

Economic restructuring in the reorganization of public shareholding companies "a comparative study"

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ABSTRACT

Most financial companies resort to not violating the principle that the company's capital must remain as specified in the memorandum of association, while a number of companies tend to restructure the company through mergers to obtain sufficient capital in order to make the necessary correction to the technical, economic and financial structures of the company where the joint-stock companies are affected. Like the rest of the business sector, the conditions of the sector to which it belongs, the surrounding economic conditions, for example, Vision 2030, and the relevant regulatory legislation, which enhances the importance of periodic follow-up of the performance of companies listed in the financial market and monitoring of their financial positions.

This is in order to extinguish losses and improve the company's financial structure. One of the most important legislative and regulatory measures related to the Bahraini legislator reorganizing Law No. (22) of 2018 Related to regulation and bankruptcy, as well as the new corporate system, which some amendments have been made to by allowing foreign investors to participate in public shareholding companies. These legislations also urged companies and their general assemblies to amortize the losses either by merging the company According to the relevant regulations - to the extent that the percentage of losses decreases to less than half of the paid-in capital, or the company is dissolved before the term specified in its articles of association.

The importance of this study, which lists all restructuring operations in the Bahraini financial market, whether before or after, is the classification of the company among the loss-making companies, in order to examine the financial impact, taking into consideration the motives behind these operations and the mechanisms for their implementation. This study also aims to assess the impact of capital restructuring operations on the financial performance of companies integrated into the Bahraini financial market and to identify the most prominent global practices used to organize corporate capital restructuring operations.

Keywords: Economic, Emerge, Company, Legislation, Bankruptcy, Financial.

Introduction

The world has developed rapidly in all areas of life, and individual capacities with simple and scattered capital are unable to achieve the great economic goals, so the idea of merging companies to consolidate sufficient capital and able to achieve the great goals of companies, and to achieve credit and trust with customers and banks.

We believe that the economic focus in light of the changes in the global economic system, namely globalization, economic freedom, the removal of barriers to the flow of trade, the

opening of global markets, the establishment of economic blocs, the increase in global problems, including the financial crisis, and the increased competition between businesses, have all contributed to accelerating the pace of corporate integration.

The emergence of modern technology has also played a major role in the emergence of mergers between companies, and small companies have become unable to compete with large companies, so the only way for these projects is to collect them and to eliminate them large projects that have come to control large sectors of industrial

and commercial activities, so they sought to cooperate in various branches of production, and arose from the Clustered in large capital-owned economic clusters with excellent technical and management expertise, it has enabled it to improve its production and pursue ongoing economic developments.

The United States of America has been alerted to the risks posed by the monopoly of large venture capital companies with weak capital companies, merging many companies into units and giant and large companies that are financially capable of achieving their purposes and projects that they created for them until they became strong from home and abroad, and went to the global markets, so the Countries of OrandBa hastened to take the same approach. In the concentration of funds, the survival of developing and poor countries, including Arab countries, dependent on small capital, will render them unable to catch up with the world, because of the benefits and benefits of integration and capital concentration.

Integration was not only limited to capitalist states, but also found a way for socialist states to have a different philosophy than capitalist states, but in both cases the primary objective was to show the funds needed to achieve competitiveness abroad. Therefore, in the face of this competition, some States have resorted to mergers, resulting in giant business entities with technical, capital and technological advances that will enable them to continue to operate in the face of free competition from global markets.

With the emergence of some economic crises in the international environment, particularly global financial markets and their vulnerability to political events and waves, Arab legislation has led to the reorganization of business and economic work on the basis of capital adequacy requirements, which has given some companies room to consider merging with other companies to strengthen themselves from the competition of large companies for the international and domestic market, and to eliminate high operating costs and accumulated debt for fear of market loss and, consequently, bankruptcy.

The Bahraini legislator followed these visions in particular, relying in his economic policies on mergers since 1975 by passing the Companies Law No. (28) of 1975, in which he touched on the merger process, indicating the basic provisions governing the merger, and was introduced Many amendments to it by issuing decree No. (21) for the year 2001, and therefore the legislator issued a regulation no. (6) for the year 2002 in which he addressed all the detailed procedural issues including the objectivity related to the merger of companies, and the UAE legislator, has specified Legal and legislative status of corporate integration into Law No. (8) of 1984 amended by Federal Law No. (13) of 1988, Law (4) of 1990, as well as amendments to Law No. (2) 20 15 A.D. concerning commercial companies, as well as the Egyptian legislator issued Law 159 of 1981, and issued regulations No. 96 of 1982, indicating all the provisions of the merger process and its legal frameworks from the beginning of its inception to its publicity and implementation.

What is the nature of the merger of the Public Shareholding Company?

The merger of companies is one of the most important means to rely on economic focus and increase the size of economic units, and it is either by uniting two or more companies together and forming a new company, or one or more companies joining another company that is based in transferring its assets to this existing company; For the merger to open up new markets, add new productivity, and increase the levels of distribution and marketing of companies.

The merger creates a set of legal implications, about which jurisprudence and the judiciary differ, as its effects are not only focused on the legal nature, but extends to the status of partners in merged companies and the moral personality of merged companies and their financial bodies, as well as the fate of the administrative and regulatory bodies of merging companies, all of which open the way for talking about the legal nature of integration into jurisprudence and the judiciary to develop a legal framework explaining the nature of merger between companies, in order to make it easier for companies heading towards this process to know their legal nature and their

effects in a way that explains the nature of mergers between companies. Clearly, it has been opened to the freedom to choose between them and other forms similar to the merger.

What is corporate merger

The phenomenon of corporate integration is one of the data imposed by the free global economy, and economic focus has become a feature of the economic development of developed countries based on unions, groupings and alliances between different companies, so the concept of integration has emerged as an economic necessity to avoid the risks arising from international economic variables, as well as the effects of the merger on the economic project itself, as a result of the merger and the increase in the company's capital and other positive effects.

This has led to the need to develop a precise concept of integration by jurisprudence, the judiciary and various legislations, to understand its legal nature and to identify its images, and to clarify and interpret them in light of the development in the global economic environment.

The concept of integration.

Jurisprudence and the judiciary differed in developing a specific definition that shows the legal nature of the concept of integration, which opened the way for the multiplicity of definitions and interpretations surrounding the merger process, they differed among them in the development of a specific definition of it, some of them knew it from its effects, and another aspect that defined it from its forms, some of whom defined it as a kind of contract, and other interpretations in the pros to develop a definition that defines the legal nature of the concept of integration under the silence of the legislator in Bahrain.

(1) Article 312 of the Bahrain Companies Law No. (21) for a year 2001، Article 209 of Bahrain Commercial Companies Law Executive Regulations Decree No. (21) 2001 Resolution 6 for a year. 2002 AD.

Merger definition

The ambiguity and complexity of the idea of integration have led to a multiplicity of concepts and definitions given and accompanying the entire merger process, and to open the way for different definitions of the concept of integration,

The legislative definition of integration

The Bahraini legislator did not want to establish a specific definition of integration, but merely stated his images in the texts of the law, saying: "A- The merger is one of the following two ways: 1- the method of annexation, which is to dissolve one or more companies and transfer their community to an existing company. 2- By blending, which is to dissolve two or more companies and establish a new company to which each of the merged companies will be transferred." ⁰¹

Merger Photos

1- Integration in annexation

We are faced with a merger by merging into another company that exists with its final demise² and accordingly the merged company becomes existing and enjoys moral personality only, and this type of merger is achieved only by the annihilation of one of the companies for the benefit of the startup, after which the merged company as well as its moral personality, as for the merged company, will increase its capital to the extent that the merged company has assets. ⁰³

Mergers are also carried out in a manner of annexation when two or more existing companies agree, one of which includes other companies, and accordingly the merged companies expire and the merged company's personality ends, and all its

(2) Abdul Hamid, Abdul Jawad, (2013)• Commercial companies Second edition, Arab Renaissance House, Cairo (p. 109).

(3) Al-Qalyubi, Samiha, (2011)• Commercial companies Fifth edition, Arab Renaissance House, (p. 12).

rights and obligations are transferred to the merged company,⁴ and accordingly the merging company becomes in place and retains its moral character, increasing its capital in the shares it has obtained from the merged company's funds.⁰⁵

This type of merger is more common in commercial systems because of its ease of procedure and the low expenses it requires, as it does not require the establishment of a new company whereby the startup will bear the amount of money to establish it or face the tax burdens or waste of time imposed on it in the establishment process, which has prompted merged companies to resort to the annexation process in order to avoid complications and difficulties.⁰⁶

The Bahraini legislator explained the measures taken in the case of merger in the manner of annexation in the text of article (313), which begins with a decision of the merged company to dissolve it, and then the merged company evaluates the shares in kind, and issues a decision from the company merged or the company resulting from the merger to modify its capital in accordance with the evaluation of the merged company, and distributes the increase of capital to all companies of the merged company. According to their share ratios, if the shares are represented in shares, they may be traded as soon as they are issued if it is one year since the founding of the merged company or resulting from the merger.⁰⁷

2 Blending in a blending way

A merger is a blending method if two or more companies merge together with the aim of establishing a new company⁸, defined as: "The combination of two or more companies leads to the disappearance of their respective moral characters and the transfer of their assets and liabilities to a new company".⁰⁹

It is also known as: "The formation of a new company based on the annihilation of two or more companies and the establishment of a new company to which the financial assets of the merger companies are transferred, and whose capital should be in-kind shares of the financial assets of the companies involved in the merger."¹⁰

The merger is carried out in a blending manner by blending two or more existing companies, the merged companies, whether corporate or more, and the moral personality of the merged companies are removed,¹¹ and all their obligations and rights are transferred to a new company established in accordance with the merger, and the merged companies are established, and their capital consists of the latter, and all the establishment procedures and months must be taken into account in the new company, so that the new company is not a continuation of the expired companies, but a new company with a whole new

⁽⁴⁾ Al-Bakri, Mohammed Azmi, (2018). Encyclopedia of jurisprudence, judiciary and legislation in the new civil law Volume 8, Mahmoud Publishing and Distribution House (p. 567).

⁽⁵⁾ Al-Azmi, Khaled Hamad Ayed, (2004 AD). Antiquities Legal merger of companies on the rights of partners and creditors Thesis, PhD Published, Faculty of Law, Cairo University, Egypt (p. 32). Dabble, Randa, (2019mm), Evaluating family businesses Al-Yazuri Scientific Publishing and Distribution House (p. 194).

⁽⁶⁾ Ali Al Sayed, Qasim, (2000 a.m.). Business Law Part 2, Arab Renaissance House, Cairo, (p. 148). Malo, Maher Siddiq, (2015). Corporate merger sparked the rights of partners and creditors between legal regulation and corporate governance

principles Published Master's Letter, Faculty of Law, Mansoura University, (p. 15).

⁽⁷⁾ Article 313 of the Bahrain Companies Law No. (21) for a year 2001.

⁽⁸⁾ Crystal Jones-Starr, Community-Wide V. Worldwide Competition: Why European Enforcement Agencies are Able to Force American Companies to Modify their Merger Proposals and Limit their Innovations, Wisconsin International Law Journal, University of Wisconsin Madison, Vol. 17, Winter 1999, p. 145.

⁽⁹⁾ starling Previous reference(p. 18).

⁽¹⁰⁾ Little Previous reference(p. 15). The humus, Previous reference(p. 194).

⁽¹¹⁾ The Fendi, Previous reference(p. 279).

moral personality for the personality of the merged companies. before the merger.⁰¹²

Therefore, the fate of the companies involved in the merger is the annihilation of a new company through which all the assets and funds of merged companies are owned, and the debts and obligations of merged companies are borne, and they are treated like new companies established because they are not a continuation of mortal companies, because they get a new legal personality completely different from that of the merged companies before the merger.⁰¹³

It is not a mix if two or more companies agree on joint management, such as: some industrial or professional unions;¹⁴ its financial edema.⁰¹⁵

The Bahraini legislator explained the legal procedures in the case of merger in the case of mixing to increase its capital by the amount of shares in kind obtained from the company or companies merged in accordance with the legal rules stipulated in article (314), which initially required a decision by each of the merged companies to dissolve them, and establish the new company in accordance with the conditions stipulated in this law, and if the new company of joint stock companies is taken by the expert report on the evaluation of quotas in kind as stated in article (99) Of this Act, each merged company is allocated a number of shares or shares equivalent to its share in the capital of the new company, and these shares or shares are distributed between partners in each merged company by their share ratio, and in the matter of the dissolution and expiry of the company, the legislator stipulated in article (320) that the companies should be dissolved in the event of a merger of a company into another company, an explicit provision by the

legislator on the end of the merged company prematurely.⁰¹⁶

Merger motives

Companies resort to a merger as a result of a range of motives that vary from company to company as imposed by the nature of each company, and the desired objective of the merger is to the merged or merged company, and the motives vary and are limited to the following elements:¹⁷

- **Growth:** Growth is a key reason for the merger; most companies try to strengthen their growth strategy by expanding their production lines, increasing their market shares, providing financial stability, and growth is carried out in two ways: either through self-growth, which is described as slow and high risk, or through integration rather than the creation of new economic units.⁰¹⁸
- **Integration:** Some companies aim to achieve integration in both types: whether vertical integration, horizontal integration, the merger of two or more companies that perform the same activity or production, and vertical integration is the result of the merger of two companies that are complementary and complementary to each other, and the integration of sources may be economically beneficial as the merger will not be carried by additional costs as if it had corrected itself by developing and modernizing itself, opening up It has an opportunity to produce products that it could not produce due to lack of resources and lack of resources, as the merger method

⁽¹²⁾ Basbous, Previous reference (p. 37). Al-Qalyubi, Previous reference (p. 165).

⁽¹³⁾ Radwan, Fayez Naeem, (2001) Commercial companies Arab Renaissance Publishing and Distribution House, Cairo, (p. 135). Al-Qalyubi, SAAB Reference S, (p. 174).

⁽¹⁴⁾ Al-Azmi, Previous reference (p. 35).

⁽¹⁵⁾ Abu Zeina, Ahmed Abdul Wahab Saeed, (2012 AD) Legal framework for the integration of commercial companies: a comparative study

(Palestinian law, Jordanian, Egyptian) Thesis, PhD Published, Cairo University, (p. 92).

⁽¹⁶⁾ Article 320 of the Bahrain Companies Law No. (21) for a year 2001.

⁽¹⁷⁾ Al-Awadhi, Rifaat al-Sayed, Bassiouni, Ismail Ali, (2007 AD) Mergers and alliances between companies in Arab countries Second Edition, Arab Organization for Administrative Development, Egypt (p. 26).

⁽¹⁸⁾ Hayek, Previous reference (p. 32).

eliminates its weakness and develops faster and easier.⁰¹⁹

- **Capital raising:** This goal is a catalyst for integration in order to enhance the company's overwhelming capacity, and some companies may not be able to undertake the internal expansion process because of the lack of funds for this purpose, so they resort to unionizing with companies with a high share of liquid assets with low levels of liabilities, thereby increasing the company's overwhelming strength and ability to borrow.⁰²⁰
- **Competition:** Some companies merge for fear of disappearing in front of large companies, as their survival and continuity of their project are linked to the merger process to address dominant companies such as holding companies.
- **Globalization:** As technology evolves and the world moves towards openness and interaction between human societies and their convergence, the world has become described as a small village as a result of global competition between large companies and States for large controlling market shares across cross-border companies and continents, and most countries enter the Inter-State Free Trade Agreement with the removal of tax barriers,²¹ This has resulted in some economic concerns, particularly for national companies, in light of the economic openness to all areas that have accompanied globalization, so companies have sought to integrate to cope with the changes that accompany globalization by establishing some economic blocs among themselves to address these threats or any change that could affect the entire economic sphere.⁰²²

- **Use of surplus funds:** A company with a lot of money can buy or distribute other company with cash financing to shareholders, rather than finding itself subject to compulsory acquisition or so-called control by another company that may wish to take advantage of its existing funds.⁰²³
- **National motives:** The process of national merger between companies is used to achieve national public interests, such as to guard against collapse, from being hit by competition produced by globalization, open markets and the entry of capital that may be fanatical to small, low-capital companies.
- **Monopoly and the desire to control:** The main reason for resorting to the merger may be from hidden objectives aimed at controlling and monopolizing some projects and services to increase capital and profits, and may reach the removal of some competitors from the market as a result of the merger.⁰²⁴

The legal nature of corporate merger

The first trend is headed by Shimnad and the merger is seen as merely a transformation of the company integrated with the reincarnation of the character of the company or the new company, and considers that the merged company does not end when it loses its moral personality, and continues its economic activity within the framework of the personality of the company The impact of the merger is limited only to the loss of its moral character, but for the new startup or the merged company, it remains to maintain its moral character, and the merger promises that it is merely a transformation of the company. Merged into a new company or damja company, their view is based on the fact that the merged company

⁽¹⁹⁾ Mohammed Abdul Rahman Ahmed, stressed (2005)• The impact of the merger of Jordanian public joint stock companies on their financial performancePublished Master's Letter, Faculty of Economics and Management Sciences, Al-Bayt University, Jordan(p. 37).

⁽²⁰⁾ He stressed, Previous reference(p. 39).

⁽²¹⁾ Hayek, Impact of mergers between Jordanian public joint stock companiesAn earlier reference, p. 36.

⁽²²⁾ Al-Maamari, Previous reference(p. 229).

⁽²³⁾ Bahraini legislator banned monopoly-based merger by stipulating article 312 of Bahrain's Companies Act as: "Integration must not result in any monopoly on economic activity Or Commodity Or A specific product".

⁽²⁴⁾ Al-Maamari, Previous reference• (p. 229).

retains the basic pillars of its being, and its loss of moral character does not lead to the annihilation of the company, with the will of the partners directed to continue its economic activity and the moral character of the new company or the merging company. ⁽²⁵⁾

The merged company may also object to this or that company, and proponents of this view build their arguments on a set of support, the most important of ^{f which is:26}

- 1- The process of expiry of the company and its annihilation is supposed to be liquidated as the company's solution leads to its liquidation mainly, so the company collects its rights, meets its debt and distributes the surplus division between the partners, but the merger does not lead to the liquidation of the merged companies, but the transfer of its financial liability to the new or merged company, the merged company cannot be counted in the event of expiry, and it is dissolved and liquidated.
- 2- The company's moral personality is not essential to its termination, and the moral personality of the company is limited to two things: the embodiment of the company's activity in its relationship with others, and the separation of the financial company from each of its partners, and they consider it necessary not to exaggerate the importance of the moral personality, because it does not affect the existence of the company.

This view faced some criticisms, including: to say the fact that the company that is joined despite the recognition of the moral character in which the moral character is spent confused between the concept of the company and the concept of the project, and shows that the company is only a certain economic project carried out by the

company, which is a legal body of partners that regulates the contract between them; i.e. regulates the relationship between shareholders and the components of the company and does not regulate the same project, it is only an economic means used by the company to achieve a particular purpose. ⁽²⁷⁾

It makes no sense for the merged company to remain in place as long as its moral character has disappeared, and the project remains unattended, and this is not a conflict between the expiry of the company and the end of its personality and the survival of its project exists, because there is a difference between the company and the idea of the project as it has already shown, the solution is a secret solution that is not followed by liquidation and division, and the idea of continuing the project is the one that clarifies the issue of the transfer of the company's assets without liquidation and division. ⁽²⁸⁾

As for the Bahraini legislator, it was permissible for holders of emerging rights prior to the publication of the merger to oppose within 15 working days of the publication date with a letter registered with the knowledge of access, in which case the effects of the merger are not invoked before them unless the company waives its order to the court and orders its final rejection, or the company immediately fulfills the debt, or provides guarantees to meet if it is later, If no opposition is made during the date mentioned in the previous paragraph, the merger count is effective in the face of creditors, and merged companies replace the merged company or all its rights and obligations. ⁽²⁹⁾

Accordingly, the Bahraini legislator closed the controversy over the legal nature of the merger science by giving the right of objection to the owners of the emerging rights 15 days before the publication of the merger with a letter registered with the knowledge of access, in which case the effects of the merger are not invoked before them unless the creditor waives the opposition or the

⁽²⁵⁾ Al-Zayra, Previous reference(p. 67).

⁽²⁶⁾ starling Previous reference(p. 28-29).

⁽²⁷⁾ Ataouna, Akram Hamdi Mahmoud, (2016)· Antiquities Legal merger on companies involved and

shareholders' rights Published Master's Thesis, Graduate School, Jerusalem Mosque, Palestine, (p. 23).

⁽²⁸⁾ Abu Zeina, Previous reference(p. 73).

⁽²⁹⁾ Article 315 of the Bahraini Companies Law.

company submits its order to the court and eliminates its rejection once and for all, or that The company immediately meets the debt, or guarantees to meet all debts if it is deferred.

Impact of merger on the rights of partners or shareholders

The merger is not valid unless the merged company's assets - shares or shares - are transferred to the new or merged company, which in turn transfers it to partners or shareholders of the merged company, and the resulting merger of partners or shareholders may not be instruments, such as bonds, authorizations, incorporation shares that are included in the company's merged shares, or issued by the latter.⁰³⁰

Therefore, if partners or shareholders of the first company obtain bonds issued by the second company in exchange for their shares or shares, it is not possible to talk about a valid merger case because the financial assets of the first company, including its assets, are not transferred to the second company; to partners in the seller."⁰³¹

These rights do not differ if the merger is in a merger or blending method, because the merging company issues new shares or shares equal to the assets of the merged company and distributes them to shareholders or partners equal to their shares prior to the merger, but if the new startup is mixing, it issues shares or shares for the first time and distributes them to shareholders or partners of the new merging company, so they all become partners or shareholders in the new or merging company as a whole. Whether this results in the acquisition of a number of shares by the company's shareholders or companies in exchange for the cancelled shares of the merging company, on the one hand."⁰³²

On the other hand, shareholders of merged companies or companies retain their full qualities as shareholders of the new company or merged companies, and as a result of this merger do not lose their legal status. Shareholders of the merged

company or companies enjoy all the rights of shareholders or partners, such as the old partners of the merging company, as well as their participation in management and the right to attend the General Assembly, debate and vote, and are entitled to appeal against decisions issued by the General Assembly and contrary to the company's system or the provisions of the law, and are entitled to receive on the infect of filtering results.⁰³³

The French Companies Act of 1966 recognized in article (372/1/1) that a merger "does not result in the expiry of companies without the liquidation of expired companies and the transfer of their financial liability to merging or new companies, and the shareholders of the expired companies become shareholders of companies that are in the process or new under the terms of the merger contract".⁰³⁴

Article (314/c) of Bahraini law also states: "Each merged company is allocated a number of shares or shares equivalent to its share in the capital of the new company, and these shares or shares are distributed among partners in each merged company by the ratio of their shares in them", and article 319 of the same Law confirmed that the merged joint stock company or the new company would replace the company issuing convertible bonds into shares in all its obligations arising from these bonds.⁰³⁵

Conclusion:

The importance that joint stock companies have also enjoyed in promoting economic development has led them to seek to maintain their entity to ensure their survival and continuity, expanding and growing for fear of expiring in the light of the economic life of economic globalization based on openness without limits;

The merger leads to the disappearance of the companies involved in it if it is in a mixing manner, or leads to the retention of one of them if it is included, and the merged company ends in a secret way and its moral personality disappears,

⁽³⁰⁾ The two wins, Previous referenceP. 58.7).

⁽³¹⁾ Al-Masri, (1986)· Previous reference(p. 245).

⁽³²⁾ Al-Azmi, Previous reference(p. 262).

⁽³³⁾ starling Previous reference(p. 181).

⁽³⁴⁾ Al-Azmi, Previous reference(p. 263).

⁽³⁵⁾ Bahrain Companies LawJ.

but the projects and the purpose that this company was formed to achieve it continues and moves to the merging company, and therefore, the study concluded by replacing all the topics of study related to the subject of integration and its controls stipulated in the legislation replaces the comparison of a set of results and recommendations, the most important of which are:

We addressed an important topic in the field of commercial companies law, discussing all the controls governing the merger of the Public Joint Stock Company in the light of Bahraini legislation, it turns out that the ambiguity and complexity of the idea of integration has led to a multiplicity of concepts and definitions given and accompanying the entire merger process, and opened the way for different definitions about the concept of merger by jurists.

- There are several doctrinal and legal definitions of the concept of mergers, but all agree in describing the merger as a contract between two or more existing companies, under which either one or more companies are included in another company, the merged company's personality is eliminated, and most of its obligations and rights are transferred to the remaining company, or two companies are blended. All merger companies are more personal, and all their rights and obligations are transferred to a startup that will establish a parent and the expired company as the company's economic project continues.
- There is a clear difference between integration and blending, through their emerging effects leading to the expiry of the personality of the merged company in the case of annexation, and its complete demise of all companies in the case of mixing, and the legislator touches on the images of the merger, and the foundations on which companies wishing to merge are established in a way of annexation or mixing, because he believes that all of

them lead to a solution for the company before the expiry of its term or the realization of the purpose for which the company was established.

- The reasons for the merger vary from company to company depending on the circumstances surrounding them, whether they are internal reflected on merged and merging companies, or their external environment, the merger may be motivated by companies wishing to cooperate to integrate them, and they have a common factor that brings them together such as economic activity, or companies may be of some economic and commercial importance, or out of control when some companies that are involved appear to be superior to merged companies.
- Most corporate laws and regulations required the company to change its legal form, raising many questions about whether the company would survive, and the issue of partial transfer of assets.

The first preparatory stages depend on the failure or success of the merger;

Recommendations:

Based on the analysis that has been addressed, it has been found that we need to review the legal texts governing the merger provisions clearly indicating its procedures and requirements without engaging in legal problems imposed by the nature of the merger itself and its effects on all parties to the merger, so the researcher recommends:

1. Work to take into account Arab experiences when amending the provisions and provisions of the merger in order to contribute to the promotion of the investment environment within the country.
2. To ensure that the merger is based on careful financial and economic legal studies on the reality of companies wishing to merge, the nature of their commercial and profitable

performance, the economy and finances, to protect investors' funds and to achieve reasonable justice in the company's evaluation.

3. Issuing a set of regulations and legislation to fill the gaps that govern the performance of joint stock companies and securities market laws, while providing a range of features to companies that want to merge, such as tax exemptions and other facilities needed by the company after the merger.
4. The merger project must be regulated for its importance and made accessible to partners or shareholders before the merger.