Bankruptcy Laws in Jordan : A Brief Review

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Abstract - Bankruptcy is undoubtedly one of the most depressing and disconsolating realities that affects almost all corners of our society. The current bankruptcy system does not include applicable provisions that could save a trader, who is suffering from financial crisis and enable him to restrategize his business and reschedule his debts, thus allowing him to stay afloat and avoid bankruptcy. So, there was increasing pressure among lawmakers to change the insolvency legislation and to specifically address rules regarding insolvency. This paper covers the General features of the current bankruptcy system and liquidation law in Jordan; the Draft of the new law on Reorganization of Businesses and Provisions of Bankruptcy and Liquidation, 2012; Outcome of analysis of survey conducted on a section of people and private society involved with basic understanding of bankruptcy

Key words: Bankruptcy Insolvency Jordan

I. INTRODUCTION

Bankruptcy is a very saddening and gloomy area that effects all corners of our society. There have been no amendments in the bankruptcy legislations, developed in Jordan in 1966 under commercial law. Although it is essential to amend these laws in order to address issues that are related to the trade law for service, commercial, financial sectors by issuing a specialized law, namely: - ***Banking law of 1992. - Insurance regulations law of 1999. - Banks law of 2000. - Commercial Attorneys and mediators law of 2001.***

There are no regulatory bodies responsible for the rules of the Commercial Law and Insolvency since they have been left undeveloped for five decades. Also, many businesses in the Middle East and North Africa have been crippled by the financial crisis which came in 2008[1]. Many public Joint Stock companies had to suffer defaults, particularly real estate companies due to this crisis, when their loans accrued and liquidity depleted. Despite the fact that some of these businesses own high-value main assets, but they have no work and hence, not generated any income which has contributed to a pause in servicing their debts to the banks; this has worsened the debts of the banks and caused a liquidity shortage that has forced banks to borrow under very stringent terms and complex requirements, which in itself has led to a downturn in spending and a worsening of the liquidity crisis.

The current bankruptcy system does not include applicable provisions that could save a trader who is already suffering from financial crisis and enable him of reorganizing his business and rescheduling his debts, so he can stay in business and avoid bankruptcy. So, there was increasing pressure among lawmakers to change the insolvency legislation and address rules regarding insolvency. Also, it was understood that if borrower's and owner's security is ensured, it would lead towards an investment potential, social and economic growth[2]. This will further lead to making changes in bankruptcy law so that they could be monitored and used more effectively by the borrowers.

II. GENERAL FEATURES OF THE CURRENT LIQUIDATION AND BANKRUPTCY SYSTEM

If a dealer is in financial crisis and eventually becomes bankrupt, the penal framework would provide bankruptcy and available legal rights to him. A company may be liquidated without filing bankruptcy if it is part of a big corporation.

According to the Corporate Control Department's figures, the number of companies closing in 2008, 2009 and 2010 respectively was 57, 142 and 182 respectively[3]. In 2011, 136 companies were registered, and in 2012, there were 129 cases in the compulsory liquidation, according to control department to soften the remainder. The Corporate Management Department adopted a "50-50" criterion to assess creditworthiness of the insolvent

[1] Altman, E.I. (1968), Financial ratios, discriminant analysis and the prediction of corporate bankruptcy. Journal of Finance, 23(4), 589-609.
[2] Jackson, T.H., Scott, R.E. (1989), On the nature of bankruptcy: An essay on bankruptcy sharing and the creditors' bargain. Virginia Law Review, 75(155), 168.
[3] Al-Arnaout, Ibrahim Sabri, Conflict of Laws in Bankruptcy, A Comparative Study, Research Published in Al-Manara Journal for Research and Studies, Al Al-Bayt University, Volume 16, No. 2, 2010, p. 119

firms in the **2003 annual report.** It can be due to a significant spike in the liquidation of insolvent firms in Canada from 2008-2012. In Jordan's economy, there isn't any effective way of saving businesses that are going bankrupt or are at risk of facing bankruptcy..

2.1 The provisions of bankruptcy and liquidation as it is mentioned in the commercial law and the law of companies

In Jordan, bankruptcy and liquidation clauses are contained in multiple statutes, which creates difficulty in bringing them together. Some of these laws are Commercial rule no.12 of 1966 ; Exchange Law No. 26 of 1992; Companies Law No.22 of 1997; Banks law No.28 of 2000; Instruments law No.76 of 2002; Insurance companies' regulatory law No.33 of 1999; 6. foreign stock markets law No.50 of 2008 and Provisions under corporate rule in liquidation in 1999.

For Banks, there are unique guidelines to deal with them in a separate manner from other business companies. The current bankruptcy process would not have an exit clause for troubled traders. There are barely any laws concerned with avoidance of insolvency, even though these rules were written 50 years ago. There is definite proof that these clauses have not been undertaken because of attempts to reorganise the business of the insolvent trader.

Besides the fact that bankruptcies and liquidations take a long time, the issue is not fixed anytime soon. It is acknowledged that bankruptcy and liquidation proceedings decrease the valuation of creditors' debts, which leads to a decline in the percentage that creditors get out of their debts. In this respect, the Middle East's market climate is in contrast to other regions in the world, as according to the World Bank study in 2010, Jordan is ranked 113 of 189 countries according to its degree of business-related bankruptcy practise. The recovery rate of debts in Jordan is 27.2%, marginally above the average of 29.4% in the country and 70.6% in OECD countries. On the contrary, in Jordan the organisation that goes through bankruptcy procedures loses (20%) of its worth, relative to the average (14%) of the area and (9%) the OECD world[4].

This signifies that declaring bankruptcy is much like claiming excommunication from the church. This may likely trigger bankruptcies of companies only because of their difficulties of producing liquidity, whatever the explanation.

The so-called insolvency processes in corporate law are too ambiguous and therefore inefficient, so the required structure to control and defend creditors from unqualified managers is lacking. There is little consistency with respect to the credentials and requirements required for anyone to serve as a bankrupt trustee or liquidator.

The new commercial law deprives a bankrupt person of all his political privileges unless he has rectified the circumstances in which he became a bankrupt.

Draft Law of Reforming Bankruptcy and Liquidation System

III. INTRODUCTION

Real efforts to overhaul the bankruptcy legal system in Jordan began in 2009 when the Department of Corporate Management of the Ministry of Business and Trade, with the cooperation of government ministers, public and private sector politicians, chambers of commerce and industry, and banks, as well as a variety of judges, lawyers and universities, began their work. Following the submission of this bill to the Prime Minister, the Legal Ministerial Committee decided to re-examine it in order to decide if it was appropriate to issue a new separate statute or merely to modify the existing business laws in such a manner as to add the necessary provisions for the reorganisation of insolvent companies and the payment of debts.

In 2012, the Corporations Control Department and the International Finance Corporation (IFC) drafted a new law on draught, which was reviewed by the Bureau of Regulation and Opinion, in addition to the modifications of the Legal Ministerial Committee[5].

[4] Al-Manara Journal for Research and Studies, Al Al-Bayt University, Volume 16, No. 2, 2010, p. 119.
[5] Zamzam Abdel Moneim, International Bankruptcy between Private International Law and International Trade Law, Dar Al-Nahda Al-Arabiya, Cairo, 2015, p. 33

On 14/11/2012, the Council of Ministers, along with its explanatory note, approved the draught (Business Reorganization Act and the Bankruptcy and Liquidation laws of 2012) in its final form and forwarded it to Parliament on 22/11/2012. At its sitting on 12/2/2013, the Parliament voted to forward the resolution to the Legal Committee of the Parliament and then to the Parliament's Economic and Finance Committee and is now under scrutiny and discussion until today[6].

The bill incorporated a number of new reform standards which do not exist under current laws, the most important of which is the reorganisation and judicial settlement process. In addition, all the laws on bankruptcy in commercial law, along with the rules on involuntary liquidation and voluntary liquidation laid down in corporate law, have been compiled and incorporated into a common law.

It is also noted that the bill incorporated the concept of "Financial Disruption" or "Default" as a novel mechanism to determine the extent to which a merchant could reorganise his business and his ability to legitimately clear his debts with a view to assessing the need for bankruptcy. This description indicates that the trader faces operational challenges in his or her day-to-day activities and strengthens the inductors' failure to stay in business in accordance with international financial reporting and auditing standards. Below, we will respond to each of these separately.

First: Reorganization

It should be remembered at the outset that the decision on voluntary or involuntary liquidation must include a decision on the appointment of a liquidator and that Article (253) of the Company's Law clearly states that the Liquidator's jurisdiction must entail 'supervising the business of the company and preserving its properties and assets.' However, Article (A) of (254) of the Company's Law (h)

On the other hand, the liquidation process depends solely on the financial assets of the company, while the technical knowledge and reputation of the company can be of greater importance than the financial assets. Thus, if a decision is taken to continue the liquidation process, the company will sacrifice the basic elements on which the success and profitability of the original business is founded[7].

As far as the concept of (reorganisation) is concerned, it is not intended to allow a company to leave the market and run out of business entirety; on the contrary, it is focused, as provided for in Article (8) of the Law on Draught, on the creation of an organised action programme which involves the following:

1. Determining the financial, operational, and administrative conditions and the legal procedures that should be followed to deal with these conditions.
2. Enlisting the trader’s rights and obligations, the creditors and the debtors and their addresses, and the rights of his employees.
3. The timetable for implementation of the plan, and who is implementing it, and the expected duration to implement it, which must not exceed 2 years.

The draft law has explained many of the rules and the procedures to be taken into account, for the purposes of reorganization, including the following:-

1. Within one year from the date of financial disturbance, the trader must submit an integrated plan for the reorganisation of his company, subject to certain conditions and appoint someone to execute the plan; upon approval of the request, the court appoints an expert to consider the request and submits its reports.
2. As a consequence the promulgation of the court decision to formally accept the request of reorganization, all lawsuits and the cases against the trader related to his commercial activity would be halted until the issuance of the court’s decision on the approved reorganization plan.

3. If the court accepts the request of reorganization, it authorizes the expert to call the creditors to vote on the reorganization plan; the court approves the plan, if the creditors who represent more than 60% of

[6] https://www.iiglabal.org/sites/default/files/Australia_Report_on_Cross_Border_Insolvency, p.9 pdf
[7] Rosenthal, F. (2013), Encyclopaedia of Islam. 2nd ed. Brill Online, Progress Report, 2019.

the debt approved it, including the secured creditors and the unsecured creditors. The court assigns a person to supervise the implementation of the court decision, which is not subject to appeal.

4. After debtors who represent (60%) of the debts approve the plan, and after the approval of the court on it, the plan becomes compulsory for all the creditors, including the creditors who have not voted, or who have not approved it, even the creditors who are secured by mortgage.
5. During the implementation of the plan and based on a request from the person implementing it or supervising its implementation, the court approves to call the creditors to vote on the modification of the plan, as long as it does not entail an increase in the time limit for more than one single year. Based on the request of the creditors who represent at least (50%) of the total debts[8], without any distinction between the secured and the unsecured debts, or based on the trader's request, the court can approve calling the creditors to vote on ending the plan or changing the person who implements it or supervise it.
6. If the duration of the plan has ended without fully implementing it or if the trader has not followed it, or if the trader has done any fraudulent behaviour or any prohibited acts, then the reorganization plan ends by the court's own decision, or based on the recommendation of the supervisor which is based on the reports submitted by him. [9]

In any case, if the plan ends due to one of the reasons mentioned on item (5) or (6) above, the court is authorized to proceed with the procedures of bankruptcy.

Second: Judicial settlement

Commercial law contains provisions dealing with the insolvency prevention scheme, but after 50 years, they have proved to be inapplicable. Thus, the search for a new method is a must in order to allow an insolvent trader to negotiate an amicable settlement with creditors in a manner that protects him from bankruptcy and liquidation and thus puts an end to his business.

The bill therefore contains a separate chapter on "judiciary settlement;" the most relevant provisions can be summarised as follows:-

1. The bill requires the merchant, in the event that he suffers from financial disruptions and there is an increasing indication of his inability to remain in business and of his inability to meet his obligations within three months of the submission of the request, to make an application to the court in order to send an agreement to his creditors. The request must include an agreement scheme specifying the percentage of the debts to be paid and their time-limit; this percentage should not be less than (30 per cent) of the regular debt and (50 per cent) of the mortgage-backed debts; the implementation duration of the plan should not be more than 3 years.
2. If, it compliance with the decision, the court officially approves the application for an arrangement scheme which is not subject to appeal, it shall appoint an expert to examine it and send a report to the court thereon.
3. If the court approves the agreement request after the expert submits the report, the expert or other expert shall call upon the creditors to register their debts; the expert shall draw up a list of undisputed debts of the trader and shall have the right to vote at the creditor's meeting. If there is a contested debt, it shall be referred to the court for a primary decision to take part in the vote.
4. The effects of the decision of the court to authorise the scheme of arrangement are to put an end to the litigation and demands brought against the trader by any other judicial authority and thereby to preclude any move of attachment or execution of any mortgage on the trader's property or disposal of his property until such time as the court approves the arrangement.
5. The court approves the agreement scheme if it is accepted by creditors representing more than two thirds of the debt, without any distinction between secured debts and unsecured debts. The court then selects an expert to carry out or oversee the execution of the proposal.
6. The effect of the court's decision to accept the arrangement is to stop the legal proceedings and to refuse any application or claim relating to any prior debt that requires the trader to pay any amount, in

[8] Jordan stakeholder interviews. There is an insolvency procedure for merchants provided-for in the Commercial Code though a judge commented that the provisions are deficient and of little use in a modern economy, and it is not clear how much it is used, if at all. Personal insolvency is covered by the Civil Code.

addition to preventing any seizure or sale of the property or property of the trader that is necessary to make the settlement.

7. The court's acceptance of the agreement scheme does not result in the resilience of any legal contract with the trader due to his failure to satisfy his financial obligations there under; however, he must refund the financial obligations of those contracts in compliance with that agreement.
8. If the court decides to refuse the application of the agreement system, it must declare the bankruptcy of the dealer in compliance with the provisions of the statute.

Three: Bankruptcy

The draft law has dealt with the bankruptcy provisions in a separate chapter, and the following are some of the new provisions[10]:-

1. Considering the complete defaulted financial condition of the merchant, which leads to the cessation of payment of his debts as an indicator to consider that the merchant is bankrupt, and not only to avoid paying his debts, as is the case in the commercial law currently in force; this is the same indicator accepted by the bill for the purpose of presenting his debts; The bill also considers any trader who suffers from a financial crisis due to the use of fraudulent means to finance his business credit to be bankrupt, even though he has not fully stopped paying his debts[11].
2. The draft law stipulates the invalidity of some actions of the bankrupt towards the creditors group, which take place during the duration that the expert sets and the court approves in accordance with the financial disturbance indicators; thus the period of uncertainty is determined by the expert, despite the serious legal consequences that might arise thence.
3. The draft law has authorized the court to prevent the trader, the chairman, the members of the board of director's, the general manager of the company, its employees, or the authorized signatory from travelling.
4. In order to facilitate understanding the new draft law, below is a comparison between the provisions of the bankruptcy of the existing commercial law and the new provision in the draft law:-
5. Despite the importance and the scope of the new bankruptcy provisions which are in the new draft law, yet the application of **Article (137)**[12] which confirms the applicability of the provisions of the trade law and the companies law on all what is not mentioned in the draft law, might practically lead to contradicting interpretations when applied, especially as regards individual law suits and halting the process of enforcement on mortgaged property during the compulsory liquidation, and the simple compositions, and forming creditors group, and the rights of the bankrupt wife, and other provisions. On the other hand, and apart from these new provisions, we find the other provisions that are included in the draft law substantially similar to what is stated in the current applied trade law

Four: Compulsory liquidation

The bill deals with the compulsory liquidation of unrestricted as well as restricted partnerships, public joint stock, private joint stock and limited liability companies; most of its provisions are modified from existing company legislation.

In relation to compulsory liquidation, the bill contains the following provisions:

A. The court may appoint a mentor to manage the bankrupt business and awaiting for the decision on the compulsory liquidation of a company and the appointment of a liquidator[13].

B. In cases of compulsory liquidation, only the court has the power to appoint, remove or to substitute the liquidator and to authenticate and implement the liquidation plan formed by the liquidator.

[10] Husam Issa, Multinational Companies, a research published in the Journal of Legal and Economic Sciences, Ain Shams University, Issue 26 of the year 2020, p.88

[12] Article 137 of the Jordanian Insolvency Law No. 21 of 2018.

[13] Jordanian Insolvency Law No. (21) of (2018) issued on 7/5/2018 and published in the Official Gazette No. 5514.

C. The provisions of this section relating to liquidation shall include liquidation on grounds other than financial disruption and failure of a merchant to pay his commercial debts (e.g. a fundamental and persistent violation by a partner in a partnership for his memorandum of association; violation, at any time, of the provisions of company law by a partnership company; termination of the provisions of company law;

In all cases, the bill does not relate to the effect the liquidation phase of the request for bankruptcy made by a corporation which is already under compulsory liquidation. In particular, the latter is ultimately a result of the declaration of bankruptcy of the company in order to dissolve it and to bring an end to its legal life. In addition, this chapter does not include any clauses concerning the position of creditors in compulsory liquidation procedures.[14]

Optional liquidation

The clauses of this bill on optional liquidation are intended to organise a voluntary exit from the economy for traders and non-disabled business companies.

It requires, for the purposes of optional liquidation, that the assets of the merchant must be sufficient to cover not less than 75% of his remaining and non-exempt debts and liquidation expenses, given that his operations terminate within one year of the date of issue of his approval decision; that duration must be extended to a maximum of two years.

The bill authorises the general controller of the companies to accept or deny requests for optional liquidation, provided that the corporation has the right to appeal such decisions in court. It also authorises the general assembly of the corporation to fire the liquidator, appoint another liquidator and withdraw from liquidation.

It also makes it possible to switch from voluntary liquidation to compulsory liquidation. It is clear from the4 said analysis that most of the provisions of this chapter have also been modified from the optional liquidation provisions laid down in company law. It is best to leave optional liquidation under the rules of company law because it does not necessarily result from the financial instability of a company.[15]

The consequences of bankruptcy declaration and liquidation

The bill stipulates on general provisions, the invalidity of all mortgage contracts and the protection of the properties of the merchant, as well as the invalidity of all contracts and other procedures that place financial obligations on the merchant, provided that such procedures are carried out **within six months of the date** of the liquidation decision, regardless of whether the liquidation is liquid. These clauses are a draught of the general rules governing optional liquidation and may therefore open the door to damages to the creditors and dealers of the company[16].

The bill requires the liquidator to sell all merchant's properties at once for a lump sum, either under compulsory or voluntary liquidation, if it is in the interest of creditors. It also authorises the court to permit the selling by liquidator of a commercial enterprise if it is in the form of a profitable enterprise and if the result of the selling is at least 75% of the debt.

The bill provides provisions for civil action against legal persons, the company's manager, or members of the board of directors of a company who engage in the fraudulent declaration of bankruptcy under compulsory liquidation.

It also authorises the liquidator, on the consent of the majority of creditors holding at least two- third of the debt, to be sued on behalf of the party of creditors in response to fraud or simple bankruptcy.

The bill gives priority to the satisfaction of the merchant's debt from liquidation funds without distinction between the individual merchant and the company under liquidation.

[16] Al-Arna`ut, previous reference, p. 121

It also gives priority to the treasury and local rights over individual debts and rights, in comparison to most of the foreign priorities that give priority to individual debts. However, all new law emphasize the priority of treasury privileges.

The possibility of an emerging dispute between the provisions of the proposal for a law and the texts of current commercial law and company law, in particular in the light of the former **Article 137** concerning the applicability of the provisions of commercial law and company law to all matters not provided for therein.

In the context of this initiative, insolvency and liquidation experts were consulted for their views on the texts contained in the draught law on the reorganisation of the commercial enterprise and the provisions on bankruptcy and liquidation for the year 2012.

The provisions on bankruptcy and liquidation

In view of the fact that the bill retained a number of insolvency provisions set out in the current commercial law without any alteration or change, and because most of its winding-up provisions are directly copied from company law, and in view of the shortcomings found by the practical implementation of those provisions, it is appropriate to carry out a thorough analysis of all b. Examples of this, as shown in the baseline survey results, are as the following:

A. Developing a consistent process to assess the value of the bankrupt merchant's assets under liquidation and to maintain their value during the course of the proceedings; the pace and adequacy of the procedures are considered to be crucial factors in the retention of the value of the bankrupt assets and the assets of the liquidated company. In addition, the authenticity and consistency of the details available on bankruptcy or liquidation properties makes a substantial contribution to the calculation of its estimated worth. In the light of this value, the judge, the bankruptcy officers, the liquidators, and the creditors community will be able to determined the realistic value of providing recourse to the membership of the bankrupt party or the creditors of the liquidated business, as opposed to the likelihood of pursuing the liquidation and selling the properties of the debtor. The calculation of the value of the assets must be based once on the grounds that they are income-generating operating assets and once again on the grounds that they are subject to liquidation and sale in order to take the required decision in this regard.

IV. FACILITATING ACCESS TO THE PROPERTIES OF THE BANKRUPT ESTATE AND THOSE UNDER ADMINISTRATION

Liquidation funds, if they are found in more than one location, by extending the territorial jurisdiction of the approved court to include every position where the funds are found within the Kingdom.

3. Develop simple and succinct procedures for the selling of bankruptcy and liquidation assets to gain the greatest possible value, which can be accomplished by speeding the insolvency and liquidation process and by-the prescribed due date and legal extension by half. These dates include the notices for alerting creditors of their duty of file claims, dates for filing or objecting to debt bonds, and dates for contesting decisions, as well as other times set out in trade law and company law. The goal is to minimise the time required for the court to make final decisions on the cases. The same can also be done by clearly specifying the position and authority of the court, the bankrupt trustee and the liquidator, both in the decision to sell and in the decision on the mechanism of the sale (whether through an auction through the judicial compliance unit or directly through the bankrupt trustee or liquidator), and also the consent of the bankrupt person are not required.[17].

4. Addressing the cases filed to recover the debts of the bankrupt estate or of the liquidated business by allowing creditors to apply for a variety of partial liquidations of the assets available and to delay liquidation of the bankrupt estate assets, subject to legal proceedings, until a final court decision has been taken.

5. Addressing the situation where there are attachments (seizures) to the assets of the debtor prior to the declaration of bankruptcy, as stipulated in the bill on preventing the execution of such attachments, and the

litigation of the debtors concerned, who must join the creditors' party in order to comply with the concept of equality between the creditors. It is necessary to do this in order to avoid dispersing the assets of the bankrupt estate between them and to maintain the unity and integrity of these funds[18].

Unifying the prioritisation and privileges of the debts which the bankrupt company and the liquidated company must comply with in the light of the various legal texts, in order to achieve a specific authority which is responsible for dividing the money between creditors in a manner that protects the priority of mortgages, workers and public treasury rights, taking into the account. The authority also clearly defined the preferred rights under the law and give priority to each of them when they compete. Such a consolidated agreement can be integrated into the draught law in such a manner as to take into account the applicable provisions referred to in civil law, compliance **G. H. I. Regulation**, commercial law, corporation law, state fund collection law, labour law, bar association law, customs law, maritime trade law and other applicable legislation. In the similar interests of the bankrupt merchant and creditors, the court had the power to abolish the bankruptcy judgement already handed down against the merchant if the latter had fulfilled all his debts until the bankruptcy was closed. Thus, the merchant who tried to escape the negative composition of the bankruptcy that would deprive him of his political rights, preventing him from managing his affairs[19].

Developing a consistent process for deciding the remuneration of the bankrupt trustee and the liquidator, in such a way as to consider the size of the bankrupt estate and the adequacy of its properties, the simplicity or complexity of the procedures needed for its management, the number of creditors and the debts in dispute, the time and effort taken by the insolvency proceedings.

Strengthening the position of the judge in the liquidation process by granting him the power to assign an auditor to the liquidation accounts. The auditor must have submitted a report to the court.

The points referred in above draught law would shortened the proceedings and speed their termination within a fair period of time. As a result, this would improve the value of the merchant's properties and expand the chances for creditors to recover a greater proportion of their debts while preserving the interests of trustees and bankrupt liquidators. On the other hand, this would also increase the transparency of insolvency and liquidation proceedings and discourage their misuse, which will be expressed in a constructive way to promote investment.

IV. CONCLUSIONS

Although some provisions for company liquidation can be found in Jordanian company legislation, there is no bankruptcy law in Jordan. On the other hand, specific provisions of some legislation like the Insurance Industry, for example, deal with the Jordan Deposit Insurance and the Regulatory Act. Its goal was to learn more about the meaning and procedures of insolvency under the new law. The provisions of the insolvent debtor govern commercial insolvency under the latter legislation. There are only two categories of insolvency under the present law: **imminent and actual**. Creditors, debtors, and officers working on their behalf are all eligible to file insolvency petitions under the latter statute.

Analysing a consistent process to assess the value of the bankrupt merchant's assets under liquidation and to maintain that value throughout the proceedings; the speed and adequacy of the procedures are considered to be critical factors in maintaining the value of the bankrupt assets and the liquidated company's assets. Furthermore, the detainment's validity and consistency .A number of suggestions are made. For example, the Jordanian legislator's criterion for identifying those considered bankrupt debtors be expanded to cover more categories. Greater categories, such as banks and insurance businesses, must be included in such criteria. It has been also suggested that to change the criteria to eliminate those who do not match them and make the current legislation more easy to understand.

[18]] Senator the Hon Ian Campbell/Parliamentary Secretary to the Treasurer/Parliament House/Canberra/Cross Border Insolvency/Promoting international/cooperation and coordination/ Corporate Law Economic Reform/ Program / Proposals for Reform Paper No. 8.

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