

IRAQ ACT No. 21 of 1997



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COMPANIES ACT NO. 21 OF 1997

Chapter I: General Provisions

Section 1: Objectives, Foundations, and Scope of Application

Article 1

The purposes of this act shall be:

1. To regulate the establishment and operation of companies;
2. To protect creditors from fraudulent activities;
3. To safeguard shareholders from conflicts of interest and abuses by company officials, majority owners, and other individuals with significant control over the company's operations;
4. To promote the provision of full and accurate information to owners regarding decisions that impact their investment and the company.

Article 2

This article is suspended.

Article 3

This act shall apply to both mixed and private companies, as well as all investors. Its provisions shall also apply to banks, provided they do not conflict with Coalition Provisional Authority (CPA) Orders, including CPA Order No. 40, which enacts the Banking Law, and CPA Order No. 18, which outlines measures to ensure the independence of the Central Bank of Iraq. Additionally, it shall align with the Central Bank of Iraq Law No. 64 of 1976 (as amended) and the regulations issued under those orders.

This act shall also govern securities transactions, financial investment companies, and insurance and reinsurance companies, as long as it does not conflict with specific legislation or regulatory authority applicable to these entities. Decisions made by the Registrar of Companies (hereinafter "Registrar") under this act shall be based on its provisions and not on considerations of economic planning or development policy. The Registrar's decisions shall not generally prevent third parties from seeking compensation for legal violations caused by those responsible.

Section 2: General Provisions on Companies

Sub-Section One: The Company's Contract and Mutual Obligations of Owners

Article 4

1. A company shall be a contract between two or more persons, with each person contributing a portion of capital or services to an economic project in order to share in the profits or losses that result.
2. Exceptions to the above provision:
 1. A company may be established by a single natural person under the provisions of this act. Such a company shall be referred to as a "sole owner enterprise."
 2. A limited liability company may be formed by a single owner in accordance with the provisions of this act.
3. Capital owners in a company shall not use their voting or other authority to:
 1. Harm or disadvantage the company for their own benefit or for those associated with them, at the expense of other company owners; or
 2. Jeopardize creditors' rights by withdrawing capital or transferring assets when insolvency is imminent or when such actions are prohibited by law.

Article 5

A company shall acquire corporate status in accordance with the provisions of this act.

Sub-Section Two: Types of Companies

Article 6

1. A mixed or private joint-stock company shall be established by no fewer than five persons, who shall participate by owning shares through public subscription and shall be responsible for the company's debts only up to the nominal value of their shares.
2. A mixed or private limited liability company shall be formed by no more than 25 natural or juridical persons, who shall subscribe to its shares and shall be responsible for the company's debts only up to the nominal value of their shares.
3. A joint liability company shall be formed by no fewer than two and no more than 25 persons, each owning a share of its capital. They shall jointly assume personal and unlimited responsibility for all of the company's obligations.
4. A sole owner enterprise shall be formed by one person, who owns the entire capital share and assumes personal and unlimited responsibility for all of its obligations.

Article 7

1. A mixed company shall be established by an agreement between one or more persons from the state sector and one or more persons from outside the state sector. The state sector's initial share in the mixed company's capital shall not be less than 25%. A mixed company may

also be formed by two or more persons from the mixed sector. If the state sector's share falls below 25%, the company shall be treated as a private company, as outlined in Article 8, Paragraph Second, Subpoint 2.

2. A mixed sector company may take the form of a joint-stock company or a limited liability company.

Article 8

1. A private sector company shall be established by an agreement between two or more persons from outside the state sector, using private capital.
2. Exceptions to the provisions of Paragraph First of this article, it shall be permissible to:
 1. A sole owner enterprise shall be formed by one natural person, or a sole owner limited liability company shall be formed by one juridical or natural person.
 2. The state sector may hold less than 25% of the capital in a private joint-stock company or a limited liability company. Exceptions to this percentage shall include: Government insurance and reinsurance companies, the Labor and Social Security Department, and any other investment entities that the cabinet may add under this provision.
 3. A private sector company may take the form of a joint-stock company, a limited liability company, a joint liability company, a sole owner enterprise, or a simple company.

Article 9

1. A Financial Investment Company shall be a company organized in Iraq, whose primary activity is to direct savings toward investment in Iraqi financial securities, including shares, bonds, treasury bills, and fixed deposits.
2. The Financial Investment Company shall be considered one of the intermediary financial establishments under Iraqi Central Bank Law No. 64 of 1976. The Central Bank of Iraq shall serve as the relevant authority overseeing its activities and exercising supervision and control, with an ordinance issued for this purpose within 180 days from the publication of this act in the Official Gazette.

Article 10

1. Suspended.
2. Companies engaged in the following activities must be structured as joint-stock companies:
 1. Insurance and reinsurance;
 2. Financial investment.

Article 11

Any economic project not covered under the provisions of Article 10 of this act shall be permitted to take the form of one of the companies specified in this act.

Section 3: Membership in the Company

Article 12

1. A juridical or natural person, whether foreign or domestic, shall have the right to acquire membership in the companies specified in this act as a founder, shareholder, or partner, unless prohibited by law or by a decision from a competent court or authorized governmental body.
2. Suspended.
3. Suspended.

Chapter II: Establishment of the Company

Section 1: Requirements for Establishment

Article 13

The founders shall prepare a contract for the company, signed by them or their legal representative. The contract shall include, at a minimum:

1. The company's name and legal form shall be stated, with the word "mixed" added if it is a mixed-sector company, along with any other acceptable designations.
2. The company's head office shall be located in Iraq.
3. The purposes for which the company is established and the general nature of the business to be conducted shall be clearly outlined.
4. (Suspended)
5. The company's capital shall be divided into quotas and shares.
6. The method for distributing profits and losses in a joint liability company shall be specified.
7. The number of elected members on the board of directors of the private joint-stock company shall be noted.
8. The names of the founders, along with their nationalities, professions, permanent addresses, the number of shares they own, and their percentage of the capital, shall be provided.

Article 14

In the case of a limited liability company with no additional founders, or for a sole owner enterprise, the founder shall prepare a statement serving the purpose of a company contract. This statement shall be subject to the same provisions applicable to the company contract as outlined in this act.

Article 15

The founders of the company shall subscribe to the company's capital in accordance with their agreed-upon contributions.

Article 16

1. The founders shall deposit the company's capital, as specified in Article 28, Paragraph First of this act, with one or more banks authorized to operate in Iraq. It is permissible for the company's capital to include contributions in kind, as stipulated in Article 29 of this act.
2. (Suspended)
3. The joint-stock company's members, who must not exceed 100, shall elect a committee from among themselves, known as the "Founders Committee." This committee, consisting of no fewer than three and no more than seven members, shall undertake the following responsibilities:
 - a. Conclude a contract with specialized experts to conduct an economic and technical feasibility study of the business to be carried out by the company.
 - b. Oversee the procedures for establishing the company, and submit the association contract and subscription document to the Registrar of Companies. This submission shall include the names, signatures, addresses, and nationalities of the founders, as well as other required information.
 - c. Manage expenditures until the company's establishment procedures are completed.
 - d. Open a joint account in the name of the committee with one or more banks authorized to operate in Iraq.
 - e. Maintain records of decisions made and tasks fulfilled by the committee.
 - f. Obtain the necessary project licenses and conclude contracts necessary for the company's establishment after receiving approval for its formation.
 - g. Prepare the founders' report, specify the expenditures related to the company's establishment, and call a meeting of the General Assembly.
2. The duties of the Founders Committee shall end upon the election of the company's board of directors.
3. The members of the Founders Committee shall be jointly liable to the founders for their actions.

Section 2: Establishment Procedures

Article 17

The application for establishing a company shall be submitted to the Registrar, accompanied by the following documents:

1. The company's contract.
2. The subscription document of the joint-stock company, signed by the founders.
3. A statement from the bank(s) confirming that the capital required under Article 28 has been deposited.
4. The technical and economic feasibility study for the joint-stock company.

Article 18

(Suspended)

Article 19

The Registrar shall approve the application for establishment unless it finds it in conflict with a specific provision of this act. The Registrar must issue approval or disapproval of the establishment application within 10 days of receiving it. For all companies except joint-stock companies, the establishment certificate shall be issued upon approval, serving as evidence of the company's formation. If the Registrar disapproves an application, it shall issue a written decision explaining the reasons for disapproval. In the case of joint-stock companies, the Registrar shall issue written notification of its decision, either approval or disapproval, at the time of the decision. No certificate shall be issued without the payment of the applicable fee.

Article 20

(Suspended)

Article 21

1. The Registrar shall publish the decision approving the establishment of the company in the special bulletin, referred to as "the Bulletin," as provided under Article 206 of this act.
2. For joint-stock companies, the certificate of establishment shall be issued after the public subscription to its shares and within 15 days from the date the founders submit the data stipulated in Article 46 of this act.

Article 22

The company shall acquire corporate status from the date of issuance of its establishment certificate. This certificate shall serve as proof of the company's legal status.

Article 23

A company established in Iraq in accordance with the provisions of this act shall be considered an Iraqi company.

Article 24

If the Registrar rejects the application for the establishment of a company, it must provide a written explanation detailing the legal provisions violated and the facts supporting each violation. The applicant has the right to contest the Registrar's rejection by appealing to the Minister of Trade within 30 days of receiving the notification. The Minister of Trade must review the rejection within 30 days of receiving the appeal. If the Minister also rejects the application, the applicant has the right to appeal the Minister's decision before the competent court within 30 days.

Article 25

The founders may submit a new application for the establishment of the company once the reason for the initial rejection has been addressed and resolved.

Chapter III: The Company's Funds

Section 1: The Capital

Article 26

The company's capital shall be specified in Iraqi dinars.

Article 27

The capital shall be allocated exclusively for carrying out the business activities specified in the company's contract and for fulfilling its obligations. It is impermissible to use the capital for any other purpose.

Article 28

1. The capital of a joint-stock company shall not be less than two million (2,000,000) dinars. The capital of a limited liability company shall not be less than one million (1,000,000) dinars. For all other companies, the capital shall not be less than fifty thousand (50,000) dinars.
2. A joint-stock company's liabilities may not exceed 300 percent of its total capital and other equity rights.

Section 2: Division of Capital

Sub-Section One: Division of Capital in Joint-Stock Companies and Limited Liability Companies

Article 29

1. The capital of a joint-stock company and a limited liability company shall be divided into shares of equal monetary value. These shares shall be indivisible.
 2. In both joint-stock companies and limited liability companies, the capital may include shares offered in exchange for tangible or intangible in-kind property contributions by one or more of the founders.
1. In the case of a joint-stock company, property-in-kind shares shall be evaluated by a committee approved by For a joint-stock company, property-in-kind shares shall be evaluated by a committee approved by the Registrar, ensuring that the committee has expertise, objectivity, and includes specialists in law, accounting, and the company's field of business.

2. In the case of a mixed joint-stock company, the committee established under sub-paragraph 1 shall submit its report to the Registrar within 60 days of its formation. The Registrar shall then submit this report to the Financial Control Bureau for endorsement within 30 days. If the report is not approved, the Registrar shall return it to the committee for further review.
3. For a private joint-stock company, all founders must agree on the value of the property-in-kind shares as assessed per sub-paragraph 1. The contract of the joint-stock or limited liability company must specify the type of property-in-kind share, its value as agreed upon by the founders, the name of the founder providing the share, and the percentage of the founder's contribution to the capital through this share. The founder offering the property-in-kind shall be accountable to anyone for the assessed value. If the actual value is found to be lower than the assessed value, the founder must pay the difference in cash to the company. Other founders may also be asked to assist in covering the difference.
4. For a joint-stock company, the committee's report shall be submitted to the constituent meeting of the company's general assembly. The founders must deposit the report with the entity handling the subscription so that subscribers can review it. If the assessed value is higher, the contributor of the property-in-kind share must pay the difference in cash. The other founders may also be asked to assist in covering this difference.

Article 30

The nominal value of a share shall be one dinar. Shares may not be issued at a higher or lower value, except as stipulated in Articles 54 through 56.

Article 31

(Suspended)

Article 32

1. (Suspended)
2. (Suspended)
3. It is impermissible for an Investment Company to invest more than 5 percent of its capital in the shares of any single company. Additionally, it is prohibited from owning more than 10 percent of the capital of any one company, taking the previous percentage into account. Its cash liquidity must not fall below 10 percent of the paid-up capital at any time.

Article 33

A shareholder shall be responsible for the company's debts up to the nominal value of the shares they own.

Sub-section Two: Division of Capital in Joint Liability Companies and Sole Owner Enterprises

Article 34

In a joint liability company, the capital is divided into quotas among the partners according to the company's contract. A sole owner enterprise consists of a single quota.

Article 35

Anyone holding a share in a joint liability company or a sole owner enterprise shall assume personal and unlimited responsibility for the company's debts. In a joint liability company, this responsibility is shared collectively.

Article 36

If the company becomes insolvent, all partners within the company shall also become insolvent.

Article 37

1. Creditors of a joint liability company may take legal action against the company or any partners who were members at the time the obligation arose. The partners are obligated to fulfill the joint liability. It is impermissible to sequester a partner's funds before giving a warning to the company.
2. Creditors of a sole owner enterprise may take legal action against the enterprise or the owner of the quota in it. The owner's personal funds shall serve as a guarantee for the debts of the enterprise, and it is permissible to seize these funds without prior warning to the enterprise, following the applicable legal procedures.

Section 3: Public Subscription in the Capital

Article 38

Public subscription shall only occur in the capital of a joint-stock company.

Article 39

1. The founders of a mixed joint-stock company must subscribe to not less than 30 percent and not more than 55 percent of the company's nominal capital, including the minimum 25 percent designated for the state sector.
2. Upon the establishment of a private joint-stock company, the founders shall subscribe to no less than 20 percent of its nominal capital.
3. The remaining shares shall be offered for public subscription within 30 days of the company's approval, as stated in a declaration by the founders and published in the official bulletin and at least two daily newspapers. This shall take place after obtaining the Registrar's approval, which must be granted unless the Registrar determines that the registration materials submitted would be misleading to investors. In such cases, the matter shall be referred to the relevant state authority overseeing the securities markets.

The public subscription statement shall include the following:

1. The text of the company's contract.
2. The number of shares offered for subscription, the value of each share, and the amount to be paid per share.
3. The minimum and maximum number of shares that can be subscribed to by an individual.
4. The location and period for the subscription.
5. The expenses related to the establishment of the company.
6. The contracts and agreements entered into by the founders on behalf of the company.
7. Any additional information the founders wish to include.
8. The report from the committee formed under Paragraph Second of Article 29 of this act, in cases where there is a property-in-kind share.
9. Founders shall not subscribe to shares during the public subscription period until 30 days have passed from the beginning of the subscription or during any extended period stipulated in Article 42 of this act.

Article 40

The founders shall be jointly liable for any damages incurred by a subscriber due to errors or omissions in the subscription statement.

Article 41

1. Subscription shall take place at a bank authorized to operate in Iraq. The subscription form shall bear the company's name and include the following:
 1. A request to subscribe to a specified number of shares.
 2. The subscriber's acceptance of the company's contract.
 3. The subscriber's name, address, profession, and nationality.
 4. Any additional information that the founders may choose to add.
2. The form shall be submitted to the bank handling the subscription, signed by the subscriber or their legal representative, along with the required payment, for which a receipt shall be issued.
3. The subscriber shall receive a copy of the company's contract and its technical and economic feasibility study, as per Section 47, Paragraph Three of this act.

Article 42

The subscription period shall not be shorter than 30 days or longer than 60 days. If, by the end of this period, the subscription does not reach 75 percent of the nominal capital, including the founders' shares, the period may be extended for a maximum of 60 more days. The founders shall republish the subscription statement and make an announcement regarding the extension.

Article 43

1. If, after the extended subscription period, the subscribed shares do not amount to 75 percent of the nominal capital, the founders must reduce the company's capital so that the value of the subscribed shares equals 75 percent of the reduced nominal capital, unless the founders

decide to cancel the establishment of the company. The founders shall notify the Registrar of their decision.

2. (Suspended)
3. If the company's establishment is canceled as per Paragraph One of this article, the founders shall inform the bank and bear the expenses of establishing the company. The bank handling the subscription shall refund all subscribers in full within 30 days of notification.

Article 44

1. The bank shall be responsible for the proper management of the subscription process and shall:
 1. Close the subscription period, announce its closure in two daily newspapers, and notify the Founders Committee.
 2. Retain all funds collected from subscribers and not release any funds to the founders.
 3. Return any surplus funds to subscribers within 15 days of the share distribution, as specified in Paragraph Two of this article.
2. If the shares offered are oversubscribed, the shares shall be distributed proportionally among the subscribers, based on their respective subscription amounts.

Article 45

1. Any person whose lawful rights are infringed by violations of the subscription rules, as well as the Registrar and the competent state authority for the securities market, has the right to contest the validity of the subscription process before the competent court and request its cancellation within 15 days from the subscription's closure. The court must treat such cases with urgency. The decision of the court may be appealed to the court of appeal, which shall act as a court of cassation. The decision of the court of cassation shall be final.
2. If the subscription is found to be in violation of the law, the founders must conduct a new subscription.

Article 46

The founders shall, within 30 days from the end of the period for contesting the subscription, submit all data on the subscription process to the Registrar, including the names of the subscribers, the number of shares subscribed by each, their addresses, professions, nationalities, and the sums paid for the shares.

Article 47

1. Once the company has been established and there are still unsubscribed shares, the board of directors may, after six months from the date of the issuance of the establishment certificate, choose one of the following actions:
 1. Sell those shares on the Baghdad Stock Exchange market; or
 2. Place the shares for public subscription following the same procedures used during the initial subscription.

2. If the shares are not sold on the market or subscribed by the public, the company's nominal capital shall be reduced by the value of the unsold shares.
3. The company, along with its responsible directors, employees, and agents, shall be liable for any materially misleading statements or omissions made during the sale or subscription process.

Section 4: Payment of Capital

Article 48

1. In a joint-stock company, subscription requires full payment for the issued shares. Unpaid shares already outstanding under previous law shall be governed by this Article.
2. (Suspended)
3. Any outstanding installments are considered privileged debt and must be paid to the company. A deferred interest of no less than 5 percent and no more than 7 percent shall be charged annually for any delay in paying the installment by the date set by the board of directors. No dividends shall be paid on these shares until the debt is settled.
4. The company shall withhold any dividends due to a shareholder until the overdue installments and their interest have been paid in full.

Article 49

If a shareholder fails to pay the installment due on their shares without legitimate reason, the board of directors may proceed to sell those shares as follows:

1. The company shall notify the shareholder through announcements in two daily newspapers, the bulletin, and the Baghdad Stock Exchange Market, giving the shareholder 30 days from the date of publication to pay the overdue installment. The notice shall include the number of shares owned by the shareholder, the amount of the overdue installment, and its due date.
2. If the shareholder does not pay within the given period, the company shall offer their shares for sale at a public auction on the Baghdad Stock Exchange Market.
3. The company shall announce the sale in the bulletin, one daily newspaper, and the Baghdad Stock Market, stating the date and place of the sale, along with the number of shares being auctioned. The period between the announcement and the sale shall not exceed 15 days.
4. The shareholder whose shares are being auctioned may settle the debt up to one day before the auction, in which case the sale will be canceled. The shareholder shall bear all expenses incurred by the company for the sale procedures.
5. The shares shall be sold at the highest bid during the auction. The company shall deduct its debts, including the unpaid installments, interest, and expenses, and return the remainder to the shareholder. If the sale price does not cover the debt, the company may collect the difference from the shareholder.
6. The company's records regarding the sale shall be considered accurate unless proven otherwise.

Article 50

After a subscriber to a joint-stock company has paid all due installments and presented the receipts as proof, they shall be issued a temporary certificate with a serial number, signed by an authorized person in the company. The certificate shall include the shareholder's name, the number of shares owned, the amount paid, and the remaining installments with their due dates. Each paid installment shall be marked on the certificate.

Article 51

Every shareholder in a limited liability company and every subscriber who has fully paid for their shares in a joint-stock company shall be issued a permanent certificate containing the same information as the temporary certificate, along with a declaration that the shares have been fully paid. Any temporary certificates shall be canceled.

Article 52

A shareholder may pay one or more installments for their shares before the due date. These payments shall be treated as still due, even if other shareholders have not yet paid the same installments. No dividends shall be paid for installments made before their due date.

Article 53

In a limited liability company, joint liability company, or sole owner enterprise, the capital must be fully paid before the issuance of the establishment certificate.

Section 5: Increase and Decrease of Capital

Sub-Section One: Increase of Capital

Article 54

1. A company may increase its paid-up capital.
2. In a joint-stock company or limited liability company, the increase of capital must be approved by a general assembly decision, which includes amending the contract and issuing new shares.
3. (Suspended)
4. The Registrar shall approve the capital increase within 15 days of a lawful request. If the Registrar does not reject the request within this period, the increase shall be considered approved. If the Registrar rejects the request, it must provide the legal and factual reasons in writing.

Article 55

The general assembly of a joint-stock company or a limited liability company may approve an increase in capital through any of the following methods:

1. **Issuing new shares:** The value of these shares must be paid in cash.
2. **Transferring funds:** Funds from the accumulated surplus or the issuance allowance reserve can be converted into shares, distributed to shareholders in proportion to their capital subscription.
3. **Withholding profits:** A portion of the company's profits can be set aside as a reserve for business expansion and development instead of being distributed as dividends. When this reserve is added to the capital, new shares equivalent to its value shall be issued and distributed among shareholders based on their capital subscription.
4. **Offering shares for cash:** When shares are offered in exchange for cash, the decision must specify the number of shares to be issued and the sale price or the method of determining that price. Shares may be offered at a value equal to or greater than their nominal value, based on the general assembly's decision, which considers the company's performance and, if applicable, the share prices on the Baghdad Stock Exchange market. Any excess proceeds from the issue price over the nominal value, called the issuance allowance, shall be recorded in the issuance allowance reserve account, after deducting issuance expenses. This reserve cannot be distributed as profits.

In the case of a joint-stock company, the company must submit to the Registrar a general assembly decision to increase the capital, supported by an economic study justifying the increase and specifying how the funds will be used. If the Registrar finds the information materially misleading, the matter will be referred to the competent state authority for the securities market.

Article 56

1. In a joint-stock company, the new shares must be offered for public subscription within 30 days of the company's notification of the Registrar's approval of the capital increase. The subscription period shall last between 30 and 60 days, with the possibility of a one-time renewal for a similar period. The value of the shares must be paid during subscription. The capital increase is finalized based on the number of shares subscribed and paid for at the subscription's closure. The original provisions on subscription, including Articles 44 and 47, shall apply to the new shares as long as they do not conflict with the nature of the capital increase.
2. In a limited liability company, the value of the new shares must be paid within 30 days of the general assembly's decision to increase the capital. The capital increase is finalized based on the number of shares paid for by the end of this period.
3. Each shareholder has the priority to purchase new shares at the subscription price proportional to their current shares. Shareholders have 15 days to exercise this right from the date they are invited. The invitation must specify the subscription period and the nominal value of the shares. If some shares remain unsubscribed after this period, the board of directors may offer them for sale on the Baghdad Stock Exchange market.
4. For banks increasing capital by selling shares for cash, the company may issue shares without public subscription or without offering existing shareholders participation rights, provided the following conditions are met:
 1. The issuance is approved by a majority of votes from shareholders whose due installments are paid.

2. The Central Bank of Iraq approves that the sale is for fair value and is beneficial to the company and all shareholders.

Article 57

In joint liability companies and sole owner enterprises, capital may be increased following a general assembly decision to amend the contract, with the increase paid within 30 days of the decision.

Sub-section Two: Decrease of Capital

Article 58

A company may decrease its capital if it exceeds its needs or if the company incurs losses. A decrease intended as part of an arrangement to achieve a net capital increase through additional investments is exempt from the requirements outlined in Article 59, Paragraph Three, and Articles 60–63.

Article 59

1. In a joint-stock company or a limited liability company, capital may be decreased by canceling shares equivalent in value to the amount to be deducted from the capital. The cancellation must be proportional to each member's subscription in the company, to the nearest whole share.
2. The general assembly must make the decision to decrease capital, stating the reasons for the decrease.
3. Once the decision is made, the following steps must be taken:
 1. The chairman of the board of directors in a joint-stock company or the managing director in a limited liability company must submit the decision, along with a certified statement by the chief accountant detailing the company's debts and the names and addresses of creditors, to the Registrar. The submission must also include an economic and technical study explaining the reasons for the capital decrease.
 2. (Suspended)
 3. If the Registrar finds the decrease lawful, it shall announce the approval in the bulletin and two daily newspapers. Creditors or claimants may object to the capital decrease within 30 days from the publication of the announcement.

Article 60

1. If a creditor or claimant objects during the legally permitted period, the Registrar must attempt to settle the objection amicably within 30 days after the objection period ends.
2. If the Registrar cannot settle the objection, it must refer the case, along with all pertinent documents, to the competent court within 15 days of the end of the amicable settlement period. Such cases shall be treated as urgent matters.

Article 61

1. If the court settles the objections or finds the company's assurances sufficient, it shall issue a decision supporting the capital decrease. If a settlement is not reached, or the company's assurances are inadequate, the court may cancel the decrease or approve only a partial decrease that does not adversely affect the rights of objectors. The court's decision is final.
2. Regardless of the court's decision, the company must submit a copy of the decision to the Registrar within 15 days of its issuance.

Article 62

If there are no objections to the capital decrease, or the decrease is settled by the Registrar or court, the company's contract shall be considered amended by law. A copy of the amendment shall be submitted to the Registrar for registration and publication in the bulletin and one daily newspaper.

Article 63

In the case of a joint liability company or a sole owner enterprise, any decrease in capital must be decided by the general assembly through an amendment to the company's contract.

Section 6: Disposal of Shares and Quotas

Sub-section One: Transfer of Ownership

Article 64

In joint-stock and limited liability companies, a shareholder may transfer ownership of their shares to another shareholder or to outsiders, subject to the following conditions:

1. **For founders of joint-stock companies**, shares may not be transferred except in the following situations:
 1. At least one year has passed since the company's establishment.
 2. Dividends of at least five percent of the paid-up nominal capital have been distributed.
2. (Suspended)
3. **Private sector shareholders** may not transfer ownership of their shares under the following circumstances:
 1. The shares are mortgaged, seized, or sequestered under a court ruling.
 2. The share certificate is lost and a replacement has not been issued.
 3. The shares being transferred have outstanding debts owed to the company.
 4. The transferee is legally prohibited from owning shares in the company.

Article 65

Shareholders in a limited liability company have the first right to purchase shares offered for sale to outsiders. If a shareholder wishes to sell their shares, the following steps must be taken:

1. The seller must notify the other shareholders through the managing director, indicating the number of shares, their certificate number, and the price they wish to sell or have been offered, supported by evidence.
2. If none of the other shareholders come forward to buy the shares within 30 days, or if they offer a lower price, the seller is free to sell their shares to outsiders at a price higher than the one offered by the shareholders. If the sale occurs at the lower price, the transaction is considered null and void.
3. If multiple shareholders wish to buy the shares at the same price, the shares shall be divided among them in proportion to their capital subscription, to the nearest whole share.

Article 66

1. The sale of shares in a joint-stock or limited liability company must take place at a meeting between the seller and buyer, or their legal representatives, in the presence of a representative of the managing director. A contract shall be drafted, including the names and addresses of the seller and buyer, the share certificate number, the date of the transaction, the price, confirmation from the seller of payment received, and a pledge from the buyer that they accept the company's contract. This contract shall be recorded in the company's register for transferred shares and signed by the parties and the company representative. Any transaction outside of this process is considered null and void and will not be recorded.
2. Ownership of shares in joint-stock companies trading on the Baghdad Stock Exchange shall be transferred according to the market's by-laws and relevant regulations.

Article 67

If an Iraqi shareholder in a joint-stock or limited liability company dies, ownership of their shares shall pass to their heirs in accordance with Shari'a law. For non-Iraqi shareholders, the applicable inheritance law of their country shall apply. In both cases, the following must be observed:

1. If an heir is legally prohibited from owning shares or inherits more than the legally allowed limit, they must transfer ownership within 90 days of the shares becoming transferable. If they fail to do so, the board of directors of the joint-stock company or the managing director of the limited liability company shall sell the shares through a public auction.
2. If the distribution of shares among heirs increases the number of shareholders in a limited liability company beyond the legal limit, the shares shall be considered jointly owned by the heirs, in proportion to their inheritance. One heir must be chosen to represent the group within 60 days of the registration of the shares in the company's ledger.

Article 68

Any transfer of ownership of shares, other than by sale, must be recorded in the company's register based on a court ruling.

Article 69

1. In a joint liability company, a partner may transfer ownership of their capital share to another partner. Transfer to outsiders is not allowed without unanimous approval from the general assembly, and any such transfer must be reflected in an amendment to the company's contract.
2. In a sole owner enterprise, the owner may transfer ownership by amending the company's statement. If the ownership is to be transferred to more than one person or partially, the enterprise must be converted into another type of company as stipulated by law.

Article 70

1. If a partner in a joint liability company dies, the partnership shall continue through their heirs unless an objection is raised by the heirs, their legal representative (if underage), or the other partners, or if there is a legal obstacle. In such cases, the partnership will continue among the remaining partners, and the heirs will only receive the deceased partner's share based on its value at the time of death. The company's contract must be amended to reflect the change to a sole owner enterprise if only one partner remains.
2. If the sole owner of a sole owner enterprise dies and multiple heirs wish to join the enterprise, it must be converted into another type of company, as specified by this act, provided no legal obstacles exist.
3. If a partner in a joint liability company becomes insolvent or their assets are sequestered, the company shall continue among the remaining partners, and the insolvent partner's share shall be liquidated. The share shall be valued on the date of the insolvency or sequestration ruling. The insolvent partner shall have no further rights in the company beyond those from prior operations. In all cases, the company's contract must be amended to reflect the new situation or converted to a sole owner enterprise if only one owner remains.

Sub-Section Two: Mortgage and Sequestration of Shares and Quotas

Article 71

1. It is permissible to mortgage shares owned by the private sector in a joint-stock company or a limited liability company, provided that the mortgage contract is recorded in the company's special register. The mortgage shall only be removed from the register after the mortgagee acknowledges its release or a competent court issues a decision to that effect.
2. It is impermissible to mortgage quotas in the capital of a joint liability company, sole owner enterprise, or simple company.

Article 72

1. It is permissible to sequester the shares owned by the private sector in a joint-stock company or limited liability company as security for a debt owed by the owner, provided that the sequestration decision issued by a competent authority is recorded in the company's special register. The sequestration shall only be removed after a decision by a competent authority.

2. It is impermissible to seize quotas in the capital of a joint liability company, simple company, or sole owner enterprise except for a privileged debt. However, it is permissible to seize their dividends.

Section 7: Profits and Losses

Article 73

The company's net profits shall be distributed after making all legal deductions as follows:

1. At least five percent shall be allocated to a compulsory reserve until it reaches 50 percent of the paid-up capital. It is permissible, by a decision of the general assembly, to continue deducting for compulsory reserves even if it exceeds 100 percent of the paid-up capital.
2. The remainder of the profits, or part of it, shall be distributed among the members according to their quotas or shares.

Article 74

1. The reserve shall be used for expanding and developing the company's business, improving the conditions of its workers, participating in projects relevant to the company's activities, and contributing to environmental protection and social welfare programs. Dividends shall not be distributed from the reserve.
2. The reserve may be used to meet the company's debts, provided the debt does not exceed 50 percent of the reserve. Any amount above this limit shall require the approval of the Registrar.

Article 75

The losses of a joint liability company shall be divided according to the ratios stipulated in its contract, similar to the ratios for distributing profits.

Article 76

1. If a company's losses amount to 50 percent or more of its capital, the company must notify the Registrar within 60 days from the date the losses are confirmed in the balance sheet.
2. If the losses reach 75 percent or more of the capital, the company must take one of the following actions:
 1. Decrease or increase the company's capital.
 2. Recommend the liquidation of the company.

Section 8: Credit Bonds

Article 77

A joint-stock company may seek a loan by issuing nominal bonds in accordance with the provisions of this act and inviting the public to purchase these bonds. The subscriber shall receive bonds in

exchange for the money loaned to the company. The bondholder is entitled to receive interest at fixed intervals, and the bond's principal value shall be repaid from the company's funds. Bonds will be issued with a single nominal value, and they shall be exchangeable but not divisible. Each bond issue will have unique serial numbers and shall be stamped with the company's seal.

Article 78

It is impermissible to issue credit bonds before the following conditions are met:

1. The company's capital must be fully paid.
2. The total value of the bond issue must not exceed the company's capital.
3. The general assembly must approve the bond issuance based on a recommendation from the board of directors.

Article 79

The company shall submit the general assembly's decision on the bond issuance to the Registrar, accompanied by an economic study explaining the reasons for the issuance, the purposes for which the funds will be used, and any other relevant details. This information shall be provided to prospective purchasers, subject to the liability outlined in the second paragraph of Article 47 of this act, unless the Registrar finds the information to be materially misleading. In such a case, the Registrar shall refer the matter to the competent state authority for the securities markets.

Article 80

The invitation to subscribe to the credit bonds shall be published in the bulletin and two daily newspapers and must include the following details, which shall also be stated on the credit bond upon its issuance:

1. The company's name and capital.
2. The date of the general assembly's decision approving the bond issuance.
3. Information on the company's financial condition and operational results, including earnings.
4. The interest rate and due dates.
5. The value of the bond issue, its maturity date, and the nominal value of each bond.
6. The method and duration of the subscription, along with the method of payment.
7. The maturity dates of the nominal bonds.
8. The purpose of the loan.
9. Guarantees of repayment.
10. Any credit bonds previously issued by the company.
11. Any other relevant details and information.

Article 81

The bank handling the subscription process for the credit bonds must close the subscription at the end of the subscription period or once all bonds have been subscribed. The closure must be announced in two daily newspapers. The bank shall then promptly provide the Registrar with complete information regarding the subscription process, including the names of subscribers, the number of bonds subscribed by each, their addresses, professions, and nationalities, the amounts paid, and the value of the bonds.

Article 82

1. A subscriber to the credit bonds has the right to contest the validity of the subscription process before the competent court and request cancellation if the company did not comply with the procedures for bond issuance or subscription. This includes situations where the company invited subscription seven days before the closing date. The court must consider such appeals urgently. The decision can be appealed to the court of appeal, which shall act as a court of cassation. The cassation court's decision shall be final.
2. If the court cancels the subscription, the bank must return the full amount to the subscribers within 30 days of being notified of the cancellation.

Article 83

The company may sell any outstanding bonds at less than the nominal value on the Baghdad Stock Exchange Market.

Article 84

The debtor company must repay the value of the credit bonds according to the terms set during or before issuance. It is impermissible to delay the maturity date.

Chapter IV: The Company's Management

Section 1: The General Assembly

Sub-Section One: Formation of the General Assembly and Its Meetings

Article 85

The general assembly shall consist of all the members of the company.

Article 86

The general assembly of a joint-stock company must meet at least once a year. In other types of companies, the general assembly shall meet at least once every six months.

Article 87

The invitation to a general assembly meeting may be issued by the following bodies or persons:

1. The founder of the company, for the purpose of holding the constituent meeting, within 30 days from the issuance of the company's establishment certificate.
2. The chairman of the board of directors of the joint-stock company, based on a board decision, or the managing director in other companies. Alternatively, members owning not less than 10 percent of the paid-up capital can request a meeting.
3. The Registrar, either on its own initiative or at the request of the accounts controller.

Article 88

1. For a joint-stock company, the invitation to attend a general assembly meeting must be published in the bulletin, two daily newspapers, and the Baghdad Stock Exchange Market. For other companies, the invitation must be sent by registered mail to the members' postal addresses or communicated through the company's administrative office. The invitation must include the place and date of the meeting, which must be at least 15 days after the invitation is issued.
2. If the founders, chairman of the board of directors, or managing director fail to issue the invitation by the legally scheduled date, the Registrar shall issue the invitation directly, publishing it in the bulletin, two daily newspapers, and the Baghdad Stock Exchange Market.
3. It is unlawful to manipulate the meeting notice or information dissemination to bias the outcome of its decisions.

Article 89

Every invitation to a general assembly meeting must include the agenda of the meeting. It is impermissible to deviate from the agenda during the meeting unless proposed by representatives of at least 10 percent of the company's capital and approved by the majority of votes present at the meeting. In the case of a joint liability company, unanimity is required. Exceptions are made for provisions under Paragraph Two of Article 92 of this act.

Article 90

Meetings may be held at the company's head office or another location in Iraq, provided it minimizes inconvenience to the members.

Article 91

1. A member may appoint a proxy, under a certified power of attorney, to attend, speak, and vote on their behalf in general assembly meetings. Another member may also be appointed for this purpose.
2. The Registrar shall issue guidelines specifying the format, content, and preparation method for the power of attorney.
3. In the case of a joint-stock company:
 1. (Suspended)

2. The power of attorney must be deposited at the company's administrative office at least three days before the meeting. The office shall verify the accuracy of the documents. The power of attorney remains valid for any adjourned meetings.

Article 92

1. The general assembly meeting shall be held with the attendance of members owning the majority of subscribed shares whose installments have been paid, in the case of a joint-stock company, the majority of paid-up shares in a limited liability company, or the majority of quotas in a joint liability company. If a quorum is not reached, the meeting shall be postponed to the same day the following week, at the same place. A quorum is considered attained at the second meeting if 25% of such shares or quotas are represented. The company may apply to the Registrar for a waiver of the 25% minimum if this requirement would disserve the owners' general interests, based on the agenda and other circumstances. The company's contract may also stipulate stricter quorum conditions.
2. If the agenda includes amendments to the company's contract, changes to capital, dismissal of the chairman or a board member, decisions regarding mergers, transformations, the sale of more than half of the company's assets outside the ordinary business, actions under Paragraph Four of Article 56, or liquidation, the required quorum for the first meeting must be attained.

Article 93

In the case of a joint-stock company, the general assembly meeting must be attended by the Registrar's representative and most members of the board. If they fail to attend after being notified, the meeting may be held without them 30 minutes after the scheduled time. The Registrar's representative will withdraw after confirming the quorum unless a shareholder requests that they remain.

Article 94

1. Before the meeting begins, the names of participants and the number of shares they own or represent shall be recorded. Participants must present a share certificate or a power of attorney if they represent another shareholder. If shares are in a depository for book-entry transfer, no certificate is required, provided adequate ownership evidence is supplied according to the securities market regulations. The participant shall sign next to the name of the shareholder they represent.
2. A board member shall be responsible for recording participant names, and the board shall be accountable for the minutes.
3. Participants will be given a card indicating the number of votes they can cast during the meeting.

Article 95

1. The meeting shall be chaired by the chairman of the board of directors or the chairman of the Founding Committee for joint-stock companies, or the managing director for other companies, until the president of the general assembly is elected.
2. The chairman of the meeting shall select a reporter to record the minutes and a controller to verify the quorum and manage the voting process.
3. The quorum must be confirmed within 30 minutes of the meeting's start. If the quorum is confirmed, the chairman shall declare the meeting open and proceed to elect the president of the general assembly.
4. The elected president shall immediately assume responsibility and begin discussions on the agenda items in the order listed.

Article 96

1. The meeting's discussions, proposals, and decisions, including dissenting opinions, shall be recorded in the minutes book, which must be signed by the president of the general assembly, the reporter, the controller, and the Registrar's representative if present. The minutes shall be stamped with the company's seal, and a copy shall be sent to the Registrar.
2. The decisions of the general assembly shall be recorded in a special record book, stamped with the company's seal, and signed by the president of the general assembly.
3. Any general assembly member has the right to contest the procedures of the meeting, from the issuance of invitations to the decisions, by submitting a complaint to the Registrar within three days after the meeting. The Registrar must review the complaint within seven days. If any procedures violate the law, the Registrar may annul them and require the company to repeat the process. The Registrar's decision is final.

Article 97

1. In joint-stock and limited liability companies, each shareholder shall have a number of votes equal to the number of shares they own.
2. In a joint liability company, voting rights are determined based on each partner's quota in the capital.

Article 98

1. Voting shall be open, except for matters involving the election or dismissal of the chairman or a board member in a joint-stock company, or the dismissal of the managing director in other companies. A secret ballot may also be requested by shareholders owning at least 10 percent of the shares or quotas represented at the meeting.
2. Decisions regarding amendments to the company's contract, changes to capital, the sale of more than half of its assets outside the ordinary business, a transaction under Paragraph Four of Article 56, mergers, transformations, or liquidation require a majority vote from shares with paid-up installments in the case of joint-stock companies, a majority of votes from paid-up shares in limited liability companies, and a unanimous vote of quotas in joint liability

companies. If a tie vote occurs in a limited liability company or a unanimous vote cannot be obtained in a joint liability company, the matter may be referred to the competent court. For other decisions, a majority of the votes of shares or quotas represented at the meeting is required unless the company's contract specifies a higher threshold.

Article 99

The general assembly's decisions must be sent to the Registrar within four days of their adoption. The certified copy issued by the Registrar shall be considered an acceptable document by any authority.

Article 100

Holders of at least five percent of the company's shares may object to the general assembly's decisions by filing a complaint with the Registrar within seven days of adoption. The Registrar shall issue a decision within 15 days of the complaint. The Registrar's decision may be contested before the competent district court within seven days of notification. The court must urgently review such objections, and its decision shall be final.

Article 101

In a sole owner enterprise or a limited liability company with only one owner, the owner replaces the general assembly, and all provisions of this act, except those concerning meetings, apply to them.

Sub-Section Two: Jurisdictions and Powers of the General Assembly

Article 102

The general assembly is the highest authority in the company and is empowered to make decisions on all matters that serve the company's interests. It has the following powers:

1. Discuss and approve the founders' report on the procedures for establishing the company during the constituent meeting.
2. Decide on the election or dismissal of the representatives of shareholders from outside the state sector on the board of directors of a mixed company, and the representatives of all shareholders in a private joint-stock company.
3. Discuss reports from the board of directors of joint-stock companies, the managing director of other companies, the accounts controller, and other reports from competent authorities, and make decisions accordingly.
4. Review and approve the company's final accounts.
5. Discuss and approve the proposed annual plan and budget for the following year, except in joint-stock companies.
6. Appoint the accounts controller and determine their remuneration in private companies.
7. Decide on proposals for loans, mortgages, and securities in limited liability and joint liability companies.

8. Approve the percentage of profits to be distributed among the members and determine the percentage of the compulsory reserve and any other reserves deemed necessary.
9. Set the remuneration for the chairman and board members of mixed and private joint-stock companies in line with their efforts and the company's performance.
10. Approve employment rules in mixed joint-stock companies as drafted by the board of directors.

Section 2: The Board of Directors in a Joint-Stock Company

Sub-Section One: Formation of the Board of Directors

Article 103

1. The board of directors in a mixed joint-stock company shall consist of seven original members, chosen as follows:
 1. Two members representing the state sector, appointed by the competent minister or their deputy in the sector to which the company belongs, unless the state sector owns more than 50% of the company's capital. In that case, three members shall be appointed.
 2. Five members representing shareholders from outside the state sector, elected by the company's general assembly. If the state sector owns more than 50% of the company's capital, four members shall be elected.
 3. (Suspended)
2. The board of directors in a mixed joint-stock company shall also have seven reserve members, selected in the same manner and ratio as the original members.

Article 104

1. The board of directors in a private joint-stock company shall consist of no fewer than five and no more than nine original members, elected by the company's general assembly.
2. The board of directors in a private joint-stock company shall have reserve members, elected in the same manner and ratio as the original members.

Article 105

(Suspended)

Article 106

1. To qualify as a board member, the individual must:
 1. Have legal capacity.
 2. Not be prohibited from managing companies by law or any legal authority.

3. Own at least 1,000 shares if representing the private sector. If their shares fall below this threshold, they must make up the difference within 30 days of joining the board. Failure to do so will result in the loss of their board membership at the end of this period.
2. A board member who loses any of the conditions listed in Paragraph One of this article shall lose their membership from the date of the loss. Any decision influenced by their vote after the loss shall be considered null and void.
3. The term of board membership is three years from the date of the first board meeting, and it is renewable.

Article 107

1. If an elected shareholder declines to accept board membership, they must inform the board within seven days of their election if they were present during the election meeting, or from the date they were notified if they were absent.
2. A board member's resignation must be in writing and will be effective only after the board accepts it.

Article 108

1. If a vacancy arises among the state sector representatives on the board of directors, the council shall invite a reserve member, in the order of the reserve list, to fill the vacancy and attend the board meetings.
2. If a vacancy arises among the private sector representatives on the board, the chairman shall invite the reserve member with the majority of votes to fill the vacancy. If multiple reserve members hold an equal number of shares, the chairman shall choose one of them.
3. If multiple vacancies occur and there are insufficient reserve members to fill all positions, the chairman shall call a general assembly meeting within 60 days to elect original members to fill the vacancies, along with new reserve members.
4. If half of the board members in a private joint-stock company resign simultaneously, the board shall be considered dissolved. A general assembly meeting must be called within 30 days to elect a new board.

Article 109

If a board member fails to attend meetings, the procedures outlined in Paragraphs One and Two of Article 108 shall be followed, depending on the circumstances. A reserve member shall temporarily replace the original member during their absence.

Article 110

1. A person may not serve as a member of the boards of directors of more than six companies simultaneously, but they may also hold the position of chairman in one or two other boards at the same time.
2. A chairman or member of the board of directors of a company may not become a chairman or member of the board of another company engaged in similar business without authorization from the general assembly of their company.

Sub-Section Two: The Meeting of the Board of Directors

Article 111

The board of directors shall convene within seven days of its formation. It shall elect, by secret ballot, a chairman and deputy chairman from among its members for a one-year term, which is renewable.

Article 112

1. The board of directors shall meet at least once every two months, either at the request of the chairman or any other board member.
2. Board meetings shall be held at the company's head office or any other location in Iraq, as decided by the chairman, if the head office is unavailable.

Article 113

A quorum for board meetings shall be counted 30 minutes after the scheduled start time. The meeting may proceed with the attendance of the majority of board members.

Article 114

1. Board decisions shall be made by an absolute majority of the members present. In the event of a tie, the decision supported by the chairman shall prevail.
2. (Suspended)

Article 115

If the chairman of the board or their deputy fails to attend three consecutive meetings without a legitimate reason or fails to attend meetings for more than six consecutive months without a legitimate reason, they shall be considered to have resigned.

Article 116

1. The minutes of the board meetings shall summarize the topics discussed, proposals made, and dissenting opinions expressed. The minutes shall be signed by all attending members.
2. Board decisions shall be recorded in the official records book and signed by the chairman.
3. Certified copies of the board's decisions from the records book shall serve as valid documents for any authority, provided the Registrar keeps copies of these decisions.

Sub-Section Three: Jurisdictions and Powers of the Board of Directors

Article 117

The board of directors shall manage the company's administrative, financial, planning, organizational, and technical affairs, except for matters falling under the jurisdiction of the general assembly. Specifically, the board has the following responsibilities:

1. Appoint the managing director, determine their wages, responsibilities, and powers, supervise their work, and decide on their dismissal.
2. Execute the general assembly's decisions and ensure their implementation.
3. Prepare the company's final accounts for the previous year within the first six months of each year, including a report on the implementation of the annual plan. These shall be submitted to the general assembly for review and approval and must include:
 1. The general budget.
 2. The profit and loss account.
 3. Any additional statements requested by relevant authorities.
4. Approve an annual activity plan for the company, prepared by the managing director, and submit a draft budget for the upcoming year. This plan must be finalized within the last six months of the current year and include:
 1. Cash reserves.
 2. Sales.
 3. Purchases.
 4. Manpower.
 5. Capital investments.
 6. Production.
5. Monitor the implementation of the annual plan and submit periodic reports to the accounts controller, as well as an annual report to the general assembly on the results of the implementation.
6. Prepare statistical studies to improve the company's business.
7. Make decisions on loans, mortgages, and securities.
8. The board of directors shall form committees from among its members to make recommendations regarding:
 1. The selection of the company's external auditors (audit committee).
 2. Compensation for the board members and managing director (compensation committee).

Members of these committees shall not be officers or employees of the company, nor holders of 10% or more of the company's shares, nor related by blood, marriage, or personal/economic interest in a manner that could materially bias their judgment. Any departure from the committee's recommendation, along with the reasons for it, shall be disclosed at the shareholders' meeting and recorded in the minutes. The audit committee shall meet privately with the company's external auditors and ensure the accuracy and reliability of their work. It shall also ensure that all material related-party transactions, in accordance with international accounting standards, are recorded for discussion with the auditors.

Article 118

1. Any decision made by the board of directors must be signed by the chairman and stamped with the company's seal.
2. The decisions of the board of directors must be implemented immediately after issuance in accordance with the law.
3. The majority of members of the board of directors in a mixed joint-stock company have the right to object to the cabinet against any measures or guidelines that are inconsistent with the law.
4. The chairman of the board of directors is responsible for overseeing the implementation of the board's decisions.

Article 119

1. The chairman or any member of the board cannot have a direct or indirect interest in deals concluded with the company unless they obtain permission from the general assembly and fully disclose the nature and extent of their interests. They will be liable to the company for any damages caused by a violation of this article. Compliance with this article does not exclude liability under Article 4, Paragraph Three.
2. The chairman or board members cannot vote or participate in matters where they have direct or indirect interests unless they disclose the nature and extent of their interests to disinterested members and receive permission from a majority of them. If no disinterested members are available, all may act. The details of such matters must be recorded in the board minutes and made available to the general assembly and external auditors.

Article 120

The chairman and board members must act in the best interests of the company, as they would for their personal interests, and manage the company in a sound and legal manner. They are accountable to the general assembly for their actions.

Section 3: The Managing Director

Sub-Section One: Appointment and Dismissal of the Managing Director

Article 121

1. Every company shall have a managing director, either from within the company or an external specialist with expertise in the company's field of activity. The managing director's appointment, responsibilities, powers, wages, and remuneration shall be determined by the board of directors in joint-stock companies and by the general assembly in other companies.
2. It is impermissible to combine the position of chairman or deputy chairman of the board of directors of a joint-stock company with that of managing director. A person may not serve as managing director in more than one joint-stock company.

Article 122

The managing director may be dismissed by the body that appointed them, with reasons for the dismissal clearly cited.

Article 123

1. The managing director shall undertake all tasks necessary for managing the company's activities within the jurisdictions and powers granted by the appointing authority, and in line with its directives.
2. In a limited liability company, joint liability company, or sole owner enterprise, the managing director shall exercise the same jurisdictions as the board of directors in a joint-stock company, as outlined in Paragraphs Two, Three, Four, Five, and Six of Article 117 of this act.

Article 124

In exercising their responsibilities, the managing director is subject to the provisions of Articles 119 and 120 of this act. Additionally, the compensation of the five most highly compensated employees, in whatever form received, must be disclosed in writing to the general assembly.

Chapter V: Control of Companies

Section 1: Aim of Control and its Requirements

Article 125

Control is intended to ensure that the company complies with its contract and the law.

Article 126

The board of directors of a joint-stock company, and the managing director in other companies, shall prepare a list in the first month of each year containing the following information:

1. The company's name, head office address, and branch office addresses (if any).
2. The amount of capital and the shares or quotas comprising it.
3. The installments paid on the shares in joint-stock companies, the shares paid during the year, and the shares due for payment.
4. The total number of shares whose owners have lost their right to hold them.
5. The names, nationalities, professions, and shares or quotas held by:
 1. Company members, including those who gained or lost membership since the preparation of the last annual list or since the company's registration (for the first annual list).
 2. The chairman, board members, and managing director in joint-stock companies, and the managing director in other companies.

Article 127

1. A copy of the invitation to the general assembly meeting discussing the final accounts must be sent to the Registrar, along with the following documents:
 1. The annual list.
 2. The final accounts for the previous year and the accounts controller's report on them.
 3. The managing director's report on the company's progress in implementing the previous year's plan.
2. For joint-stock companies, the invitation to the Registrar must include the above-mentioned reports, as well as the board of directors' report on the company's progress in implementing the previous year's plan. Members of the company are entitled to obtain copies of the annual report and other documents.

Article 128

The Registrar has the right to request any statements, clarifications, or documents from the company to fulfill its duties under the law.

Article 129

Each joint-stock company, limited liability company, and joint liability company shall maintain a register of its members, kept at its head office, containing the following information:

1. The names, nationalities, professions, and addresses of the members, the number of quotas or shares they own, and the dates of ownership.
2. The shares owned by each member, along with the amounts paid for each share in a joint-stock or limited liability company.
3. The expiration of membership and the reasons for it.

Article 130

If a person's name is erroneously entered into or removed from the members' register, or if there is an undue delay or failure in entering or removing a member, that person or member may demand the correction of the records. If the company refuses, the individual may ask the Registrar to compel the company to rectify the records, without prejudice to their right to seek compensation for any damages.

Article 131

All information included in the members' register is considered accurate unless proven otherwise.

Article 132

1. A company member has the right to access the members' register. If access is denied, the member may request the Registrar to compel the company to allow access.

2. In joint-stock companies, limited liability companies, and joint liability companies, records must be accessible to members for 10 days before the general assembly meeting and during the session.

Section 2: Financial Control

Article 133

1. The Financial Control Bureau shall audit and monitor the accounts of mixed companies, while private company accounts are audited by auditors appointed by the general assembly. Accounts should be consolidated with those of related companies in accordance with international accounting standards unless otherwise specified by Iraq's accounting standards.
2. The accounts controller must submit a report on the accounts to the company within 30 days of completing the audit.

Article 134

The board of directors' report on the final accounts of a joint-stock company, or the managing director's report in other companies, must include detailed statements on the company's activities, specifically:

1. Significant contracts concluded in the previous year, including those involving interests of owners holding 10% or more of shares, board members, or the managing director, and any related-party transactions under international accounting standards.
2. The results of operations, including earnings, and the distribution of net profit.
3. The reserve balance and its uses.
4. Compensation, in cash or in kind, received by current and former board members and the managing director.
5. Expenses on publicity, travel, entertainment, and donations.

Article 135

The general assembly must hold a meeting to discuss and approve the final accounts within 60 days of the audit's completion.

Article 136

The accounts controller shall provide an opinion on the final accounts of the joint-stock company before the general assembly meeting. The same can be applied to other companies. In all cases, the controller's opinion must cover the following:

1. The accuracy of the company's accounts, the correctness of the statements in the final accounts, and the access provided to company data and the board of directors' report.
2. The company's adherence to modern accounting practices, including bookkeeping, accounting, and stocktaking of assets and liabilities.

3. Whether the final accounts reflect the company's true financial position and the results of its business at the end of the year.
4. Compliance with the provisions of this act and the company's contract.
5. Violations of the law or company contract that negatively affected the company's business and financial status, including whether such violations were still present at the time of auditing.

Article 137

The accounts controller shall be held accountable for the accuracy of the statements contained in their report as the company's agent responsible for controlling and auditing its accounts.

Article 138

The final accounts shall be signed by the chairman of the board of directors and the managing director in joint-stock companies, and by the managing director in other companies. Each signatory is responsible for the accuracy of the statements contained in these accounts.

Article 139

Copies of the final accounts, the annual plan, the reports on them, and the general assembly's decisions on these matters shall be sent to the Registrar.

Section 3: Inspection

Article 140

A company may be inspected by one or more professional inspectors, chosen by the Registrar, in response to a justified claim that the company has violated the provisions of this act, its contract, or the decisions of its general assembly. The claim may be made by the following:

1. (Suspended)
2. Members of the company holding at least 10 percent of the subscribed quotas or shares.
3. A member of the board of directors in a joint-stock company, or the managing director in other companies.

Article 141

The Registrar has the right to appoint an inspector when necessary without seeking permission from any quarter. If the company believes the Registrar has misused its powers, it may apply to the competent court to prove this and obtain an order to restrain any improper actions.

Article 142

1. The Registrar shall define the inspector's task, scope of work, and the type of report to be prepared in detail.
2. The appointed inspector shall submit their report to the Registrar, who will then provide copies to the company and the claimant referred to in Article 140.

Article 143

The company's general assembly may appoint its own inspector to investigate the company's affairs. The general assembly shall define the inspector's task, scope of work, and the type of report to be submitted, with a copy sent to the Registrar.

Article 144

Company employees must grant the inspector access to all books, documents, and records. The inspector may also interview employees and individuals associated with the company regarding the matter under investigation.

Article 145

If the inspector's report indicates that a member of the board of directors, the managing director, or any other company official is implicated in any questionable actions, either currently or in the past, the Registrar must notify the appropriate authorities for further action.

Article 146

The Registrar shall take appropriate measures to guide and advise the company based on the recommendations provided in the inspector's report.

Chapter VI: Termination of the Company

Section 1: Reasons for Termination

Article 147

A company may be terminated in accordance with the provisions of this act for the following reasons:

1. Failure to commence its activities without legitimate reason, despite one year passing since its establishment.
2. Suspension of activities for more than one year without legitimate reason.
3. Completion of the project for which it was established or the impossibility of completing it.
4. Merger with another company or transformation into another type of company, in accordance with this act.

5. Loss of 75 percent of its nominal capital and failure to take the necessary steps outlined in Sub-paragraph 1 of Paragraph 2 of Article 76 within 60 days of the loss being reflected in the budget.
6. A decision by the general assembly to liquidate the company.

Section 2: Merger of Companies

Article 148

It is permissible to merge one company into another, or to merge several companies to form a new single company.

Article 149

For a merger to be valid:

1. (Suspended)
2. The merger must not result in:
 1. A joint-stock company losing its corporate status in favor of a limited liability company or joint liability company.
 2. A limited liability company losing its corporate status in favor of a joint liability company.
 3. A joint-stock company, limited liability company, joint liability company, or sole owner enterprise losing its corporate status in favor of a simple company.
3. The number of members in the merged company must not exceed the legal limits for the different types of companies.
4. (Suspended)

Article 150

For the purposes of a merger, the following measures shall be taken:

1. An economic and technical study shall be conducted for the joint-stock companies involved in the merger. The study should cover the aims, reasons, conditions of the merger, and any other relevant aspects. These studies shall be presented to the general assembly of each company.
2. The general assembly of each company involved in the merger must separately decide on the merger. The decision shall specify the name, type, capital, members, and activities of the merged company. These decisions, along with the studies, must be submitted to the Registrar within 10 days of their adoption.
3. If the Registrar finds no inconsistencies with the law within 15 days of receiving the merger decisions, the Registrar will promptly grant permission and inform the companies involved. The companies must then publish the decision in the Bulletin and one daily newspaper.
4. (Suspended)
5. (Suspended)

6. Upon receiving permission from the Registrar, the companies must call for a joint general assembly meeting within 60 days of the publication of the merger decision. During this meeting, the companies must either amend their existing contracts or draft a new contract for the merged company, depending on the situation. The contract must be submitted to the Registrar within 10 days for approval and publication in the Bulletin and a daily newspaper.

Article 151

The merger becomes effective on the last publication date of the amended or new contract. On this date, the corporate status of the merging companies will be terminated. The Registrar's approval of the contract is equivalent to granting the company a license for establishment.

Article 152

All rights and commitments from the merged companies shall transfer to the company with which they merged, or to the newly formed company resulting from the merger.

Section 3: Transformation of a Company

Article 153

A company may be transformed into any of the types of companies stipulated in this act, with the following exceptions:

1. It is impermissible to transform a joint-stock company into a limited liability company, joint liability company, or sole owner enterprise; or to transform a limited liability company into a joint liability company.
2. It is impermissible to transform a limited liability company or joint liability company into a sole owner enterprise, except when there is a shortage of one member.
3. It is impermissible to transform a joint-stock company, limited liability company, joint liability company, or sole owner enterprise into a simple company.

Article 154

1. The company shall prepare an economic and technical study outlining the aims and reasons for the transformation and submit it to the general assembly.
2. The transformation shall occur based on a decision issued by the company's general assembly, which will also amend the contract to align with the new status. This decision, along with the study and the amended contract, must be sent to the Registrar within 10 days of its issuance.
3. Transformation into a joint-stock company may occur by including new members, issuing new shares for public subscription, and applying the original subscription provisions to the new shares, including the relevant provisions of Articles 44 and 47 of this act.

Article 155

1. If the Registrar does not find any inconsistency with the law within 15 days of receiving the transformation decision and amended contracts, they shall promptly endorse the transformation decision and the amended contract and notify the company. The company must publish the endorsement in the Bulletin and a daily newspaper.
2. (Suspended)
3. (Suspended)

Article 156

The transformation becomes valid on the last date of the publication of the transformation decision and the amended contract.

Article 157

In the case of the transformation of a joint liability company or a sole owner enterprise into a joint-stock company or limited liability company, the members' responsibility for the company's obligations before the transformation shall be unlimited and personal. In the case of members of the joint liability company, the obligations shall be a joint liability responsibility.

Article 158

1. If the general assembly decides to liquidate the company, or if any of the reasons stipulated in Paragraphs 1, 2, 3, and 5 of Article 147 of this act arise and the general assembly recommends liquidation, the company must appoint one or more liquidators, define their jurisdictions, and set their remuneration. The decision or recommendation must be sent to the Registrar.
2. The liquidator shall be considered the representative of the company within the limits of their jurisdictions during the liquidation period.
3. (Suspended)

Article 159

The liquidation decision or recommendation must include reasons and be sent to the Registrar within 14 days of adoption. The Registrar has the right to request additional information or consult with the company's general assembly to verify the reasons for liquidation.

Article 160

If the Registrar verifies that the reasons for liquidation are not fraudulent or unlawful, it shall issue the company's liquidation decision and appoint a liquidator within 10 days of verification. The Registrar shall inform the company of this decision, and the company must then publish the information in the Bulletin and one daily newspaper.

Article 161

(Suspended)

Article 162 (Suspended)

Article 163

Upon receiving notification of the liquidation decision, the company must cease making any changes to its membership or assuming new obligations. However, the company may continue to operate as necessary to fulfill its obligations during the liquidation process.

Article 164

1. The company retains its corporate status during the liquidation period, provided that it is explicitly stated that the company is "under liquidation" whenever its name is mentioned.
2. The company's general assembly shall continue to function during the liquidation period, but the board of directors shall be considered dissolved, and the managing director's duties shall cease from the date of receiving the liquidation decision.

Article 165

Liquidation does not absolve the company's founders, members, or management staff of any responsibility arising from their roles in the company.

Article 166

Any interested party has the right to confirm before a competent court any financial obligation the company has undertaken within the six months preceding the issuance of the liquidation decision.

Article 167

If the company's general assembly fails to appoint a liquidator within 30 days of receiving the liquidation decision, or if the liquidation decision has been issued by the Registrar in accordance with Paragraph 2 of Article 158, the Registrar has the right to appoint the liquidator and define their jurisdiction and remuneration, which shall be borne by the company.

Article 168

Upon appointment, the liquidator shall take possession of all the company's assets, including records, documents, and papers. The liquidator must then prepare a full inventory and report on the company's condition, including its debts, rights, and obligations, and submit a copy to the Registrar.

Article 169 (Suspended)

Article 170

Within 10 days of appointment, the liquidator shall call the company's creditors and any other claimants through advertisements in two local newspapers to meet at a specified time and place in order to settle debts and claims. This does not affect any party's right to pursue legal proceedings.

Article 171

The liquidator must submit a report on the liquidation process to the Registrar at least every three months. The Registrar may summon the liquidator to discuss any legal matters related to the liquidation process.

Article 172

The authority that appointed the liquidator has the right to dismiss the liquidator if they fail in their duties and appoint a new one. The same authority may appoint additional liquidators at any stage of the liquidation process if necessary. Any such dismissal or appointment must be published in the Bulletin and a daily newspaper.

Article 173

The liquidator must call the company's general assembly to meet within the first two months of each fiscal year to review and approve the previous year's budget and accounts, the accounts controller's report, and the liquidator's annual report on the progress of liquidation. The general assembly will also appoint an accounts controller for the new year. The liquidator may also call the general assembly at any time if needed for the liquidation process.

Article 174

After deducting liquidation expenses, the liquidator shall settle the company's debts in the following order:

1. Sums due to the company's employees.
2. Sums due to the state.
3. Other debts, prioritized according to existing laws.

Article 175

1. The submission of a liquidation request and the issuance of a liquidation decision are considered declarations of insolvency, protecting the rights of creditors.
2. Any transfer, concession, or disposal of company funds during the liquidation process intended to favor some creditors over others through fraud shall be deemed null and void.
3. Any mortgage contracts or liens on the company's property and assets concluded within three months before the start of the liquidation process shall be deemed null and void, unless the company becomes solvent after liquidation. In such a case, only the excess of sums received by the company for these contracts and legal interest on them will be voided.

4. Any sequestration of company funds after the start of the liquidation process shall only be valid if ordered by a competent court, except for sequestrations in the interest of the state, state sector, or employees to cover wages.

Article 176

Upon completion of the liquidation process, the liquidator shall prepare a final report and final accounts, supported by the accounts controller's report. The liquidator will then call a meeting of the general assembly to discuss and approve the final accounts and report. A copy of the meeting's minutes, decisions, final report, final accounts, and the accounts controller's report must be sent to the Registrar.

Article 177

1. The Registrar shall issue a decision to delete the company's name from its records and publish the decision in the Bulletin and one daily newspaper within 10 days, under one of the following conditions:
 1. If it has been verified that the liquidation has been completed in accordance with the law.
 2. If the liquidation process has continued for more than five years after the issuance of the liquidation decision, and the Registrar is certain that it cannot be finalized.
2. The company's corporate status shall be considered expired as of the issuance of the decision to delete its name.

Article 178

1. The liquidator shall distribute the remaining company funds among its members, in accordance with their shares and quotas, within 30 days of being notified of the decision to delete the company's name. Partial distributions may occur during the liquidation phase, provided this does not affect the company's obligations.
2. Distributions to foreign investors in the company shall comply with CPA Order Number 39, Section 12(2).

Article 179

After the decision to delete the company's name is issued, no further claims for debts or rights may be made against the company. If a creditor presents a claim that was previously unknown to the liquidator, they may seek payment from the company members in proportion to their shares and quotas, provided the claim is made within three years from the date of the deletion. Claims after this period will not be considered.

Article 180

The liquidator shall keep the company's records for five years from the date of the deletion of its name.

Chapter VII: The Simple Company

Article 181

A simple company shall consist of two to five partners who contribute shares to the company's capital. Contributions may include services or funds, or both.

Article 182

The simple company's contract must be notarized by a public notary, and a copy must be deposited with the Registrar. Failure to do so will render the contract null and void.

Article 183

The simple company shall acquire corporate status on the date its contract is deposited with the Registrar.

Article 184

The contract shall specify each partner's share of the company's capital. If not specified, shares will be considered equal. If a partner's share is in the form of services, the nature of the service must be detailed in the contract.

Article 185

1. If the contract specifies the partners' share in the profit only, this shall also be their share in the loss, and vice versa. If the contract does not specify the share in profit or loss, each partner's share will correspond to their contribution to the company's capital.
2. If the contract does not specify the share of a partner who contributes only services, their share of the profit or loss will be based on the company's profit from that service. If they contributed both services and funds, they will receive a share of the profit for both.

Article 186

1. If it is agreed that one partner will not share in either the profit or loss, the company's contract shall be considered null and void.
2. However, it is permissible to agree to exclude a partner who contributes only services from sharing in losses, provided that they are not being paid a wage for their service.

Article 187

The company's contract shall specify the method of management and the appointment of a managing partner. If these are not specified, the contract shall be null and void.

Article 188

The managing partner shall manage the company according to the powers specified by the party that appointed them.

Article 189

The managing partner shall act in the company's best interests with the same level of care as they would for their own interests.

Article 190

A simple company may be terminated for any of the reasons specified in Paragraphs 1, 2, 3, or 4 of Article 147 of this act. Additionally, it may be terminated for the following reasons:

1. A unanimous decision by the partners to dissolve the company.
2. The withdrawal of a partner from a two-partner company.
3. A final decision issued by a competent court.

Article 191

The partners may request a court decision to exclude a partner whose conduct could lead to the dissolution of the company, provided the company can continue with the remaining partners.

Article 192

If a partner withdraws, they have the right to transfer their share of the capital to another person with the approval of the remaining partners. If the remaining partners do not approve, they must accept the value of the withdrawing partner's share as determined by the court.

Article 193

In the event of the death, insolvency, or interdiction of a partner, the provisions of Article 70 of this act shall apply, depending on the circumstances.

Article 194

The simple company shall be liquidated in accordance with the provisions of its contract. If no such provisions exist, it shall be liquidated in a manner unanimously agreed upon by the partners. If the partners cannot agree, the liquidation shall be carried out by a court decision.

Article 195

The powers of the managing partner terminate with the dissolution of the company. However, the company retains its corporate status as long as necessary to complete the liquidation process.

Article 196

1. Liquidation will be carried out by all the partners or by one or more liquidators appointed by the majority of the partners. If they cannot agree on a liquidator, the court shall appoint one.
2. In cases where the company is declared null and void, the court shall, either on its own or at the request of an interested party, appoint a liquidator and specify the method of liquidation.
3. The managing partner shall act as the liquidator until a liquidator is officially appointed.

Article 197

1. The liquidator has no right to initiate any new work for the company except what is necessary to complete ongoing tasks.
2. The liquidator may sell the company's movable and immovable property directly or through an auction, unless restricted by the terms of their appointment. The liquidator may not sell the company's property unless it is necessary to settle the company's debts, with the approval of the partners.

Article 198

1. After paying the creditors and deducting sums necessary to cover other debts, expenses, and loans undertaken on behalf of the company, the remaining funds shall be distributed among the partners.
2. Each partner shall receive a share equivalent to the value of their quota contributed to the capital, as specified in the contract. If not specified, the value at the time of payment will apply, unless the partner contributed only services. The remaining funds will be divided among the partners according to their share in the profit. If the company's net funds are insufficient to cover the partners' shares, the loss shall be divided accordingly.

Article 199

The division of the simple company's funds shall follow the procedures used for dividing common property.

Chapter VIII: Miscellaneous Rules

Section 1: General Rules

Article 200

The company's registered address shall be deemed its official address for correspondence and notification. The company must notify the Registrar of any address change within seven days of the change.

Article 201

The company must display its full name and capital, along with all relevant descriptions, at its head office, branches (if any), and other business locations. This information must also be printed on letterheads, certificates, documents, and any statements issued by the company. All of this should be in Arabic, though a foreign language may be used as an addition.

Article 202

The company shall have a special seal used for stamping its business transactions, correspondence, documents, certificates, and any other statements it issues. Only an authorized person may use the seal.

Article 203

The company's contract shall not be considered valid until endorsed by the Registrar in accordance with Article 19, except as otherwise provided in this act.

Article 204

Decisions made by the Registrar may be appealed to the Minister of Trade within 30 days of notification. The Minister's decision can be further appealed as provided in Article 24 of this act.

Article 205

If the number of company members falls below the legal requirement for its type, the company must increase its membership within 60 days. If this period expires without approval for an extension, the company must transform into a legally permissible type.

Article 206

The Registrar shall issue a special bulletin for companies, in which all matters related to their affairs, as required by this act, will be published at the companies' expense.

Article 207

The Ministry of Trade, in cooperation with the Ministry of Finance, the Financial Control Bureau, and the Planning Board, shall issue guidelines for the accounting systems to be adopted by companies and for matters relating to their final accounts.

Article 208

1. The Minister of Trade shall issue guidelines to facilitate the implementation of this act.
2. The Agency Registration Law No. 4 of 1999 shall not apply to company registration, and a company is not required to retain a commercial agent for registration, though it may choose

to do so. Additionally, no certification of tax compliance or absence of tax delinquency shall be required for company registration. The Minister of Trade is authorized to issue instructions to coordinate the activities of the Registrar of Companies and the Chamber of Commerce regarding the registration and approval of commercial trade names, despite anything to the contrary in The Law on Establishment of Chambers of Commerce No. 43 of 1989.

Article 209

The fees for paperwork related to this act shall be charged in accordance with the fee chart attached to this act. The Ministry of Trade may amend the chart to align with changes in costs and processing requirements.

Section 2: Temporary Rules

Article 210

Within 90 days of the enforcement of this act, the economic projects referred to in Article 10 must adopt the form of a company. Competent sectoral authorities shall provide the Registrar with lists of registered economic projects subject to this act during the period between its publication and enforcement.

Article 211

1. The branches and offices of foreign companies and establishments shall be governed by the provisions of CPA Order No. 39 and the regulations and administrative instructions issued under it.
2. The penalties described in Articles 216, 217, 218, and 219 shall apply to these branches, offices, and their officials for any proven offense.

Article 212

The provisions on bankruptcy due to insolvency in this act shall remain applicable until a law on insolvency is promulgated.

Section 3: Penal Rules

Article 213

1. Any economic project that does not take the form of a company within the specified time frame under Article 210 shall be fined 1,000 dinars for every day of delay.
2. The penalty described in Paragraph 1 shall also apply to any company branch or office that fails to re-register or liquidate as required, for every day of delay after the deadlines set by regulations under CPA Order No. 39.

Article 214

If three months of daily fines pass without the parties mentioned in Article 210 taking the necessary steps to rectify their situation, the Registrar shall notify the competent sectoral authority to take appropriate measures against the defaulting party, while continuing to levy daily fines.

Article 215

1. Anyone conducting business in the name of a joint-stock company, limited liability company, joint liability company, or sole owner enterprise without proper registration shall be fined up to 3,000,000 dinars, considering the severity of the violation and the provisions of Paragraph 1 of Article 210.
2. Any individual conducting business in the name of a branch or office of a foreign company or economic establishment without proper registration shall be subject to the same penalties described in Paragraph 1 unless otherwise provided by applicable legislation.

Article 216

A company that fails to maintain the required records as stipulated under this act shall be fined up to 10,000,000 dinars, depending on the severity of the violation.

Article 217

A company that fails to submit the required reports and information to an official authority by the deadlines specified in this act shall be fined up to 300,000 dinars for each day of delay, based on the severity of the violation.

Article 218

A company official who knowingly provides inaccurate statements or information to an official authority about the company's business, financial condition, member shares, and dividends shall be punished by imprisonment for up to one year, a fine of up to 12,000,000 dinars, or both, depending on the severity of the violation.

Article 219

A company official who prevents an official authority from accessing the company's records and documents shall be punished by imprisonment for up to six months, a fine of up to 12,000,000 dinars, or both, depending on the severity of the violation.

Section 4: Final Rules

Article 220

1. Company Law No. 36 of 1983 is hereby repealed. However, regulations and guidelines issued under that law, which do not conflict with this act, shall remain in effect until they are replaced or canceled.

2. Any provision contrary to this act is hereby invalidated.

Article 221

This act shall come into force 90 days after its publication in the Official Gazette.

Annex: Fee Chart

1. As stipulated by the Minister of Trade, the Registrar of Companies shall charge a fee of 200,000 dinars for the registration of a joint-stock company, and a fee of 20,000 dinars for all other types of companies.
2. The Registrar shall charge a fee of 200,000 dinars for the registration of a branch of a foreign company or economic establishment, as stipulated by the Minister of Trade.
3. The Minister of Trade shall issue regulations specifying other fees for services provided by the Registrar of Companies.

