

Abstract

This paper addresses the subject of Companies Merger and its effect on the contracts signed by the merged company in light of Companies Act applicable in Palestine (Western Bank/ Gaza) and Palestinian companies bill, in comparison with Companies Act applicable in the Hashemite Kingdom of Jordan and some acts from Arab countries.

The paper aims at identification of merger and related provisions since it is an idea in the minds of involved parties up to implementation, then identifying the legal effects resulting from it, especially on the contracts signed by the merged company.

The subject was addressed throughout the paper in four chapters. Chapter one includes identification of merger through definition, types, advantages and disadvantages, in addition to the viewpoints and support of Palestinian and Jordanian legislators on the process.

Then, it includes analysis of the legal nature of merger with presentation of legal viewpoints related, supported with the theoretical evidences, proofs and pretexts. At the end of the chapter, the difference between merger and the like other legal actions was highlighted.

Chapter two foreshadows the light on the criteria of merger. In this chapter, the requirements for validity of merger and necessary legal actions to be followed in compliance with laws applicable in Palestine and Jordan were presented.

Chapter three includes the legal effects resulting from merger in general.

The effect of merger on the merging, merged and new companies was identified.

In addition, the effect of merger on the rights of partners or shareholders in the merged, merging and new companies was also presented.

At the end of the chapter, the effects of the process on third parties; creditors and debtors of the merged company were investigated.

In chapter four, the effect of merger on the contracts signed by the merged company was addressed in detail.

The chapter highlighted the effect of merger on the most significant contracts signed by the merged company, i.e. Employment, Lease, Insurance and Franchise contracts in accordance with legislations, juridical and judicial opinions applicable.

At the end, the paper concludes with the results and recommendations.