

The Legal Effects Of Violating The Administrative Control-Related Provisions In Joint Stock Companies Under The Jordanian Companies Law And The Jordanian Securities Law

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ABSTRACT

This study explored the legal impacts of the violations made by public joint stock companies against the administrative control-related provisions under the Jordanian Companies Law and Jordanian Securities Law. It aims to shed a light on the impacts and consequences that might affect the members and head of the board of directors and staff in those companies due to making violations against the applicable legislations and laws related to the companies' scope of work.

This article focuses on the type and nature of the penalties set by various laws. It sheds a light on the nature of the violations that might be committed by the he members and head of the board of directors and staff in those companies. Those penalties are enforced because the control must be enforced by the management on those companies. The management shall track any mistake or violation that might harm the interests of the shareholders and the company in general. Thus, the Jordanian legislator imposed penalties and punishments on any violations committed by the ones responsible for managing the public joint stock companies. Those penalties and punishments vary in terms of harshness.

There is a legal rule suggesting that (the crime doesn't deemed existent and the punishment can't be enforced unless there is a legal text suggesting so). The Jordanian legislator set a specific arrangement connected to every violation and the penalty associated with it. Through this article, the researcher identifies the liabilities of the head and members of the board of directors and the staff at joint stock companies vary due to the variation of the violations. The liabilities are categorized into administrative, civil and penal liability. There are various laws that regulate such liabilities and the penalties associated with them. Such laws include: the Companies Law and the Securities Law. They include: the Penalties Law, the Economic Crimes Law and etc.

Several results were reached through this study. Several recommendations were proposed by the researcher of the present study. For instance, it was found that the Jordanian legislator must impose harsher punishments on the violations that negatively affects the legal or financial status of companies. The managements of companies must empower the Companies Control Department and the Securities Commission to enforce more strict and effective control without interfering in the technical and daily works of companies. The Jordanian legislator must conduct studies about the average duration needed for establishing an independent body responsible for enforcing control over the joint stock companies. He must enforce punishments, placement or refer cases to judicial authorities when necessary. He should enact a law for meeting this goal.

INTRODUCTION

The basis of the administrative control and its main objective is represented in meeting the public interest and maintaining the regular and steady functioning of public utilities through adherence to the laws, regulations, and instructions established for meeting this purpose. The administration and its application

of the administrative systems that place all the administration's actions within the circle of legality. Thus, the administration is a watchdog over itself. It has the power to retract or adhere to any action or decision based on its review of itself and its proper application of the law¹

The necessity of applying administrative control to the various sectors of the state that directly affect the individual or interfere with the state's economy and economic security and the funds of individuals, citizens and investors, lies in the fact that it limits the deviation of the authority and others from its competence and purpose that the law created for it and for which it was established. Administrative oversight on state agencies and others for whom the law allows the administration to extend its control over them aims only to ensure that the public interest of the state and the interest of its members are not subject to manipulation, moodiness or recklessness from any party. That requires defining a clear work map for all sectors in line with the laws and regulations in force and achieves public interest and meet the needs of individuals and society.

Administrative work is an essential element of the state's works. Having oversight over it is an evaluation activity to ensure the legitimacy and safety of the actions of the public agencies. It plays a major role in fostering the development of economy, growth and development, due to the steadily increasing needs of individuals that the state cannot keep pace with due to the scarcity of economic resources and following the traditional method of economic and commercial work. That enables the state to catch up with the rest of the countries through raising the standard of living and improving the economic and social well-being of individuals.²

The Jordanian legislator considers public shareholding companies as the most important type of companies. Those companies have a special importance with all relevant legislation. They are provided a wide range of government facilities based on the instructions issued in this regard and based on the laws and regulations that encourage the establishment of joint stock and investment companies with this type of companies, due to the effects of these companies positive economic and financial impact on the financial and economic situation of the state on the one hand and on the other hand because of its positive social impact on the local and national community, as it helps reduce unemployment rates and contributes to increasing the experiences of its workers and contributes to providing services that the state and the

administration may not be able to provide for the citizen, and for all of this we find that the Jordanian legislator, after creating all of the above, and due to the sensitivity of this type of companies to the national economy and society, has enforced administrative control over them from different aspects and aspects in a way that does not conflict with the work of these companies, but in a way that preserves them from collapse or the continuation of registration losses or exploitation by some individuals to meet narrow interests and personal goals at the expense of the company, shareholder partners, employees, or the national economy.

It is well established that the legal rules aim to organize human actions. Those rules aim to lay clear foundations for the purposes of their application in a specific field and that any violation or transgression of these rules, texts and provisions entails a penalty or punishment on the party or person who violated the provisions of the law, and it is also established that the responsibility is either civil or penal in addition to the administrative penalties, which are limited as a result of abuses and violations related to administrative work in general. The legislator created administrative penalties and penalties that the administration can resort to by confronting anyone who violates the procedures followed in a particular field or work, including the work and activity of public shareholding companies, as the employees and members of the boards of directors in these companies may be subject to civil and criminal liability in addition to the administrative penalties resulting from the management's control of this type of companies, due to the fact that the funds of these companies are public funds and that the management has the supervisory authority to maintain them, and we will divide this research into two sections. In (the first topic) the administrative and punitive penalties for public shareholding companies and those in charge of them, and in (the second topic) the responsibility of the employees and members of the board of directors of joint-stock companies Public contribution, civil and criminal.

The First Topic administrative and Punitive Penalties for Public Shareholding Companies and Those In Charge of Them

The natural result of violating the provisions of administrative control stipulated in the Companies and Securities Laws are penalties and penalties. Any action that's prohibited under these laws is linked to one or more penalties under the provisions of the law. This section is divided into three sub-sections as follows:

The First Requirement: Punitive Penalties under the Companies Law:

The Jordanian Companies Law created penalties for violating its provisions and non-compliance with its provisions, as articles No. (278 - 282) clearly defined penalties, and it is noted that the Companies Controller is the one with the authority to report the existence of legal violations on the business practiced by public shareholding companies after exercising his control. It can be said that it takes the place of the Public Prosecution or the Public Prosecutor in terms of investigation, inspection, review of commercial books, directing interrogation and questioning, and using all means of legal control to ensure the survival of the company's business and the preservation of shareholders' funds. Financial, administrative or legal, the controller may initiate a case and refer the file of violations and abuses and inspection reports to the Attorney General to take the legal requirement in accordance with the provisions of the Companies Law or any other law.

The penalties according to the provisions of Article (278/a) of the Companies Law may amount to imprisonment up to three years and a fine that's up to 10,000 Jordanian dinars for committing any of the following acts:

(1. Issuing shares or their certificates, or delivering them to their owners, or offering them for trading before ratifying the company's articles of association and approving its incorporation, or allowing it to increase its authorized capital before announcing that in the Official Gazette.

(2. Making fictitious subscriptions for shares or accepting subscriptions in them in a fictitious or unreal way for non-existing or unreal companies.

(3. Issuing loan bonds and offering them for circulation prematurely, in violation of the provisions of this law.

(4. Organizing the budget of any company and its profit and loss accounts in a way that does not conform to reality, or the report of its board of directors or the report of its auditors include incorrect

data, and providing incorrect information to its general assembly, or concealing information and clarifications that the law requires to be mentioned, with the intent of concealing the true state of the company from the shareholders or those involved.

(5. Distribution of fictitious profits or not identical to the company's real state.

Article (282) of the same law suggests that committing any violation for the provisions of the law or any system, instructions and orders issued according to it, and there is no special punitive text for the violation, the penalty is 1,000 Jordanian dinars as a maximum and 100 Jordanian dinars as a minimum.

It is worth noting that the application of punitive texts to the above violations does not preclude the application of any other punitive text to public shareholding companies or employees and members of their board of directors, and the matter is left to the competent court. This is attributed to the importance of the deterrent penalty and the application of texts of a special nature related to the activities of companies and their business.

The Second Requirement: Punitive Penalties in the Securities Law:

The Securities Commission is considered the competent authority in the supervision of securities, and the Securities Law No. (18) of 2017 strengthened this oversight of public joint stock companies as a source of securities, and the Securities Commission comes under the above law as a supervisor of the work of these companies in this direction, and therefore Penalties and penalties shall be enforced on any company that is in alliance with the law or the regulations and instructions issued pursuant thereto. The law has specified according to articles No. (105-110) violations, penalties and penalties that can be taken against the violating party, and accordingly the law punishes the issuer of securities or those in charge of them in case of their violation and violation of the provisions. The authority has the right to implement this by using the means and methods made available by the law, such as inspecting companies, checking their papers, records and records, and conducting any investigation to detect any violation committed by any person or taking preparatory measures that may lead to committing a violation, and the authority has the authority to investigate any information or circumstances. Practices it deems necessary and appropriate for the

implementation of the provisions of the law, regulations, and instructions, and it may also request the presence of any witnesses it deems appropriate to hear their testimony. Accusing them under oath and submitting any document related to the subject of the investigation, as well as seeking the assistance of experts and specialists during the investigation and inspection, all in order to identify and limit the violations and impose the appropriate punishment on them within the provisions of the law and the articles referred to above.

The researcher can summarize the most important violations resulting from non-compliance with the securities law for public joint stock companies after the Securities Authority exercises administrative control over them as follows:

The Securities Law, in Article 42, deals with the acts that people are prohibited from committing and imposes a penalty on their perpetrators with imprisonment for a period of up to three years. These acts can be summarized as shown below:

- 1) Signing a prospectus containing incorrect data related to material information, or deleting such information from a person licensed or approved by the Authority.
- 2) Submission of a prospectus containing incorrect data related to material information or omission of such information.
- 3) Non-compliance with the terms and requirements of the prospectus specified by the Authority.
- 4) Offering securities for sale before registering them with the Authority.

Through this article, the legislator placed legal protection on securities for the purpose of protecting the rights of shareholders and preserving their money from any mismanagement or exploitation by the board of directors of public joint stock companies or the persons in charge of them, and the legislator emphasized the right of the authority to monitor the work of these companies that issues securities; As the protection of shareholders, their money and the national economy is at the core of the objectives of the Securities Commission, and for this reason it possesses the administrative control tools provided by law.

Likewise, the researcher found that the law stipulates actions that are considered to be in violation of its provisions if they are committed by the authorized

and approved body, which are mostly financial intermediation companies. However, those in charge of public shareholding companies (executive directors, members of the board of directors) may perform them in order to inform them of the company's internal information and its leakage. For personal purposes and private benefits, article No. (56) of the Securities Law defines some of the violating acts that may be issued by a licensed or approved entity, as represented by the following:

- 1) Misuse of clients' or shareholders' funds, such as misusing or misusing them.
- 2) Practicing deception, misrepresentation and prohibited acts.
- 3) Negatively influence competition by manipulating commission rates or the service allowance he receives from clients or limiting the services provided, whether singly or in collusion with others.
- 4) Influencing negatively or solving a negative impact in any way on the capital market, whether singly or in collusion with others.

The researcher can note from the beginning of this article that the legislator singled out all those who have a license or approval with the Securities Commission; However, in paragraph (c, d) of the same article, the Authority has allowed the authority to impose its control on everyone who colludes with the licensees or those who are approved to commit the acts mentioned in this article, and in that the Authority shall have the authority to do the work of this article with regard to public shareholding companies and members and boards of directors in the event that their interference is proven. With those who are licensed or authorized to commit the aforementioned acts, and thus impose appropriate penalties in accordance with the provisions of Articles (105-110) of the Securities Law.

In this regard, the researcher found that the legislator considered in Article (105) of the same law that providing incorrect or misleading data in any of the documents submitted to the Authority, or offering or selling securities based on incorrect or misleading data, or the certification of the auditor or accountant on the evidence Incorrect or misleading financial statements or in violation of the approved accounting standards, are illegal acts and in violation of the provisions of the Securities Law and require punishment and accountability for the party that

committed them, and any affected person has the right to compensation for the financial losses he incurred as a result of any of these act³

In addition to all of the above, the researcher found that the legislator prohibits any person from doing the following:

1) Spreading or promoting rumors or giving misleading or incorrect information, data or statements that may affect the price of any security or the reputation of any issuer.

Influencing transactions related to securities individually or in collusion with others in order to form an incorrect image on the price of any security or its trading volume⁴

In Article No. 107 of the Securities Law, the legislator singled out the type and size of the penalties or penalties that the administration has the right to impose against violators of the provisions of the law, which may include public joint stock companies, and these penalties range from a fine not exceeding (100,000) one hundred thousand Jordanian Dinars and imprisonment for a period that doesn't exceed three years. To demonstrate this, the researcher will clarify the penalties that the administration has to impose on public shareholding companies under the Securities Law as a result of the violations committed by them, by its board of directors, or one of its members, or even through the licensees and those approved by the authority who work for these companies.

The legislator considered any violation committed against the securities law, regulations, instructions, or decisions issued pursuant to it to be punishable by a fine not exceeding one hundred thousand dinars in addition to a fine of no less than twice the profit achieved by the violator or twice the loss that he avoided as a result of committing the violation, except that the legislator Set this fine with a higher ceiling not to exceed five times the profit or avoid the loss.

The legislator has restricted the implementation or imposition of penalties and penalties on public shareholding companies contained in the Securities Law by not reducing or violating any penalty or penalty that may be more severe against the violating

party stipulated in any other law in order to achieve the greatest possible degree of deterrence against those in charge of companies and protect Shareholders' rights and money.

- The legislator, in Article (107/b/1) of the Securities Law, imposed a penalty of imprisonment for a period that doesn't exceed three years on anyone who committed the offense of forgery or fraud by selling or disposing of securities without the authorization of their owner, or if an express written agreement was not directed to him to do so.

The legislator also imposed the same penalty on anyone who trades securities or forces others to trade them based on internal information of the company and is not a place for publication or for the public, in addition to exploiting this information to gain a financial or moral gains. The legislator considers that spreading rumors or promoting them or giving information or data Or misleading or incorrect statements that may affect the price of any security or the reputation of any issuer of this security, or affect transactions related to securities, all of which deserves the same penalty of imprisonment for a period not exceeding three years and without prejudice to any provision aggravating the penalty in any Another legislation that includes the partner, interfering and instigator of the violation, which would include the chairman and members of the boards of directors of public joint-stock companies.

In the Securities Law, the legislator granted the competent court the power not to impose a prison sentence on the violator if the violation was for the first time, or if the perpetrator deposited a sufficient sum of money to cover the value of the fines that may be ordered at the court's fund, before the judgment becomes final.

- The legislator considers mere knowledge of the occurrence or existence of the violation from the members of the board of directors, the management board, the partners or the concerned employees of the public shareholding company sufficient to be legally responsible for the violation and its consequences in terms of penalty and punishment.

The legislator allows the injured party to claim financial compensation in the amount of the loss he suffered or the profit he missed by confronting the

convict or them of the violation, whether it was intentional or due to negligence and negligence. Compensation may be awarded.

THE SECOND TOPIC

Responsibility of the Employees and Members of the Board of Directors of Civil and Criminal Public Shareholding Companies

The Board of Directors is the top of the administrative hierarchy within the company, and it is a group of individuals elected by the company's shareholders;⁵ This is to supervise the management of the company and the conduct of its business according to a specific and clear plan and program in accordance with the provisions of the law. Within the framework of the decisions and orders taken by them, in addition to this, the employees of a public joint-stock company are also responsible before the board of directors and shareholders at the civil and criminal levels in the event of their breach of their duties and non-compliance with the instructions or regulations, including the internal system.⁶

To clarify the limits and forms of responsibility, the researcher will divide this topic into two demands, the responsibility of the employees and members of the civil administration board of public shareholding companies (the first requirement), the responsibility of the employees and members of the penal board of directors of public shareholding companies (the second requirement).⁷

The First Requirement: The Responsibility of the Employees and Members of the Civil Administration Board of Public Shareholding Companies.

The Jordanian Companies Law doesn't overlook the responsibility of the boards of directors of public joint stock companies. The board of directors of any public joint stock company is charged with carrying out the tasks and responsibilities of managing the company on behalf of the shareholders. It must refrain from acting in a manner that could be harmful to the company and shareholders; As the members of the board of directors are like paid agents on behalf of the shareholders to manage and run the company's affairs, and they must therefore exercise the legally

required care for the company to achieve its goals and objectives. When they violate the provisions of the law, the company's internal system, and the decisions of the general assembly, the legislator determined the responsibility of the chairman and members of the board of directors towards each of the shareholders and others and considered them to be jointly and severally dependent on them. The authority granted to them and for the damages incurred to the company due to negligence and negligence, such as disclosing confidential data about the company or refraining from taking the necessary measures to collect its debts.⁸

It is worth noting that the Jordanian legislator has erroneously satisfied the civil liability of the chairman and members of the board of directors by compensating the company, shareholders, or even others for any damage that may have resulted from a mistake they committed by applying the legal rules related to the company's work (laws, regulations, instructions and articles of association of the company), Also, the approval of the General Assembly not to hold the members of the Board of Directors and its chair accountable cannot be relied upon to absolve them of their civil responsibility for any mistake committed during their term of membership in the Board, with the exception of the member who was absent from the session or sessions in which the error, violation or mismanagement occurred. Likewise, if one of the members proves his objection or rejection of the violating procedure or decision, in writing and on the minutes of the session.

The Companies Law in Article No. (160) granted the right to the Controller General of Companies or to any shareholder in a public shareholding company to file a lawsuit before the competent courts for the purposes of claiming compensation for errors or mismanagement or compensation for any of the prohibited acts stipulated in Articles No. (157, 158, 159) of the latter law, which caused harm to any stakeholder in the company. It should be noted that the legislator set the companies' controller as a representative of the management authority with the same legal position as the shareholders of the public joint-stock company in terms of the right to civilly question the chairman and members of the board of

directors to demand compensation for the company for any damage incurred as a result of violating actions. It should be noted that the Jordanian Court of Cassation expanded the concept of the term “this law” contained in Article No. (160), as it considered all the provisions, laws and regulations, including the company’s internal system, to be the responsibility of the chairman and members of the civil board of directors, not just the Companies Law.

In addition to the foregoing, the public shareholding company, in its capacity as an independent legal entity, has the right to record cases against the chairman and members of its board of directors when they commit mistakes that harmed it, as there are many rules related to civil liability that must be observed by those in charge of the company, which are contained in the Jordanian Companies Law. The most important of them:

The commitment of the company, partners, boards of directors or the board of directors to the rules stipulated in the Companies Law, the articles of association, the internal system, and the decisions issued by the company’s general assembly.

The chairman and members of the company’s board of directors, the general manager and the main managers are obligated to submit a written declaration of their personal property and the property of their spouse and children in the company’s shares, and to specify the names of other companies in which they own shares, to the board of directors at the first meeting following his election in the new location, as well as to disclose any A change in this property within a period of 15 days from its date.

The chairman and members of the company’s board of directors, the general manager, and the employees in their personal capacity or as representatives of a legal person are obliged to refrain from serving as a member in the board of directors of a company that has the same goals, objectives and works. Indirectly in the contracts, projects and financial and contractual commitments of the company.

It is noted from the foregoing that the issue of establishing civil liability against those in charge of a public joint-stock company is the existence of an actual damage to the company, shareholders, third parties, or even the company’s creditors due to error or violation of law, order and instructions. The members of the board of directors or the chairman

compensate according to the reality of the situation and based on the relevant legal articles and the general rules of tort liability stipulated in the Jordanian Civil Code.

At the same time, the responsibility of the chairman and members of the civil board of directors, when exploiting their positions and positions, is to work on disclosing the company’s secrets, for the extent of the damage caused to the company due to disclosure or lack of sufficient secrecy. Decisions of the executive management or what is customary as it is considered confidential information with the relevant companies.

Second Part: The Penal Liability of the Employees and Members of the Board of Directors in Public Joint Stock Companies

Penal liability and the associated punishment serve as the most important means for deterring people from committing crimes. They contribute to protecting the financial, moral and economic aspects of the joint stock companies. The head and members of the board of directors and staff at such companies may face imprisonment penalties which duration vary. They may face such penalties when committing acts that serve as crimes under the penal law or violation under the Companies Law or Securities Law. That applies regardless of the committed act. The head and members of the board of directors and staff at such companies are held liable for their mistakes that are related to managing the company or fulfilling contractual obligations towards the company, and shareholders. They are held liable in this case before the judicial authorities, provided that their violations for the applicable legal rules are proved.

When reviewing the Jordanian legislations, one can find that article No. 13 of the Economic Crimes Law of 1993 identifies a set of acts that may be committed by the head or members of the board of directors or staff at joint stock companies that serve as economic crimes. Such crimes can be investigated by the Integrity and Anti-Corruption Commission. The economic crimes involves any crime that’s committed against public funds. Under the Economic Crimes Law, the funds that are under the supervision of the joint stock companies serve as public funds. The head and members of the board and any employee are treated as employees in a public institution. Thus, the Integrity and Anti-Corruption Commission is specialized in investigating any

violation and enforcing punishment. It is specialized in referring cases to the court in accordance with its jurisdiction.

There is a set of penal crimes that might be committed by people in joint stock companies as it is suggested by the Jordanian penal law. Those crimes are mentioned below:

-The crime of accepting bribery and the crime of requesting it / Articles No. (170-173).

- The crime of misusing trust / Article No. (422).
- The crime of embezzlement / Article No. (174).
- The crime of using office for personal gain / Article No. (175).
- Crimes related to check / Article No. (421).
- The crime of forgery or forged use / Article No. (171, 260-265).

RESULTS AND RECOMMENDATIONS

After finishing this study, the researcher of the present study reached several results and offered several recommendations. Those results and recommendations are shown below:

- 1- The researcher of the present study identifies the most significant weaknesses that hinder the administrative control system from meeting the intended goals in public joint stock companies. Such weaknesses are represented in the absence of a clear system for enforcing punishments when committing violations related to releasing confidential information. They include: spreading rumours about the practices carried out by some board of directors and managers of some companies
- 2- The researcher of the present study reviewed some annual reports issued by the Securities Commission. Those reports identify the names of the companies that commit violations. They identify the types of violations. The researcher found that there isn't any fixed criteria in companies for identifying the administrative punishment. He found that punishments vary from one company to another for the same violation. He found that the annual reports of the latter commission don't include a referral for any legal body, though there are judicial measures that must be taken against the concerned companies
- 3- Based on this research, the researcher of the present study found that some punishments that might be imposed by the managers in public joint stock companies are not deterrent enough in relation to the seriousness of the violation or committed act. Some of those violations directly and negatively affect the national economy. There are social impacts when re-committing such violations and reaching a state that involve mandatory or optional liquidizing of the company and dismissal of employees.
- 4- The researcher of the present study recommends imposing harsher penal punishments on the managers and members of the board of directors in case they led the company to a state of bankruptcy. In addition, he recommends adding a text to the penal law that criminalizes the managers of companies and imposes a penal punishment on them in case it was proved that they show an act of neglect in committing their duties
- 5- The researcher of the present study recommends enforcing control by the Accounting Audit bureau on the funds of public joint stock companies in which the government serves as shareholder in them
- 6- The researcher of the present study recommends unifying all the control bodies under one specialized control body. He recommends enacting a law that regulates the way in which this body works. That shall lead to raising the effectiveness of the control enforced on companies. It shall contribute to improving the national economy
- 7- The researcher of the present study recommends adding the violations and crimes that are proved to be committed by people in public joint stock companies to the crimes that violate ethics and honor. That should be done through a judicial judgment
- 8- In Jordan, there are defects in the legislations and jurisprudence related to the administrative control enforced on public joint stock companies. Due to such defects, the researcher believes that it is necessary to add a course in the faculty of law in Jordan. This course must shed a light on the control enforced on public joint stock companies and the punishments associated with such crimes.

CONCLUSION

The researcher of the present study reviewed the relevant information that are related to the legal

consequences of violating the administration control-related provisions in joint stock companies under the Jordanian Companies Law and Jordanian Securities Law. He reviewed the relevant information that are related to the administrative and penal penalties that are imposed on the companies making violations. He distinguished between the forms of liabilities of the head and members of the board of directors and staff at companies. He identifies the punishments that are imposed on those people when violating the applicable laws and legislations. After reviewing such information, the researcher found how significant it is to hold the one committing the violation or act liable in a strict and serious manner. That should be done to deter others from committing the same act and enforce punishment on the ones harming the interests of shareholders and national economy.

Through this study, it was found that the Jordanian legislator set punishments related to joint stock companies through laws and legislations. Those laws and legislations include several effects enforced on those companies as a moral entity or on the ones working in them in person. It was found that there is a need for making changes to legislations to amend the penalties and add other violations that might be committed in the aim of causing harm to the company, shareholders and national economy. Thus, it is necessary to come up with legislative texts that identify the type and severity of the impact and the penalty associated with it.

This research identifies the acts that the Jordanian legislator considers as violations in joint stock companies under the laws and legislations. The researcher of the present study distinguishes between the liabilities of the ones committing violation and the penalties associated with them. Such penalties may involve imprisonment. He identifies the most

important legislative texts that involve the enforcement of a penalty. That's done through connecting that to the practical reality in the field and previous experiences related to the responsibility of the management in terms of enforcing control in joint stock companies. The researcher sheds a light on the responsibility of managements in detecting violations and enforcing punishments in a direct manner or through referring the case of the concerned judicial authority.

REFERENCES

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2. Jaber, Abdel-Raouf (1097), The Audit Role of the Audit Bureau - a comparative legal study, first edition, p. 195. Dar Al Thaqafa.
3. Jordanian Court of Justice Decision No. (126/2008) dated 26/2/2008 Publications of your decision.
4. Article (106) of Securities Law No. (18) of 2017
5. It is prohibited for any person to do any of the following:-
 - A- Spreading or promoting rumors or giving misleading or incorrect information, data or statements that may affect the price of any security or the reputation of any issuer.
 - B- Influencing transactions related to securities, whether alone or in collusion with others, with the intent of giving an incorrect picture of the price of any security or its trading volume, or the price or trading volume of any other related securities.
6. Mustafa Kamal Taha (1965), Civil Liability of Board Members in a Joint Stock Company, Anglo Egyptian Library, p. (32).