

Research Article

The Power of the Insolvency Agent of a Public Commercial Joint-Stock Company to Protect the Rights of Corporate Creditors

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Abstract: This study aims to analyse the role of insolvency agents in protecting the rights of corporate creditors in Jordan, with a specific focus on the Insolvency Law No. 21 of 2018. Adopting a normative juridical research approach, the study employs an interpretivist research paradigm that allows for both social and legal analysis of creditor protection. Secondary qualitative data gathered from primary legal documents, including relevant legislation and regulations, as well as secondary sources such as journal articles and online databases. For data analysis, content analysis employed to extract key concepts related to insolvency and creditor protection. The findings organized into three main sections: (a) an overview of the Jordanian Insolvency Law, (b) the powers and responsibilities of insolvency agents, and (c) the protection of creditors. The introduction of the new insolvency law has replaced the former bankruptcy provisions, adopting a more liberal approach that emphasizes creditor protection. Under the new framework, insolvency agents are empowered to manage and modify creditors' lists, taking on the responsibility of representing the rights and interests of creditors. Despite these improvements, challenges related to balancing creditor rights and debtor rehabilitation remain contentious. The study suggests several solutions to address these issues, including enhancing legal provisions for creditor protection, collaborating with international organizations, and strengthening the capacity of law enforcement agencies involved in insolvency processes. These recommendations aim to improve the legal framework for creditor protection and ensure fair treatment of creditors during insolvency proceedings.

Keywords: Bankruptcy, Legal Entities, Creditors, Insolvency Practitioners, Jordanian Insolvency Law, Insolvency Law, Creditor's Rights.

1. Introduction

The Hashemite Kingdom of Jordan, like many other countries, is grappling with challenging economic conditions caused by a series of crises that have directly weakened several Jordanian companies and merchants. Among these crises are regional political instabilities, which have led to a general contraction in trade and the closure of many commercial enterprises, contributing to widespread insolvency [1]. Compounding this situation, the COVID-19 pandemic of 2020 further exacerbated economic pressures, leading to a significant decline in financial returns from trade and the halting of numerous projects. This dual impact has severely affected the commercial sector's ability to meet financial obligations to creditors, with many businesses ceasing payments on commercial debts. The introduction of Jordanian Insolvency Law No. 21 of 2018 has played a critical role in reshaping the legal framework governing insolvency in the country. This law applies to both traders and non-traders, integrating previous legislation on bankruptcy and insolvency into a unified regime. One of its key aims is to facilitate the enforcement of foreign insolvency decisions, thereby promoting investment and addressing business-related litigation at both national and international levels [2].

The law provides a detailed definition of insolvency, its types, and associated attributes, along with the procedures for declaring insolvency and reorganizing failing or near-failing economic projects. Additionally, the law outlines processes for enforcing foreign insolvency decisions through reorganization plans aimed at restoring financial order. Historically, the 1982 Insolvency Law and Practice, along with the Report of the Review Committee (also known as the Cork Committee), advocated for maintaining viable business entities under certain conditions rather than resorting to liquidation. The primary objective of administration, which was later enshrined in law, was to foster a "rescue culture" the goal being to rescue companies as going concerns. Under the third statutory objective of administration, however, administrators may sell off company assets to make distributions to secured or preferred

creditors. Once this process is complete, the company may enter either liquidation or dissolution, particularly if its assets have sold [3].

Corporate creditors are key stakeholders in any organization or company, and their protection is crucial for the smooth running of business operations and the security of company assets. To enhance the attraction of capital to companies, it is essential to strengthen protections for those who supply financial resources, such as investors, managers, and other stakeholders. This can achieve through the implementation of robust laws, policies, and measures that ensure social justice and meet the needs of creditors while protecting companies. Such measures provide cumulative protection for creditors, encouraging them to offer credit facilities in the form of loans. Conversely, inadequate protection policies may cause creditors to hesitate in extending credit [4]. Globally, nations have adopted various preventive and corrective measures to safeguard the rights of corporate creditors, tailoring corporate credit regulations to fit their unique legal systems and levels of economic development [5].

However, in Jordan, these challenges particularly regional political instability and the COVID-19 pandemic have significantly weakened many organizations' ability to meet debt commitments. The Jordanian Insolvency Law No. 21 of 2018 seeks to address these issues by providing legal provisions for reorganization and creditor protection. Despite these efforts, corporate creditors remain exposed to risks due to the insufficiency of current legal protections. The purpose of this research is to explore Jordanian insolvency law, with particular attention to the role and accountability of the insolvency agent in protecting corporate creditors' rights. The study aims to: (1) evaluate Jordan's insolvency laws in relation to creditor protection; (2) assess the effectiveness of insolvency agents in managing insolvency processes; and (3) propose legal and practical recommendations for improving creditor rights within Jordan's insolvency framework. It is crucial to consider the realities of Jordan's banking and financial loan agreements, as well as the influence of checks and balances on insolvency regulations. This research will also examine how the new provisions of the insolvency law have affected commercial realities and explore potential solutions to mitigate any negative effects [6].

2. Literature Review

2.1 Introduction to Insolvency Law and Corporate Creditors

With the rise of business restructurings and the necessity for corresponding legal changes, many states have developed multiple restructuring regimes, particularly focusing on pre-insolvency measures. In Europe, this trend spurred by the passage of the European Restructuring Directive in 2019. Germany, for instance, enacted the *Unternehmensstabilisierungs- und -restrukturierungsgesetz* (StaRUG) in 2020, which introduced new pre-insolvency rescue procedures for companies [7]. However, England has a broader array of restructuring laws. The Winding-Up procedure outlined in Part IV of the Insolvency Act 1986, which is a liquidation process, alongside other mechanisms such as Administration (Schedule B1) and Company Voluntary Arrangements (CVAs). The Scheme of Arrangement (SoA), as set out in sections 895–901 of the Companies Act 2006, serves as a management tool for both solvent and insolvent firms, allowing it to be utilized at various stages of an organization's lifecycle. In response to the COVID-19 pandemic, the Corporate Insolvency and Governance Act 2020 (CIGA 2020) introduced a new restructuring procedure under Part 26A of the Companies Act 2006 [8].

The global financial crisis of 2007–2008 and the European sovereign debt crisis of 2009 contributed to a sharp increase in corporate insolvency rates. In the EU15 countries, the number of corporate insolvencies rose from 135,007 in 2006 to 174,796 in 2009, prompting many states to amend their insolvency laws to support financially distressed but viable firms, adopting a U.S.-style corporate restructuring model [9]. At the time of the European Insolvency Regulation (EIR) 2000, liquidation remained the preferred and often sole method for dealing with troubled companies in many EU Member States. Despite this, the EU encouraged Member States to modernize their insolvency laws by sharing best practices, drawing on examples from the U.S. and other jurisdictions using the Open Method of Coordination (OMC) approach. The OMC, introduced at the Lisbon European Council in 2000, is a policy-making process designed to foster consensus on EU initiatives in areas under the competence of Member States, including insolvency and restructuring law [10].

One key goal of insolvency law is to mediate the conflicting interests of a firm's stakeholders with regard to its assets during insolvency. These laws define the rights and protections of stakeholders, aiming to regulate competition in the event of bankruptcy [11]. Creditors, who allocate funds based on a firm's risk and returns, seek resolution under financial stress, prompting the creation of financial contracts to balance power between creditors and debtors as regulated by law [12]. This balance of power also reflected in the cost of debt a firm face. From an economic perspective, an effective corporate insolvency law should achieve two main objectives. First, it should offer tools to minimize value destruction during financial crises. Second, it should facilitate the efficient organization and allocation of resources in the economy [13]. Insolvency law can mitigate value destruction through several mechanisms.

For example, when a company is unable to meet its obligations, creditors may seek to recover their debts by seizing the debtor's assets. However, individual enforcement actions by creditors may lead to the loss of the going concern value of economically viable firms. To address this, insolvency law often imposes a moratorium or automatic stay, preventing creditors from enforcing their claims independently and compelling them to work in a coordinated manner [14]. Such a moratorium not only preserves value but can also foster a more efficient strategy for creditors. Moreover, insolvency can lead to additional risks for firms, such as employee resignations, or severed business relationships with suppliers and lenders. These stakeholders may perceive insolvency as a threat to their claims or working conditions, leading them to abandon the firm. This, in turn, can reduce a firm's value. Insolvency law can mitigate these risks through various legal interventions aimed at preserving value and maintaining business relationships [15].

Additionally, insolvency law typically grants post-petition creditors priority status for their new claims, often in the form of administrative expenses [16]. There may also be a need to address the issues posed by *ipso facto* clauses, which allow contracts to be terminated upon a party's insolvency. Restricting such clauses can help preserve the debtor's operations during the insolvency process. The COVID-19 crisis has prompted the reformulation of insolvency laws in many countries. In most cases, these amendments were temporary, especially during the pandemic's peak. However, in some jurisdictions, the pandemic led to permanent changes in insolvency legislation. Notably, the crisis accelerated insolvency reforms that were already on the political agenda in several countries, while also encouraging others to reassess the adequacy of their existing insolvency and restructuring frameworks [17].

2.2 The Power of Insolvency Agents for a Public Commercial Joint-Stock Company

Insolvency law provides financially distressed but viable companies with robust tools to facilitate debt restructuring, allowing them to emerge from bankruptcy with a reformed financial structure. This goal achieved through various mechanisms. Firstly, insolvency law offers a forum conducive to negotiation. Secondly, it presents numerous tools that assist in renegotiating a company's debts. These mechanisms enable a majority of creditors to impose a restructuring plan on dissenting minority creditors within the same class. In certain jurisdictions, the plan may be enforced on entire classes of dissenting creditors. By offering these tools, insolvency law mitigates holdout problems, promotes early negotiations, reduces negotiation costs, and aids in the financial restructuring of economically viable companies unable to meet their debt obligations [18]. The primary aim of corporate governance is to reduce agency costs between agents (managers) and principals (shareholders) by aligning their interests. However, this may result in excessive monitoring, which can lower a firm's value.

For instance, in a crisis, firms that overly governed may be valued lower. Anecdotal evidence suggests that shareholder-oriented governance mechanisms may pressure managers to overcommit, which could increase insolvency risk [19]. However, there is a lack of research specifically examining this relationship in financial firms, particularly during times of crisis. Additionally, it has argued that the legal nature of civil and criminal liability for insolvency agents must clearly defined concerning insolvency law provisions, with comparisons to general legal rules [20]. The legislator has not stipulated that legal practitioners must perform agency work, nor has it established any practice requirements for such work. It proposed that insolvency agents mandated to undergo specific training before issued their licences. Insolvency agents, also known as insolvency practitioners, bear the responsibility of managing the affairs of insolvent companies.

Their functions include evaluating the company's financial situation, recommending the appropriate course of action whether restructuring or liquidation ensuring that the company complies with legal procedures, and reporting to creditors, shareholders, and employees. Their powers have evolved, particularly in response to the regulations and economic conditions of 2020. Under the 2021 regulations, administrators prohibited from proceeding with significant disposals involving connected persons without creditor approval or an independent valuation [21]. Moreover, the development of the 'group solution' in insolvency law has influenced the role of insolvency agents by encouraging financial reorganisation and enhancing value through mechanisms such as the coordination of parallel insolvency proceedings and the implementation of group-wide reorganisation plans [21, 22]. In general, the role of insolvency agents is crucial in managing insolvency matters for public joint-stock companies and in devising new strategies to recover viable businesses.

2.3 The Role of Insolvency Agents in Protecting Corporate Creditors

Insolvency practitioners tasked with managing estates when individuals fail in their businesses through bankruptcy, as well as overseeing corporate insolvency processes. Professional conduct standards mandate that both categories of insolvency professionals must adhere to their fiduciary duties and maintain ethical professional behaviour. However, in corporate insolvency, the range of stakeholders affected by the company's downfall is broader [23]. Insolvency agents play a critical role in safeguarding the rights of corporate creditors, ensuring equitable asset distribution, investigating potential fraud, and acting in their clients' best interests throughout insolvency proceedings. Positioned as neutral arbiters, these agents are instrumental in balancing the conflicting interests of stakeholders during insolvency [23]. Best practices suggest that the priority interests of secured creditors should be considered first, followed by those of unsecured creditors. Under non-insolvency law, these interests protected and should remain unaffected by insolvency procedures.

While insolvency law primarily deals with procedural matters, the substantive rights of both secured and unsecured creditors governed by credit risk and other substantive legal frameworks should not be compromised [24]. Furthermore, the Collective Bargaining (CB) principle introduced to maximise creditor returns in debtor insolvency cases, focusing on creditors' collective wealth, often at the expense of concerns for employees and other stakeholders. In conclusion, insolvency law has evolved significantly in recent years, driven in part by global economic crises and the COVID-19 pandemic. Various restructuring regimes, such as Germany's "StaRUG" and England's "CIGA 2020," have adopted to aid financially distressed firms in restructuring, as an alternative to liquidation. Insolvency agents are unique in promoting the equitable

division of a company's assets and in protecting corporate creditors' interests. Analysing these laws and the role of insolvency agents highlights the importance of effective insolvency management in preserving viable firms and preventing value erosion in businesses facing financial distress.

3. Method

This study seeks to investigate the role and authority of the insolvency agent within a public commercial joint-stock company, specifically in safeguarding the rights of corporate creditors. To achieve this objective, a normative juridical approach adopted. Given the exploratory nature of the research, a qualitative methodology employed; integrating an interpretivist paradigm supports subjectivism [25]. The interpretivist paradigm deemed appropriate for this study, as it facilitates a comprehensive exploration of both the social and legal dimensions of creditor protection. Consequently, an inductive approach was utilised, as no pre-existing theory applied for framework development. Instead, the study focused on general characteristics to inform the creation of a theoretical framework. The data collection process involved sourcing secondary qualitative data from both primary and secondary materials.

Primary sources included Jordanian legislation, regulations, laws, and legal documents pertaining to insolvency and creditor rights, providing an in-depth understanding of the relevant legal framework. In addition, secondary sources consulted, including journals, books, and literature obtained from reputable online databases. These databases included Wiley Online, JSTOR, LexisNexis, Hein Online, Westlaw, and other related sources, with an emphasis on ensuring that all materials were up to date. Once the necessary qualitative data had collected, content analysis employed as the primary analytical tool. Content analysis enables researchers to determine the presence of specific themes, concepts, or words within qualitative data [26]. This method used to quantify and analyse the meanings, relationships, and prevalence of certain concepts, words, or themes within the collected data. The findings of this study presented across three key sections: (a) the Legal Framework: Insolvency Law No. (21); (b) the Role of the Insolvency Agent; and (c) the Protection of Corporate Creditors' Rights.

4. Results and Discussion

Like many nations, Jordan has significantly affected by various economic crises, which have adversely affected Jordanian merchants and companies. Political instability has further compounded these challenges, leading to a decline in commercial activity and an increase in insolvency cases. The situation exacerbated by the COVID-19 pandemic, which caused a reduction in financial returns [1]. The pandemic's effects were evident in diminished trade activity and the cessation of numerous projects, which disrupted commercial standards and hindered companies' ability to meet their debt obligations. Consequently, many debtors have defaulted on their debts. In response to these challenges, the "Jordanian Insolvency Law (IL) No. (21 of 2018)" has played a pivotal role in shaping commercial life, applying to both merchants and non-traders [27]. This legislation combines elements of insolvency and bankruptcy law, with the primary objective of establishing national provisions for the enforcement of foreign insolvency rulings. By doing so, the law aims to promote investment and address commercial disputes at both national and international levels. Moreover, the implementation of the Insolvency Law is crucial for ensuring the protection of creditors' rights.

4.1 Legal Framework: Insolvency Law No. (21)

The Jordanian Insolvency Law No. (21) 2018 introduced to align with international standards for investment and commerce, creating a more favourable environment for both domestic and foreign investors. One of the key changes in this law was the abolition of bankruptcy provisions that previously existed under the "Law of Commerce No. (12) Year 1966," with conciliation from bankruptcy now provided for under the amended law. Under the new law, insolvency defined as the debtor's inability or cessation of payments on due dates. When their financial obligations surpass the total value of their assets. This redefinition introduces flexible measures and lighter consequences for insolvent individuals, enabling them to restructure their financial obligations instead of being socially stigmatised. Under the old bankruptcy provisions, individuals declared bankrupt barred from exercising certain political rights, such as participating in elections, a situation that has changed by the new Insolvency Law.

The scope of the new law has broadened, allowing a wider range of individuals and entities involved in economic activities to benefit from the legal option of insolvency. It applies to natural persons and legal entities

engaged in activities such as industrial or professional services, as well as hotels. The law lists specific examples, including legal entities, government-owned companies, civil companies, licensed professionals, and individual merchants. However, it excludes banks, associations, clubs, insurance companies, and municipalities from its application. The Insolvency Law also provides comprehensive provisions aimed at ensuring the stability of relations between creditors and debtors. It considers various categories of creditors and outlines the legal repercussions of insolvency declarations at multiple levels.

It further includes provisions for reorganisation plans, detailing the processes involved, and specifies the responsibilities of the insolvency administrator. While the law offers lenient options for debtors, it also stipulates penalties for insolvent individuals acting in bad faith or those involved in criminal activities. Additionally, the law expands the application of insolvency to international contexts, allowing foreign insolvency rulings to enforce through Jordanian courts. This feature supports foreign investors by facilitating transnational commercial activities and protecting their rights. The law also ensures the protection of creditors' rights, making it a vital legal tool for managing both local and international insolvency matters.

4.2 Role of Insolvency Agent

The insolvency agent granted the authority to amend the list of insolvency creditors, a power conferred under the Jordanian Insolvency Law (IL). The insolvency agent is responsible for managing the debtor's assets and obligations in accordance with Articles 57 to 65, which outline the procedures for overseeing the creditors. Upon their appointment, the insolvency agent is required to submit reports to the court within two months, detailing the management of the debtor's assets, which form part of their insolvency liabilities. Subsequently, the insolvency agent compiles an inventory of the debtor's assets and rights, while creditors are required to submit written requests registering their debts. These requests must include the classification of the debts, in line with the rules established under the IL.

Once the insolvency agent has reviewed the creditors' submissions, confirmed their validity, and ensured their proper classification, the creditors incorporated into the list. The insolvency agent then submits this list to the court. To ensure transparency, the list published in the official gazette and a daily newspaper, notifying all stakeholders. Insolvency cases linked to the debtor's financial status and obligations, but the legislator retains the right to object to the creditors' list and its classification before the insolvency court. Creditors do not have the right to object before the insolvency agent. If no objection raised, legal procedures for publication commence in accordance with Article 16 of the IL.

This article mandates the insolvency agent or the debtor, upon court instruction, to publish a notice of the insolvency decision in a daily newspaper, ensuring that the debtor's economic activities publicly disclosed. Additionally, the court's decision must register in the company's records. The insolvency agent is empowered to amend the creditors' list before submitting it to the court and prior to its publication in the official gazette. However, any objections to the list must submitted in accordance with Article 64. This process ensures the fair and transparent handling of insolvency cases, providing a structured mechanism for the protection of creditors' rights while balancing the legal obligations of debtors.

4.3 Protection Rights of Corporate Creditors

Corporate creditors are crucial stakeholders who exercise significant control over the smooth and efficient operations of a company's daily functions. They play a pivotal role in safeguarding the company's assets, which in turn helps attract and increase investment inflows. To facilitate these objectives, various laws and procedures implemented to ensure that the rights of creditors upheld and that companies remain solvent. Insolvency is a critical legal concept, influenced by a range of variables, including social, health, financial, and economic factors. Different circumstances can affect the relationship between a debtor and creditor when negotiating and fulfilling contractual obligations. To mitigate these risks, legislators have enacted measures aimed at protecting creditors and ensuring compliance with obligations.

Creditors often demand precautionary measures, such as seizure of assets, while filing lawsuits and the Jordanian Insolvency Law (IL) includes distinctive features that set it apart from bankruptcy law. One of the primary challenges posed by insolvency is its potential to affect not only the economy but also companies and individuals. In response to this challenge, IL introduced to regulate liquidation and insolvency processes for companies or individuals who are unable to meet their financial obligations. The IL designed to provide legal protection for both creditors and debtors, offering them an opportunity to rebuild their financial and

economic stability. As a legal system, IL governs liquidation and settlement procedures in cases of insolvency. It also ensures that when a debtor cannot meet their obligations, the law provides protection to creditors. Both bankruptcy and liquidation law converge on two key points: they compel the debtor to settle their debts and focus on liquidating the debtor's assets for distribution among the creditors.

Thus, the insolvency system in Jordan ensures the equitable treatment of all creditors, aiming to balance the interests of all parties involved. The Jordanian Civil Law incorporates provisions related to insolvency, demonstrating the legislator's commitment to creating an effective legal system for addressing the financial problems faced by debtors. However, it is equally important to address the concerns of creditors. The new IL aligns with Jordan's economic framework and plays a pivotal role in supporting creditors' rights. In a significant ruling, Jordan's Cassation Court affirmed that when imposing interdiction on a debtor, all surrounding circumstances must take into account. These circumstances include both general and specific factors relevant to the debtor's situation, as well as the legitimate interests of the creditors.

The ruling may declare the debtor insolvent, or it may take into account potential future income sources that could affect the debtor's ability to settle debts. The court emphasised the importance of considering the principles of justice and flexibility when handling debt and insolvency cases. Past rulings have stressed the necessity of accounting for all circumstances surrounding the debtor, including future income streams, while also taking into consideration the legitimate interests of creditors. This approach reflects a legal philosophy that seeks to balance the rights of creditors with the just interests of debtors. The ruling is both fair and balanced, as it allows the court to make well-informed decisions based on the debtor's overall financial situation. This ruling also contributes to the development of a judicial approach to insolvency, focusing on resolving conflicts and addressing financial issues.

The state of insolvency, as defined under Article 375 of the Jordanian Civil Law, arises from a judicial ruling that highlights the debtor's cessation of payment of their commercial debts. It is important to differentiate between insolvency and a temporary inability to meet financial obligations, which caused by unforeseen circumstances. An individual who temporarily refrains from fulfilling their debts are not necessarily in solvent the abstention may be short-term, stemming from financial hardship due to a lack of accessible funds. Jordan's IL faces various challenges, one of which is the interpretation of bankruptcy and insolvency within the law's framework. The terminology used in the new IL may also create confusion between the civil and commercial meanings of insolvency. Addressing these challenges is essential for the successful implementation of insolvency law in Jordan, ensuring clarity and fairness for all stakeholders involved.

5. Recommendations

To enhance the protection of corporate creditors in the context of insolvency cases, several recommendations should consider. First, it is advisable to incorporate specific provisions within Jordan's Insolvency Law (IL) that explicitly address the protection of corporate creditors. This would establish a robust legal framework designed to safeguard creditors' rights comprehensively. Such provisions would enable insolvency agents to implement measures more effectively, ensuring that creditors legally protected throughout the insolvency process. Second, the Jordanian government should consider collaborating with international authorities such as the International Monetary Fund (IMF), the World Bank, and other relevant organisations to address insolvency issues. This collaboration could facilitate the integration of international best practices and standards into Jordan's insolvency framework. Additionally, incorporating provisions from various international human rights organisations would further bolster creditor protection and ensure their rights secured within the insolvency context. Furthermore, it is crucial for the Jordanian government to focus on strengthening and promoting law enforcement agencies that handle insolvency cases. Engaging with international organisations could be beneficial in this regard, as it would provide access to expertise and resources necessary for effective enforcement and oversight. Lastly, the Jordanian legislator should develop specific criteria to classify different categories of insolvent debtors, including insurance companies and banks. The Insolvency Law should amend to accommodate government-affiliated firms as potential insolvent debtors. Moreover, the legislator should encourage courts to permit debtors to declare their insolvency in a structured manner. This approach would ensure a more inclusive and practical framework for addressing insolvency across various sectors and entities.

6. Research Implications

This research study demonstrates both practical and theoretical significance, enhancing its overall effectiveness. It particularly contributes to the literature on the role of insolvency agents in safeguarding the rights of corporate creditors within the framework of Jordanian Insolvency Law (IL) and related legislation. The study offers a detailed examination of the new Jordanian IL, providing a comprehensive analysis of its strengths and weaknesses. This analysis has facilitated the development of recommendations aimed at improving the legal framework, which could lead to substantial improvements in the management of insolvency cases. Furthermore, the findings of this study may motivate insolvency agents of public commercial joint-stock companies to focus on protecting creditors' rights by enforcing relevant laws and regulations. These agents are encouraged to collaborate with various law enforcement strategies in Jordan to ensure effective protection of corporate creditors' rights. The study also advocates for the Jordanian government to integrate specific provisions into the IL that address creditor protection, potentially leading to significant enhancements in the legal framework. Additionally, the research highlights important policy implications. It suggests the development of policies that establish criteria for insolvency agents to more effectively safeguard the rights of creditors. This could lead to improved practices and outcomes in the field of insolvency management.

7. Limitations and Future Research

While this research has effectively addressed various implications concerning the protection of corporate creditors' rights within the framework of Jordanian Insolvency Law (IL), it is not without limitations that warrant attention for future research. The study confined to the context of Jordanian IL and its impact on corporate creditors' rights, a focus influenced by the researcher's specific interest. Additionally, the research relies solely on secondary qualitative data, which may affect the study's credibility and novelty. Furthermore, the cross-sectional nature of the research, involving data collected at a single point in time, necessitated by constraints related to resources and time. To address these limitations, future research could take several steps. A comparative analysis of IL across common and civil law jurisdictions could provide valuable insights into different legal frameworks and their efficacy in protecting creditors' rights. Additionally, conducting primary qualitative or quantitative studies could gather first hand perspectives from insolvency agents and corporate creditors, which might inform significant amendments to the IL's legal framework. Longitudinal research, involving extended data collection over time, could also offer robust evidence and a deeper understanding of the dynamics of insolvency and creditor protection. These measures could contribute to enhancing the legal framework and practices related to insolvency in Jordan.

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