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The legal system for liquidating commercial companies: Syria as a model

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Abstract
Partnership was not a new idea but an ancient concept in human history, initially unregulated by laws. However, it gradually took on a clear form and became subject to legislation established by humans, starting from the Code of Hammurabi, through Greek, Roman, and Islamic laws. Greek maritime trade introduced a form of partnership where capitalists provided funds to ship outfitters in the form of a loan known as "bottomry" in return for substantial interest if the ship returned safely from its voyage. The Romans also recognized a type of partnership that emerged among taxpayers. Arabs had knowledge of partnerships before Islam due to their commercial activities and voyages, which continued and evolved after Islam. Trade flourished in medieval Europe, In particular, Italy was renowned for the establishment of solidarity and commendam alliances. As human civilizations advanced and the need for collaborations to stimulate economic expansion and address requirements grew, there was a growing fascination with rules and regulations that oversee the activities of corporations from their inception to their dissolution and liquidation. The legislation encompasses a range of facets, including the grounds for liquidation, mechanisms of implementation, and other regulations aimed at protecting the interests of all business associates and external stakeholders associated with the corporation.

Keywords: Commercial companies, commercial law, liquidation

Introduction
Building of both national and international economies is part of a commercial sphere of activities. People with collective economic purposes creating these companies is what would be called joint stock companies. By their very nature, such companies come across various issues - and barriers - that impede their progress and that overcome the partners mostly with the thought (or desire): "Better liquidate and get rid of them!" rather than fight and save them from liquidation. As a result, the founders had to create a legal system regulating the interaction of the market actors; the legal system should cover all the stages – from the establishment to the wages, and even if the company finds itself in difficulties.
States have focused on creating laws specific to commercial activities, especially since many commercial companies are established for a limited period to achieve a specific goal. Therefore, it was necessary to define and clarify the legal procedures required to terminate the operations of these companies and liquidate them, ensuring the rights of contributing individuals and all stakeholders.
The clearer and more defined the legal system for commercial companies, the more the economic wheel of the state flourishes, as the development of laws and systems that support the establishment of companies and define their required operations instills confidence and security in entrepreneurs and investors interested in establishing companies. Furthermore, the integrity and fairness of the legal system of commercial companies, allowing for balance in dealings between all partners and affiliates at all stages of their operations, are essential for the safety of commercial activities.
Therefore, the liquidation phase of companies is equally important to partners and all parties involved in the company, similar to its establishment, and thus deserves the same priority.
Companies exhibit diversity in terms of their forms and designations, as well as the legal frameworks that govern their operations, with the objective of attaining distinct economic and social objectives. Upon joining the firm, the partners' will is constrained to the acceptance of the company's regulations, therefore indicating their commitment to adhere to these legal provisions.

Research Problem
The research issue is ascertaining if there are required step-by-step instructions for

liquidating companies and examining the effectiveness of the already stipulated rules in hastening the procedures of winding up commercial companies.

Research Questions

- What is the definition of commercial enterprises?
- What are the many classifications of business enterprises?
- What is the procedure for liquidating business companies?
- The liquidation of business firms can be attributed to several factors.

Research Hypothesis: The legislative framework governing the liquidation of commercial organizations is characterized by clarity, precision, and efficiency, hence enabling partners to engage in the liquidation process without apprehension over the repercussions of their insolvency.

Significance of the Research: The research has relevance due to the rising incidence of liquidation cases among commercial businesses in recent years and the escalating demand for a well-defined legal framework for liquidation that aids in streamlining its processes for stakeholders. The existence of commercial businesses that contribute to facilitating the economic movement of countries is crucial in this context.

Research Objectives: The research aims to

- Provide a clear definition of companies and the prerequisites for their formation.
- Provide a concise definition of commercial companies and their many classifications.
- Specify the legislative framework governing the process of liquidating business enterprises.

Research Methodology

This research with a descriptive-analytical approach basically can highlight the corporate sectors in a country and its laws with relation to company formation and liquidation. Furthermore, it will be subjects of study of laws adopted for the liquidation of companies to evaluate their functionality in the matter of their moving along the path of partners and to prompt them establishing the companies without regarding the fear of their failure.

Scope of the Research

The scope of the research will be limited to studying the legal rules governing the liquidation process of commercial companies according to Syrian civil and commercial law.

Previous Studies

- Research conducted by Maryam Nour titled "Liquidation of Commercial Companies.
- Joint-Stock Company as a Model." In the first chapter, Nour highlighted the importance of the liquidation process for commercial companies as a balanced and fair termination tool. She discussed general rules for liquidating these companies, defining liquidation and its types, whether contractual or judicial. Nour defined the liquidator as the person selected by the partners in the company to carry out the liquidation procedures on their behalf, addressing his appointment, removal, responsibilities, and rights.
- Nour also discussed the reasons leading to the liquidation of companies, either due to partners' will or subsequent harm to the essence of the company. She also discussed the termination of liquidation by closure when certain conditions are met, such as submitting the final accounts and convening the general assembly of the company to review the final accounts, ending the liquidation process by publishing the closure in the official legal gazette or in an authorized newspaper, and deleting the company from the commercial register. In the second chapter, she discussed the liquidation of a commercial company, specifically the joint-stock company, by defining its nature, characteristics, methods of establishment, and management. She addressed general reasons leading to its liquidation, such as the expiration of the specified term for its establishment, the loss of its capital, or its merger with another company, as well as specific reasons like the decrease in its capital and the number of shareholders, or an agreement among all partners to dissolve it. She concluded that Algerian law pays attention to the liquidation topic by establishing general rules without specifying rules for each type of company.
- Study conducted by researchers Samira Belaidi and Nadia Sabongi titled "The Legal System for Protecting Companies under Liquidation from Arbitrary Use of Their Funds." The significance of the research lies in considering the liquidation of commercial companies as a legal issue that the company undergoes, aiming to convert the company's assets into cash to distribute them fairly among the partners while settling their legal positions.

In the first chapter, the researchers discussed the preventive protection of the company's funds under liquidation. They provided a definition of liquidation and the legal consequences resulting from it, from maintaining its legal personality until its closure. They emphasized the importance of appointing a liquidator, who must be among trusted experts possessing personal integrity and technical knowledge, either appointed by the partners or by the judiciary depending on the type of company. The research also addressed the powers and authorities of the liquidator, including inventorying the company's assets and managing its affairs in a manner that preserves the liquidation funds, refraining from engaging in new activities, urgent maintenance of assets, or selling company assets and collecting debts. The research also discussed the limitations facing the liquidator's powers, such as refraining from engaging in any new activity requiring a license. Additionally, the research addressed the crime of arbitrarily using the company's funds under liquidation, its material and moral aspects, and the distinction between it and other similar crimes such as dissipating the company's funds under liquidation. The researchers concluded the following at the end of the research:

- The Algerian legislator ensures legal protection for the funds of the company under liquidation.
- One of the main measures, specific to the Algerian legislature, is the establishment of the criminal liability of the liquidator for harmful financial transactions detrimental to the business. This is done, not only to protect the capital of the partners in the company, but

also aims to protect the interests of the company as an independent legal entity.

- Study conducted by researcher Ben Afaf Khaled titled "The Legal System for Liquidating Commercial Companies in Algeria," where the researcher discussed the importance of the topic of liquidation of companies due to its complexity and the numerous procedures and operations it requires, and its general impact on the economic situation. The researcher emphasized the necessity of addressing and providing practical solutions to large projects related to daily economic activities.

In the first chapter of the research, the researcher discussed the general rules for liquidating commercial companies in Algerian law and explained the reasons for liquidating companies based on the will of the partners, such as agreement among them to liquidate, withdrawal of one of them, or merger with other companies. Additionally, the study addressed reasons arising from the force of the law, such as the end of the company's term, the proposed principal would be shutdown, the destruction of capital or the declaration of its bankruptcy. The research shed some light on legalities of liquidation such as the permanent seizure of the company's assets, the abrogation of its status as a legal entity and the recovery of the rights infringed upon through liquidation. In addition, the Court of Appeals appointed liability for the company that fails to add a note "under liquidation" to its name and risks being stripped by the fact of failure to maintain registered office for lawsuits, filed against the company in due time. Subsequently, the article elaborated on liquidator, for whom the partners could appoint a judge to be in charge in case of disagreements, and the reasons for the termination of their duties, which include expiry of employment term, initiation of the partners or the judge to replace the resigning or unaccountable liquidator. The next chapter mentioned the results of liquidating commercial companies and the implications of canceling bankruptcy for companies which fall under the umbrella of liquidation.

- Study conducted by researchers Fatima Ben Safi and Sabiha Qasimi titled "Liquidation of Commercial Companies," where the researchers discussed the importance of companies in economic growth and divided the reasons for liquidating companies into general and specific reasons. They listed the general reasons for the termination of the company, such as the expiration of its term, achieving the purpose of its establishment, judicial reasons by court order, or loss of the company or the expulsion of one of the partners. As for the specific reasons for liquidation according to the researchers, they include the withdrawal of one of the partners and the agreement of the partners to dissolve the company. They also mentioned involuntary reasons for liquidation, such as the death of one of the partners, his incapacitation, bankruptcy, or insolvency, in addition to the loss of eligibility by one of the partners and the bankruptcy of the company. The authors of the law determined the employee to make an announcement either the enterprise Board of Directors or the Extraordinary General Assembly in compliance with the actions of dissolution. They stressed strongly how maintaining the legal personality of the firm was imperative if it was it to be distinct from other shareholders during a winding up period and also keep the nation of registration, registered address, headquarters, and the company name unchanged. In the end, the scientists will recommend an item that will ensure that the person who should be declared the liquidator is a government employee as is done in many countries.
- A study conducted by student Boughaba Um Kulthum titled "The Legal System for the Liquidator's Actions in the Commercial Company," where the researcher discussed the procedures for appointing the liquidator in Algerian law and their removal. The researcher outlined the liquidator's tasks, which are divided into preparatory actions starting with the publication of the appointment decision in the official gazette, receiving the company's records, preparing the inventory list and budget, then proceeding to the actual tasks related to continuing the company's operations and fulfilling its rights. This includes taking necessary actions such as suing individuals indebted to the company, implementing precautionary measures for these rights, executing judgments against debtors, and settling the company's debts by listing its creditors and their rights. The researcher also discussed the necessary advertisements to invite all creditors to submit their documents and arrange the company's debts, concluding with the sale of the company's assets, movable and immovable, through public auction or by agreement, to the extent necessary to repay its debts. If the partners do not agree otherwise, the liquidation is closed after taking all necessary steps to settle the company's debts from external sources and partners and to close the company by depositing its records and striking it off the commercial register. The study also addresses the effects of closing the liquidation, such as the dissolution of the company's legal personality.

Moreover, the reliance of the liquidator on company is considered as his primary responsibility where he has to answer for any deficiency, shortcoming, or negligence that occurred during the liquidation For example, they are the same as other types of contractors who are liable for any loss incurred, but they do not employ anyone except the person giving the job. The research concludes with the following results: The research concludes with the following results:

- The company legal personality of the company is the same during its liquidation period, however the powers of the board of directors as expire with termination of the phases during this time, except for responsibilities connected to helping the liquidator complete the liquidation process.
- Algerian commercial law does not us the rule that the liquidator should resort when closing the company's debt and priority debt. On the other hand, it only involves certain regulations on outstanding debts in the area of property law as set up by the Roman civil law.
- The parliamentarian has left the matter unanswered regarding the regulatory bodies that have the power to monitor the liquidator's methods, decisions and procedures. This is crucial since these may determine how the liquidation process will be carried out and whose interests will be protected in the end.
- The civil liability provisions come into force on the

liquidator, whether contractual or tortious, preconditioned on assembly of the constituent elements and observing the permitted conditions, targeting the liquidator's liabilities towards the company and the third parties. Even further, the responsibility of criminal liability is also upon the liquidator for committing negligence, fraud, deceit and other harmful actions**.**

- The job - part of liquidating the company – of the liquidator is to settle its debts, determine its rights, and prepare its assets for distribution which can be processed by all partners as well as one among them. The liquidator should not be responsible for the partition of the assets to individual equal shares of the partners.

The researcher concludes the study with a set of recommendations, including

- The necessity of intensifying legal and economic studies regarding the liquidation of commercial companies to contribute to the issuance of positive laws related to it.
- Giving the necessary importance to the subject of liquidation of commercial companies by the legislator.
- Creating a statute specifically for commercial companies, encompassing the process of their dissolution, having in mind the bright picture of Algeria that more and more people like to focus on joint projects being the commercial companies on part, as well as striving to let the lawyers and litigants concentrate on something else.
- A study by researcher "Oubaji Ayoub" titled "Procedures for the Liquidation of Commercial Companies," emphasizing the importance of commercial companies as one of the most important tools of commercial activity in the country. The liquidation process is defined as a legal procedure leading to the legal extinction of the company, concluding all ongoing company operations and settling its legal positions by fulfilling its rights and paying off its debts. If there is a surplus, it is distributed among the partners through division, while a negative outcome indicates company loss. The researcher considers liquidation as a significant process as it may yield unbalanced benefits from completing company operations and leave behind various legal positions.

The researcher classified the liquidation system into optional (contractual) liquidation, which the Algerian law adopted from French law. This type of liquidation entails provisions and procedures derived from the company's founding contract, considering the imperative provisions regulating procedural rules in commercial law. This type of liquidation is carried out by one or more persons appointed by the majority of partners or as stipulated in the company's founding contract. The second type of liquidation discussed is judicial liquidation, applicable when there is no provision in the company's contract outlining liquidation procedures, or when partners cannot agree on them.

The researcher also addressed the methods of appointing, authorities, responsibilities, and removal of the liquidator. In the second part of the study, the researcher discussed the final procedures for liquidating commercial companies, including closing the liquidation according to conditions such as submitting the final settlement account, which includes all cash received by the liquidator and all amounts spent to cover expenses. The liquidator must submit these accounts to the court for examination, allowing all parties concerned to review and obtain copies. The court will then review these accounts instead of the general assembly of shareholders or contributors when closing the liquidation. The liquidation concludes with the liquidator summoning the general assembly of the company to review the final settlement account, absolve the liquidator's management, and terminate their duties. The summoning of the general assembly is a precautionary measure to activate the supervisory role entrusted to the partners. Ultimately, the effects of liquidation include the cessation of the company's legal personality, the publication of its closure decision, and the distribution of the remaining company assets among the partners.

Section Two: A General Overview of the Historical Development of Companies

Before discussing contemporary commercial companies in our present era, it is necessary to understand the historical development of companies. The existence of companies dates back to ancient times, coexisting with humanity since antiquity. During the reign of Hammurabi, his laws included provisions related to companies that were known at that time. According to Hammurabi's legal texts, a company is a contract in which two or more individuals agree to undertake one or more activities with the intention of making a profit. Similar to speculative companies, partnership businesses were prevalent in Babylon. In such partnerships, the financier would enter into an agreement with an individual presenting themselves as a trader, providing capital to the company in the form of money, goods, or livestock such as sheep, goats, or camels. If the capital provided was in the form of money, the trading partner was obligated to use it to purchase agreed-upon goods for sale in regions where profit was anticipated. The trading partner would maintain records of all business activities related to the company, commit to returning the capital to its owner, and divide any remaining profits equally between the partners if the partnership contract did not specify different shares. The partnership contract might also include the trader partner's guarantee for the money received from their partner. In such a case, the responsibility would fall on the trading partner, even if the money was lost due to irresistible force. At that time, companies did not enjoy legal personality, and distinguishing between a partnership contract and a loan contract, especially when the contract included the trader partner's guarantee for their partner's money, was challenging.

In Greece, companies were numerous and diverse, encompassing both civil and commercial entities. They were often established to engage in banking activities, maritime transportation projects, and mining ventures. Ancient Greek legislation did not impose any specific conditions for the establishment of companies. Instead, they followed general contract rules and could be formed simply by the agreement of the parties involved, without the need for written documentation. In cases where partners did not agree on appointing a manager for the company, each partner had the right to carry out managerial tasks independently, with the company's liability separate from that of the partners. However, partners were not authorized to dispose of the company's assets without unanimous consent. Profits and

losses were typically distributed among the partners according to their contributions to the company's capital, unless otherwise specified in the agreement. The termination of a company in Athens occurred either at the end of a specified period, upon completion of the intended business activities, or following the death of a partner, leading to liquidation either by mutual agreement or through judicial intervention.

In Rome, companies initially originated from agreements among heirs to retain joint ownership of the deceased's estate and manage it collectively. Over time, companies emerged where unrelated individuals agreed to invest common capital, divided into two main types: those formed for a specific business purpose and those engaged in various unrestricted activities, which were more prevalent. Companies in Rome were considered established upon the agreement of the parties involved, without the need for written documentation or formal validation. Unless granted by a special decree, companies did not possess legal personality. Obtaining such recognition was challenging, particularly unless the company was involved in the investment of precious metals like gold and silver. Consequently, partners could not represent the company to third parties, and each partner was individually responsible for their actions within the company, with entitlement to profits limited to their respective shares and liability for losses restricted accordingly. Companies could be dissolved due to general reasons such as the expiration of their term, complete depletion of their assets, or cessation of their intended activities. They could also be dissolved due to reasons related to the partners themselves, such as the death or insolvency of a partner. Additionally, each partner had the right to unilaterally terminate their participation in the company at any time, even if the duration of the partnership was specified in the contract.

In Islamic law, trade has been considered one of the noblest means of earning, as mentioned in the Prophet's hadith: "The truthful merchant is with the prophets, the truthful, and the martyrs." Arabs recognized various types of partnerships, the most important being:

- Partnership of negotiation: based on complete equality in profit and loss.
- Silent partnership: where equality in the shares provided by partners is not a condition.
- Mudarabah partnership: where one partner provides the capital and the other provides labor.

The first issue: The meaning of partnership and the conditions for its establishment. Partnership, linguistically represented by the letter "sh" and "r" (pronounced "sharaka"), means the mixing of partners. It is said, "We participated," meaning we shared. Thus, two men may become partners, one shares with the other, and one becomes a partner with someone else. Partnership is a relationship based on plurality, with a minimum of two individuals.

The partnership agreement is essentially a written agreement with two or more people, where one or more of them are either a natural person or a legal person, working together toward a common goal, by offering through the relationship institutional contributions, or cash, or capital. It serves as a mean to distribute the income from it or economically - as partners, or it eventually yields an equal interest between the parties. Apart from the venture, a loose-end may be the loss partners are subject to.

Most civil laws define a partnership as a contract in which two or more persons commit to contribute to a financial project by providing a share of capital or work to share the resulting profit or loss. For a partnership to be established, a set of formal and substantive conditions must be met. Partnership contracts are no longer considered consensual contracts where mere offer and acceptance suffice for their conclusion and validity. Rather, legislation subject this contract to a set of formalities that serve as essential elements without which the contract cannot be formed. As for the formal conditions:

Firstly, the contract must be in writing: Article 475 of the Syrian Civil Code stipulates that "the partnership contract must be in writing, otherwise, any modifications to the contract without meeting the form specified for it shall render the contract void." Additionally, Article 17 of the Syrian Companies Law states that "except for a silent partnership, partners cannot prove the partnership among themselves or towards third parties except by a written contract." Through these two articles in different laws, it is evident that the legislator imposes the requirement of proving the partnership contract in writing, except for silent partnerships.

Secondly, it must be registered: The method of registration varies from one type of partnership to another. For commercial partnerships, registration occurs by recording them in the commercial registry and the registry of the court of first instance. As for civil partnerships, registration is achieved through publication in a local newspaper and posting in the lobby of the civil court of first instance.

Moving on to the substantive conditions for the establishment of a partnership

Firstly, plurality of partners: The partnership contract necessitates the presence of two or more partners because having and involving several individuals is essential to achieve the economic purpose represented by pooling funds and jointly operating the project. And consequently, a single person cannot be the founder of a partnership, in contradiction with the rule of universality of the financial responsibility in the Syrian law and also in the Arab legislation. Nevertheless, Limitations of the rule of plurality of participants relate to an exemption from a limited liability corporation, and some authorities give public sectors an opportunity to establish a joint-stock corporation without the participation of the individuals, such an attitude to a company that is not with the public is unlawful.

Secondly, contribution to the capital: The capital of the company consists of the total shares provided by the partners, without requiring equal shares or uniformity in the type of contribution. The contribution can be in the form of cash, assets, or merely labor.

Thirdly, sharing of profits and losses: The acceptance by partners to pay their shares, which constitute the capital of the company, must be met with the necessity for all partners to share in both profit and loss. Based on the principle that all partners collectively bear the contribution to profits and losses, partnership contracts cannot include conditions that permanently deprive one partner of profits or exempt one from losses. All Arab legislations recognize the nullity of a

partnership if its contract agrees to exclude any partner from profit or loss.

Fourthly, intention to participate in the partnership: This basically is a consensus coming from the partners that if they embrace each other's respective managing platforms, it will become easy for them to shoulder responsibility and attain the company objectives. Moreover, when they accept to pair the risks, they will come out as cooperative and equal partners.

It's important to note that partnership contracts differ from other contracts in the following ways:It's important to note that partnership contracts differ from other contracts in the following ways:

1. Contracts frequently try to find a say for the parties' devious interests including the sellers and buyers space. For instance, there is no possibility of conflict of interest among partnership members but instead such entities were borne so as to advance a joint programme.
2. Partnership contracts provide for certain rights and liabilities of the partners that are limited to the existence of the contract once they have been set up. Furthermore, they govern matters of joint ownership and management that are not subject to the personal interests that the partners may have.
3. Coalitions contracts are able to amend clauses after the approval of the majority of the coalition opponents, but the general rule of contract requires changes in clauses after approval of each of the contractors.

Now having learned what partnership is, including the elements of formal relations and of substantive ones, we will go to the section II to discuss with the commercial partnerships and to make them differentiate from others types of partnerships.

Second Issue: Definition of Commercial Partnerships and Their Distinction from Other Types of Partnerships

Partnerships are divided into two types: commercial partnerships and civil partnerships. A partnership is considered commercial if its purpose is to conduct commercial activities or if it adopts the form of a joint-stock company or a limited liability company.

Commercial partnerships can be likened to living organisms - they have a beginning and an end. To obtain legitimate legal existence, these partnerships must adhere to the legal procedures prescribed by the legislator for each type of partnership to ensure proper establishment. Partnerships that do not adhere to these laws have an illegal existence.

The distinguishing factor between commercial and civil organisations is that one pursue certain activity, while the other is conducting some business activity. In case if the subject matter related to the operations of the company belongs to the commercial activity such as individual commercial transactions and other activities referring to commercial laws, it is declared to be a commercial entity. It is essential to differentiate between these two types of companies for several reasons: It is essential to differentiate between these two types of companies for several reasons:

1. Commercial businesses only, and not the non-commercial sector, are liable for the commercial duties imposed on dealers - keeping of financial records, register in the commercial register and paying taxes on commercial income.
2. In case of creditors' claims against the bankruptcy of commercial companies, it is the local court that makes a determination of their insubstantiality and exempts them from bankruptcy proceedings. Just the corporations are defined as the merchants in the law who obtain the requirements from bankruptcy statutory norms.
3. Recognizing the publicity demands that are unique to corporate advertising offers a foundation for understanding how companies that are permitted to receive government monies are treated in marketing.

Distinguishing between civil and commercial companies is crucial in determining the features that the company obtains. However, it can sometimes be difficult to determine the nature of the company based on its subject matter. For instance, a company established for extracting sugar from its agricultural products may have a dual nature. Some consider such companies as commercial if their primary goal is to trade the processed materials for profit. However, the French Court of Cassation ruled that merely processing agricultural products into manufactured goods does not automatically grant the company commercial status, even if it requires establishing factories and employing a large number of workers. Commercial status is only conferred if the company purchases raw materials in large quantities for processing and selling alongside the processed agricultural products.

If a company engages in both civil and commercial activities simultaneously, the decisive factor is always the primary activity. If the primary activity is commercial in nature, the company is considered commercial. Conversely, if the primary activity is civil, the company is classified as civil. Additionally, some civil companies may take the form of commercial companies without altering their nature or acquiring commercial status. However, distinguishing between companies based on the nature of their activities has not received widespread support. For example, petroleum and mining companies deprive their counterparties of the protections of commercial law because their activities are civil in nature. Still, they grant commercial company status and its benefits to those involved in trading their products.

Syrian commercial legislation, including company law, has evolved through various stages since the Ottoman era, which introduced the Code of Civil Procedures and the Ottoman Trade Law, influenced by the French Commercial Code of 1807, Law No. 1323 concerning guarantee companies, and Law No. 1333 concerning foreign dormant companies. During the French mandate era, regulations concerning companies were issued, such as Decree No. 97 of 1925 concerning the nationality of dormant companies and Decree No. 96 of 1926 concerning foreign companies and its amendments. After independence, Syrian legislators enacted the Trade Law by Legislative Decree No. 149 of 1949, adopting provisions from the Lebanese Trade Law, particularly those related to companies, and applying them within the framework of the Civil Code.

With the legislative developments in Syria, Law No. 3 of 2008 concerning companies was enacted, which repealed the provisions of Book II of the Trade Law issued by Legislative Decree No. 149 of 1949 concerning commercial companies. These companies became subject to the provisions of the Companies Law and the rules of the Civil

Code regarding the partnership contract, provided they did not violate the rules of the Companies Law either explicitly or implicitly. Syrian Companies Law is divided into twelve chapters covering general provisions for all types of companies, including partnerships, recommendations, silent partnerships, limited liability companies, joint-stock companies, holding companies, and general merger provisions.

The Syrian Civil Law categorizes commercial companies based on the nature of their capital ownership into three main types

1. **Public Sector Companies**

- These companies have all their capital owned by the state.
- States have shown interest in establishing commercial companies due to their importance in economic activity. Public sector companies play a vital role in this sector.
- In Syria, public sector companies are governed by Legislative Decree No. 20 of 1994 concerning "Public Institutions and Establishments." Under this decree, these institutions are defined as public entities with legal personality, enjoying financial and administrative independence, participating in the development of national socialist economy, and engaging directly or supervising a number of public companies.
- The creation of these agencies is at first set by decree and they are regarded, as entrepreneurs and treated in accordance with the Constitution. For them, capital is the state money the they get from the services or activities alloted by the government and the resources they themselves get in return for the services provided to others. These kind of companies are exist in control of the board of directors, general manager, and an assistant if they are public institutions. On the other hand, in case of public establishments is responsible for the administrative committee, a general manager, and an assistant. The assembly of general and the board of governors is constituted by a public representative from the production line, assistant general manager, directors, and an executive head.

2. **Private Sector Companies**

- These companies have all their capital from private funds and are divided into two types:
- **Partnership Companies:** Based on personal consideration and mutual trust among partners, playing a significant role in their establishment. Partners only enter into these companies based on mutual trust between them, relying on personal qualities or financial consideration, rather than solely on the company's financial position. However, personal consideration does not exclude reliance on the company's financial position, usually derived from the personal wealth and technical capabilities of the partners. This is because the execution of commitments made by the company with others extends beyond its assets to the personal wealth of all partners. Examples include partnership, simple recommendation, and mutual companies.
- **Capital Companies:** These are based solely on financial consideration without personal consideration for the partners. Examples include joint-stock companies, recommended share companies, and limited liability companies.

3. **Mixed Companies**

These corporations exhibit a divisive distribution of money between the public and private domains. The state collaborates with private money in their formation. Joint-stock firms are bound by the general regulations outlined in the Commercial Law.

As for the Syrian Companies Law, it divides commercial companies based on the ownership nature of their capital into two types:

1. **Limited Liability Company (LLC)**

- This is the first type of commercial companies under Syrian law. The first appearance of this type of company was in Germany at the beginning of the 19th century, and it later spread throughout Europe and the world. These companies are suitable for small-scale investments in projects with a few partners. Syrian law regulates the provisions of this company in Law No. 29 of 2011, which allows the establishment of such companies by a single person, calling it a "single-person limited liability company."
- One of the most important features of the LLC is that the partner's liability for the company's debts is limited to the extent of their share in its capital. This is unlike the legal personality of the LLC, which has unlimited liability for all financial obligations and debts incurred. Therefore, the term "limited liability" in the name of this type of company only relates to determining the partners' liability. The company's capital must be included in all publications issued by it, and failure to do so renders the partners fully liable, jointly and severally, for the company's obligations to third parties who dealt with the company without knowing its legal form.

2. Joint-Stock Company (JSC)

- This is the most common type of company in Syrian law, considered the key to economic development worldwide due to its undertaking of large-scale projects requiring substantial capital and its ability to attract capital easily, which other types of companies may struggle with. Capital plays a crucial role in this type of company and is divided into shares of equal value. The liability of the shareholder for the company's obligations is limited to the nominal value of the shares they own.

  In Syrian law, the Joint-Stock Company is divided into two types:

1. Public Joint-Stock Company (PJSC)

- A PJSC must have at least 10 founders and shareholders, and its shares must be eligible for listing on the Damascus Securities Market.

2. Private Joint-Stock Company (PrJSC)

- A PrJSC must have at least 3 founders and shareholders.

The Joint-Stock Company is characterized as a commercial entity because it acquires the status of a merchant regardless of its subject matter, whether civil or commercial. It is subject to commercial obligations, bankruptcy provisions, and protective reconciliation measures. The name of the

Joint-Stock Company is derived from the nature of its activity. Therefore, personal considerations do not play a role in the company's name, and it is prohibited to derive its name from the names of the shareholders or a natural person.

After understanding the general definition of companies and commercial companies in particular, as well as the formal and substantive requirements for their establishment and the types of commercial companies in Syrian law and their differentiation from other companies, we will delve into the methods of liquidating commercial companies and their reasons in the third section.

Section Three: Liquidation of Commercial Companies

The liquidation of commercial companies is carried out according to laws and regulations that have been established to facilitate procedures. The dissolution of companies requires their liquidation, similar to the liquidation of estates of natural persons, where debts are settled initially, and any remaining assets, if available, are distributed among the partners according to their shares in the company.

First Topic: Definition and Differentiation of Liquidation from Similar Terms

Liquidation, in its linguistic sense, refers to the purification and essence of everything from money. It represents the conclusion and finality of a thing and what remains after it is purified. Legally, liquidation encompasses a set of processes aimed at terminating the ongoing activities of a company, settling its rights, paying off its debts, and converting its assets into cash to facilitate payment operations and determine the net assets for the purpose of distribution. Liquidation also involves allocating each partner's share of the remaining assets and determining their respective obligations if they are unable to pay from their own assets. The concept of liquidation extends beyond the dissolution of commercial companies due to expiration reasons; it also applies to cases of invalidating a company, which nullifies any future effects of the company while unable to erase its actual existence in the past, even if it has retroactive effects.

There might be a potential for confusion to occur when comparing the ideas of liquidation and bankruptcy, as both include the cessation of a company's operations and the allocation of its assets. Nevertheless, they vary in the subsequent aspects:

Liquidation pertains to a corporate entity that has the ability to settle its outstanding debts and has not yet discontinued making payments, in contrast to bankruptcy, which indicates the company's incapacity to satisfy its financial obligations.

Throughout the liquidation process, each creditor has the ability to individually seek their claims from the liquidator, who acts as a representative of the corporation. In contrast, within the context of bankruptcy, the pursuit of individual claims by any creditor is terminated, and the responsibility of managing these claims is assumed by the court trustee, who acts as a representative of all creditors on behalf of the bankrupt corporation.

The present subject matter pertains to the dissolution of commercial enterprises within the framework of Syrian legislation, namely the Companies Law enacted in 2011. This legislation has regulations that govern commercial operations carried out by persons, irrespective of their legal standing. This legislation also encompasses the stipulations of civil law, business practices, judicial judgment, principles of equity, impartiality, and commercial ethics.

Second Topic: Commercial Company Liquidation in Syrian Law

The legal framework in Syria encompasses regulations pertaining to the liquidation of business enterprises. The definition of liquidation and the procedures or grounds for the termination of commercial enterprises are delineated in the Syrian Civil Code, which was promulgated by Legislative Decree No. 84 of 1949.

In accordance with Article 544 of the Syrian Civil Code, liquidation is delineated as a series of essential protocols aimed at concluding the operational activities of a firm, resolving its outstanding debts, retrieving its outstanding receivables, and transforming its assets into liquid funds for equitable distribution among the partners by division.

Liquidation, as described by Dr. Hisham Faroun, refers to the cessation of prior business connections that are no longer acceptable or viable to sustain. Hence, it is imperative for the creditors of the firm to commence the process of debt collection prior to the conclusion of the liquidation procedure.

First Branch: Expiration and Dissolution of Commercial Companies and Its Effect on the Legal Personality of the Company.

The Syrian Civil Code specifies the reasons that lead to the expiration of commercial companies, including

The termination of the designated duration or the finalization of the tasks for which the organization was founded. In the event that the partners persist in carrying out the company's operations for a further year under identical circumstances, the contract shall be automatically extended; otherwise, it shall terminate.

- The dissolution of the corporation occurs as a result of the complete or substantial depletion of its capital, hence rendering its ongoing operations ineffective.
- The termination of the firm is initiated when a partner pledges to contribute a certain item, and such item is subsequently destroyed prior to its inclusion in the contribution.
- If one of the partners dies, becomes incapacitated, becomes insolvent, or becomes bankrupt, the business is dissolved. However, if the partners agree to maintain the company even after the death of one partner, their share will be passed on to their heirs, even if they are minors. Alternatively, the partners have the option to maintain the company even if one of them dies, becomes incapacitated, or becomes insolvent. In such cases, the partner or their heirs will only receive their current share of the company's assets at the time of the incident that caused their departure. This share will be paid in cash and will not include any future rights.

  The dissolution of the firm occurs in the event that one of the partners chooses to withdraw, as long as the duration of the withdrawal is not reported, and the withdrawing partner informs the other partners of their plan to withdraw prior to doing so, without resorting to fraudulent activities or withdrawing at an unsuitable moment.
- The dissolution of the company may be mandated by the court upon the petition of a partner in the event that another partner fails to meet their obligations, or for any

other cause that cannot be attributed to the partners. The judge is responsible for evaluating the gravity of this cause that warrants dissolution.

- Any partner has the right to petition the court for the removal of any partner whose presence in the business is deemed unpleasant or whose activities warrant dissolution, as long as the firm continues to function among the other partners. The dissolution of a corporation occurs when it reaches a predetermined duration and one of its members seeks legal intervention to dissolve the company, citing justifiable grounds, as long as the remaining partners do not consent to its continuance.

According to Article (18) of the Syrian Companies Law, the company can be dissolved for one of the following reasons

1. Termination of the designated timeframe of the firm.
2. The successful execution of the project that underpinned the establishment of the firm.
3. The partners have reached a consensus to terminate the firm.
4. Company's declaration of bankruptcy.
5. Court-ordered dissolution of the corporation.
6. The consolidation of a firm into another entity.
7. The firm has a partner count that is below the legally required minimum, and it has not taken any action to improve its position within six months of receiving a warning from the Ministry.

Regarding the legal personality of companies subject to liquidation

The legal personality of a company expires when one of the reasons leading to its liquidation arises. The dissolution of the company and its submission to liquidation make its financial obligations joint property among all partners, whereas previously it was independent of each partner's obligations. However, the process of liquidation is not as straightforward as it seems. The company's operational activities do not cease immediately upon its dissolution; rather, a period of time, which may vary depending on the type of company, its capital, and the complexity of its relationships, ensues.

In this context, judicial interpretation found injustice against the company's creditors. Therefore, it was established that the company's legal personality remains throughout the liquidation process, solely to ensure the rights of creditors to the company's assets. The Civil Code adheres to this principle, as Article 501 states that "the authority of the directors ceases upon the dissolution of the company, but the legal personality of the company remains to the extent necessary for the liquidation until its completion."

Similarly, Article 19 of the Companies Law of 2007 stipulates that "the company enters into liquidation immediately upon its dissolution, and its legal personality remains valid for the duration necessary for the liquidation process only.

The continuation of the legal personality of the company during liquidation results in several implications, including

1. The termination of the company's directors' authority immediately upon its dissolution, replaced by the liquidators. This transition is natural as the roles of directors differ from those of liquidators.
2. Debts incurred by the liquidator become the responsibility of the company, providing additional assurance for debt repayment, irrespective of whether the debtor is a partner of the company. Even if partners have outstanding shares or unpaid installments, they cannot refuse payment on the grounds of the company's dissolution.
3. The company retains its legal status throughout the liquidation process, allowing lawsuits against it to be conducted with the liquidator as its representative, without the need to involve all partners.
4. Partners cannot individually claim debts owed to the company; instead, this right belongs to the liquidator, who can demand payment from the partners themselves, particularly for their cash contributions.
5. If a partner dies, their heirs, even if minors, are not allowed to seal the company's assets or take actions affecting the company's independence. The liquidator's agency is derived from the company, not the partners themselves.
6. The liquidator has the authority to sell the company's assets without following the procedures applicable to the sale of assets belonging to minors or those under guardianship, even if there are minor or legally incompetent partners among the shareholders.
7. Insolvency of the company during liquidation is permissible, indicating the liquidator's inability to meet the company's debts on time. This cessation of commercial debt payment by the dissolved company leads to the appointment of a bankruptcy trustee instead of the liquidator, given the distinct nature of the new task compared to that of the liquidator.

Branch Two: Appointment and Removal of the Liquidator, Nature of His Work, Duties, and Responsibilities

Article 502 of the Civil Law stipulates that liquidation shall be carried out either by all partners, a single liquidator, or multiple liquidators appointed by the majority of the partners. In case the partners fail to agree on appointing a liquidator, the judge shall appoint one upon the request of any of them. The court may also appoint a liquidator in cases where the company is deemed null and void. Furthermore, Article 20/1 of the Syrian Companies Law states that the liquidator may be appointed either by the company's contract, a decision issued by the majority of the partners, or by the general assembly in accordance with the rules and majority required for the issuance of resolutions by the general assembly. In such cases, the appointed liquidator is referred to as the designated liquidator. Therefore, the appointment of the liquidator can be done either by administrative, judicial, or contractual means.

Regarding the removal of the liquidator, it follows the same procedure as his appointment. If the appointment was made unanimously, by majority vote, or by a court decision, his removal shall also be from the same entity that appointed him. Article 28 of the Syrian Companies Law specifies, "The liquidator is removed in the same manner as he was appointed, and every decision or judgment of removal must include the appointment of his replacement. The removal shall be registered in the Companies Register and shall not be invoked by third parties except from the date of registration."

It is necessary to appoint a new liquidator in place of the

removed liquidator, following the same decision or judgment that removed the former liquidator. The new liquidator must register the decision in the Companies Register and, if failed to do so, the removal decision shall be ineffective or have no effect on third parties.

Despite the liquidator acting as a legal representative of the company rather than an agent, he is entitled to remuneration similar to that of a commercial agent, which is determined by the partners through agreement if appointed by them. If appointed by the court, the court has the right to determine his remuneration, and the partners have the right to object before the court if they find it excessive.

It is essential to distinguish between the duties, tasks, and responsibilities of the liquidator. Article 24 of the Syrian Companies Law states that the duties of the liquidator include:

- Receiving the company's books, records, papers, funds, and all its assets and establishing special records for the liquidation process, including the company's claims and liabilities. Any partner has the right to access these liquidation records.
- Drafting the company's annual budget and publishing it in at least two daily newspapers if the liquidation period exceeds one year.
- Publishing a notice in at least two newspapers twice within three months from the date of his appointment, inviting creditors to submit their claims to the company's headquarters within a ninety-day period from the date of the first announcement.
- If no creditor submits a claim to the company within the specified period and before the end of the liquidation, the liquidator may submit his claim, and its priority will be after the claims of creditors who submitted their claims during the specified period.
- Taking necessary actions to collect the company's debts owed by third parties or partners and to settle the company's debts according to the legally prescribed priorities. The liquidator must also complete any pending company affairs and execute existing contracts before the liquidation without engaging in new activities on behalf of the company.
- The liquidator has the authority to appoint necessary experts to assist him in the liquidation process.
- The liquidator is authorized to represent the company in court in lawsuits filed by or against the company and to take any precautionary measures to safeguard its interests, as well as to authorize lawyers on behalf of the company.
- The liquidator is not allowed to conclude any settlements with the company's creditors on its behalf, waive any insurance or guarantees established for its benefit, or sell its assets, funds, or projects without obtaining the consent of the partners who own the majority of the company's capital or the general assembly of the company.
- If there are multiple liquidators, their decisions must be unanimous unless the company's founding documents or their appointment decision specify a different majority.
- Multiple liquidators have the right to demand the joint partners in joint-stock companies and simple partnerships to pay the necessary amounts to settle debts if the company's funds are insufficient to cover them.

The tasks of the liquidator can be defined by a fundamental mission, which is to liquidate the assets of the dissolved company without the right to continue investing in the company's projects as it exceeds the limits of his task.

To execute this primary mission, the liquidator must undertake the following secondary tasks

- Initiate the process within a month of his appointment or the judicial decision appointing him and ensure that his appointment is recorded in the commercial registry.
- Execute his tasks in coordination with the company's management, as they are most knowledgeable about the company's situation.
- Identify the liabilities of the company through an inventory list detailing all the company's assets and liabilities.
- Collect the company's debts owed by third parties or partners and settle its debts by partially selling its assets without having the authority to dispose of these assets as a whole without specific authorization from the partners.
- Work in coordination with the partners and provide them with all the information they request about the liquidation process.
- Divide the remaining assets of the company among the partners according to their shares in the company's contract.
- Present his account to the partners in the dissolved company and obtain their signatures if he is appointed for this task by the partners themselves. Otherwise, the account is deposited with the court that appointed him for this task.

Regarding the responsibilities placed on the liquidator, Article 26 of the Syrian Companies Law stipulates that "the liquidator shall be held responsible if he mismanages the affairs of the company during the liquidation period. He shall be liable for compensating any damage caused to third parties due to his mistakes, based on the provisions of the liability of the company's director or the liability of its board of directors. The liquidator must exercise the care of an ordinary person, and he may absolve himself of liability by providing evidence that he managed the company's affairs with the care of a paid agent."

As for the company's creditors, the liquidator bears a vicarious liability if he violates laws, regulations, or the company's contract. He must compensate them for such violations, such as failing to register his appointment or making unwarranted payments on behalf of the company."

Based on this article, the liquidator is accountable to the company, the partners, and third parties if he breaches the company's laws and regulations. In cases where there are multiple liquidators for the company, they all bear joint liability towards the company and the partners for any errors committed during the liquidation period. However, any of the liquidators has the right to hold the other responsible liquidators accountable if they can prove their written objection to the error that led to liability.

The claim of liability against the liquidator may either

- With the duration of three years from the conclusion of general assembly meeting when the report of account is submitted by the liquidator be subject to prescription, even if the general assembly resolves the liquidator to

be exonerated.
- Not to be made liable only for the violation of the norms from the general rules if his liability is caused not due to the intentional acts and omissions or if the fact which brings the claim relate to the matters hidden from the partners, and if the claimed act constitutes a crime.

It can be noticed from all these provisions of the Syriac law, how rigorously and detailed the legislation is related to dissolution, liquidation reasons and procedures and who the liquidator should be, his tasks and responsibilities to creditors and partners.

Third Branch: Extent to which Syrian Legislation is Necessary to Model for the Closure/Liquidation of Businesses.

Syrian legalization stipulates generally on the process of liquidation in commercial companies of diversified kinds, without legislating explicitly the procedure for each of them. Yet, the provision may unintentionally exclude companies with special features - such de facto companies and quasi-partnerships.

1. Liquidation of De Facto Companies

De facto companies are those that were established without adhering to the rules stipulated in the Commercial Law. Syrian law distinguishes between de facto companies and companies established de facto.
- **De Facto Companies:** These are companies that come into existence in a tangible form through a written contract between the partners. The contract specifies the type of company and the agreements between the partners regarding the formation of the company, the distribution of profits and losses, and the liquidation of the company.
- **Companies Established De Facto:** These are companies that do not have a written contract but exist based on joint efforts aimed at profit. The partners' intention to establish a company through their joint activities, which cannot be interpreted except by the existence of the company, leads the legislator to allow third parties, in the absence of a written contract, to prove the existence of the company through all legal means and evidence.

It is necessary to distinguish between de facto companies and companies established de facto, especially regarding the type of company and the procedures for their liquidation. De facto companies are always considered partnerships, whereas companies established de facto determine their type in the contract that is deemed null and void. They can be either capital companies or personal companies. The liquidation of companies established de facto is governed by the rules specified in the Civil Law, while the liquidation of de facto companies is conducted according to the agreements reached by the partners in the null and void contract.

The jurisprudence concerning the legal personality of de facto companies agrees not to recognize separate legal personality for these companies. Consequently, they do not have independent liability separate from the liability of the partners. This leads to the following consequences:
- Creditors of the company do not have priority over the creditors of the individual partners in satisfying their debts from the company's assets. These assets are distributed pro rata among the creditors of the company and the creditors of the individual partners. This rule applies to the partner's share in the company's capital, as well as any profits earned during its existence.
- Creditors of the individual partners have the right to challenge the actions of the company if these actions have diminished their rights or increased their obligations, according to the conditions specified in Article 237 of the Civil Law.
- Creditors of the individual partners have the right to object during the insolvency period of the de facto company. The insolvency period grants the creditors of the company priority over the creditors of the individual partners.

Regarding the liquidation of de facto companies, despite not conforming to the legal provisions during their establishment, these companies are not considered void by default. Instead, a court judgment is required to declare their nullity. Article 64 of the Commercial Law stipulates that any interested party has the right to challenge the validity of the company arising from the failure to register its founding documents. When a judgment declaring the nullity of the de facto company is issued, the liquidation process begins for the company's activities conducted during its existence, concerning both the rights of the partners themselves and the rights of third parties.

When commencing the liquidation process of de facto companies, the following rules must be considered
- The benefits obtained by the partners from the de facto company legally remain their property.
- If a partner undertakes to provide a sum of money in place of their share in the company but fails to do so, they become liable to pay legal interest from the due date without the need for legal action or excuses. Additionally, if a partner takes a sum of money from the company, they are obligated to pay interest on that amount from the day it was taken, without the need for legal action or excuses.
- The rights of the partners should be settled according to the de facto company's contract. If a creditor becomes a partner in the company, their debt is considered a share in the company's capital, and they lose their status as a creditor.
- Partners may be jointly liable for obligations incurred by any of them.
- If the de facto company's contract includes a provision obligating a partner to compensate their partners for activities causing harm to the company or contrary to its purpose, the partner is bound by that provision.
- If the company is dissolved by unanimous agreement of the partners or by a decision of the majority in partnerships or by the General Assembly of Shareholders in dormant companies, and the liquidation is conducted according to the contract before its nullity is declared, all ongoing transactions are considered valid.
- Provisions in the de facto company's contract regarding the appointment and powers of the liquidator apply. If the court deciding the nullity finds valid reasons not to appoint the liquidator named in the contract, it may

elect another liquidator chosen either from the partners or from others.
- If the company's contract includes a provision granting a partner the right to retain the company's assets upon the death of their partner and pay their value to the heirs, this provision is enforceable.
- The liquidation and division of the de facto company's assets must be carried out according to the contract, excluding conditions contrary to public policy, conditions causing the nullity of the company, and conditions that have lost their legal validity due to nullity, such as conditions for compensating partners who withdraw from the company before its dissolution or conditions allowing partners to demand compensation from the partner seeking nullity.

Secondly, the liquidation of a dormant company

A dormant company is defined as a company in which parties contract under an agreement to invest in a specific commercial operation, which terminates upon the expiration of the commitment period. It does not have legal personality or independent financial liability, allowing each partner to claim a share of the profits from the other partner without the need to liquidate the company.

A dormant company is considered a personal company, where personal disputes among partners constitute grounds for dissolution. Liquidation is carried out through accounting procedures that determine the rights and obligations of partners according to the contract's terms. Syrian Cassation Court Decision No. 233 of 15/5/1965 stipulated that a dormant company does not have legal personality, and the appointed expert cannot represent it or any of the partners.

Regarding the appointment of a liquidator for a dormant company, the nature of this company does not align with the appointment of a liquidator for its operations. The liquidator, serving as an accountant expert, determines the rights and obligations of each partner, considering the company's rights and obligations solely from an accounting perspective. The liquidator does not have the authority to sell the company's assets, collect its receivables, settle its debts, or represent it.

It is evident that Syrian civil and commercial law lacks clear and detailed rules regarding the liquidation procedures for each type of commercial company, prompting judges to resort to judicial interpretations in this regard.

Conclusion

Commercial companies go through a life cycle that begins with their establishment, commencing operations, and drafting contracts among partners, sometimes ending due to the expiration of the specified duration in the contract, the fulfillment of their purpose, or by mutual agreement of the partners, or due to external reasons such as losses or invalidity. The process of terminating a company requires multiple procedures related to the liquidation process, starting from appointing a liquidator who bears the responsibilities related to liquidation, including taking over the company's books, records, funds, assets, preparing its balance sheet, collecting its debts, and culminating in settling the company's debts and declaring its liquidation.

In the past, Syrian law did not regulate the process of liquidating commercial companies clearly and precisely, relying only on what was stipulated in Syrian civil law and Decree Law No. 149 of 1949, until the Syrian Companies Law of 2007 was enacted, followed by the Companies Law of 2011, which detailed the subject of liquidation, its reasons, procedures, methods of appointing a liquidator, their responsibilities, and tasks, ultimately concluding the liquidation process with its termination.

Results

- The expiration or dissolution of commercial companies due to any justifiable reasons automatically entails their liquidation.
- Liquidation is a process that involves taking inventory of the company's assets, settling its rights, paying off its debts, and distributing the remaining funds among the partners fairly.
- One or more liquidators must be appointed by the partners or by the judiciary.
- In case the company's contract does not specify liquidation procedures, the liquidation process is carried out by resorting to what is stipulated in the law.
- National laws, including Syrian law, have addressed the process of liquidating commercial companies.
- Syrian civil and commercial laws contain numerous articles related to the liquidation of commercial companies.

Recommendations

- Founding partners of commercial companies should ensure to specify clear liquidation procedures to facilitate and expedite the process, avoiding recourse to the courts, which may prolong the liquidation proceedings.
- It is essential to establish specific rules for the liquidation of each type of commercial company, tailored to the nature of each.

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