2006	-	
.269	(2)	-					
			(123)				
		127	-				
		1997	22				
- 2	-		(124)				
262	-			2006			
1977	22		/130	22		162	(112)
			(125)				1997
22		130	(126)	Brenda Hannigan – company Law – Butterworth,			(113)
		1997		Suffolk 2003 p259.			
22		190	(127)	-	-	-	(114)
		1997			2004	-	
Proctor and Miles L, corporate Governance (2002)			(128)				
		p.57.				1968	9798
	.141	-	(129)				
-			(130)				
						171-170	
CIPE							(115)
Cheffins B, Company law: (67)		2003					
Theory Structure and Operation (1997) p.85							
%1			(131)				
				1977	22	148	(116)
	188						
%1							(117)
						.83	
				22		141	(118)
							1997



www.Oecd.Org Dataoced /28/22/211386.Pdf,@16 October  
2008

. 2007 – 2006 4 3 2 :

. 2005 64 63 .

. 2004

www.world.org /life/jor-cg.pdf,@ october 2005.

Trade Vision Advisory Committee (Oecd) the. Principles  
of corporate governance: an evaluation of the 2004  
reviw by the tavac secretarite 2004.tuac.org /@ 2augnsr  
2009.

Organisation For Economic Cooperation And Development,  
Comments Recived From Web Consltations (2004)

## **The Extent to Which Jordanian Companies Law Provisions Act No 22 for the Year 1997 are Adequate to Contribute to Promoting Understanding of the Concept of the Jordanian Institutional Good Governance of Companies**

*Mahmoud Ababnih \**

### **ABSTRACT**

This study deals with the status of corporate governance in public shareholding companies in Jordan against the international standards of governance manifested in the five principles adopted by the Organization for Economic Co-operation and Development (OECD) and the extent to which the provisions Of the Companies Act No 22 for the year 1997 contribute to promoting understanding of the concept of the Jordanian institutional good governance of companies. The study also tackles the environmental audit dedicated to apply the law, amend it or add to it for the purpose of promoting the concept of corporate governance to increase the companies' profits, avert stumbling and bankruptcy, and enhance their competitiveness in this world where international performance indicators have taken the level of corporate governance as a criterion for the effectiveness of a company's market in a given country. The findings of the study show that the level of governance in public shareholding companies in Jordan is above the middle and could be better by amending some legal provisions pertaining company management and protection of shareholders' rights by further openness and transparency. This study can be consider as module to research many similar Arab - legislation- and the companies sector in general.

**Keywords:** Jordanian Companies Law, Corporate Governance, Transparency, Board of Directors, Public Shareholding Companies.

\* Faculty of Law, University of Jordan. Received on 4/10/2009 and Accepted for Publication on 25/10/2011.