

capital has disappeared or when one of the partners having asked for the dissolution of the company, the Court finds his reasons adequate, but the other members fail to agree to pay him the share which would be paid to him in the event of dissolution;

(d) In the case of death of one of the partners, if such is provided by the articles.

Article 115.

The following persons are considered swindlers:-

(a) Promoters and directors who, contrary to the truth, have stated in deeds and documents submitted for registration of the company that the entire cash and non-cash contributions have been paid in.

(b) persons who fraudulently have placed a value on the non-cash contributions in excess of their real value;

(c) Directors who, without a statement of assets or on the basis of a fraudulent statement of assets distribute fictitious dividends among the partners.

پژوهشگاه علوم انسانی و مطالعات فرهنگی
پرتال جامع علوم انسانی

Article 109.

Any limited liability company with more than twelve partners must have a board of directors who will call a general meeting of the partners at least once yearly.

As soon as the board of directors is appointed it must ascertain whether the provisions of Articles 96 and 97 have been complied with. the board may summon the members to an extraordinary general meeting.

The regulations of Articles 165, 167, 168 and 170 also apply to a limited liability company.

Article 110.

Partners cannot alter the company's nationality except by unanimous consent.

Article 111.

Any other modifications in the articles must be effected by a numerical majority, representing at the same time three quarters at least of the company's capital, unless the articles have fixed some other majority.

Article 112.

In no case a majority of partners compel a partner to increase his contributions.

Article 113.

The provisions of Article 57 relating to the formation of a reserve fund are equally applicable to a limited liability company.

Article 114.

The limited liability company shall be dissolved:-

(a) In cases provided for in paragraphs (a), (b) and (c) of Article 93;

(b) By decision of a number of partners representing more than half the company's capital;

(c) When, owing to losses, more than half the company's

Article 103.

The company's shares must be transferred by official deed.

Article 104.

A limited liability company is managed by one or more directors, salaried or not, chosen from among the partners or outside, for a limited or unlimited period.

Article 105.

Unless the articles provide otherwise the directors of the company will have all the necessary powers to represent and manage the company.

Any arrangement limiting the powers of directors which is not expressly mentioned in the articles, is null and void so far as third parties are concerned.

Article 106.

Resolutions concerning the company must be passed by a majority representing at least half the company's capital.

If at a first meeting this majority has not been obtained, all partners must be called to a new meeting. In this case, resolutions will be passed by a numerical majority, even if this majority does not represent one half of the company's capital.

The articles of the company may contain regulations other than those above-mentioned.

Article 107.

Unless the articles provide otherwise, each partner shall have a number of votes in proportion of the amount of his contribution to the capital.

Article 108.

The relations of partners between themselves are governed by the articles.

Unless special provision has been made in the articles, profits and losses will be divided in proportion to the contribution of the partners to the capital.

Article 97.

In the company's articles mention must be especially made of the value of any non-cash contribution.

Article 98.

The partners are jointly and severally responsible towards third parties for the valuation placed on non-cash contributions when the company is formed.

Article 99.

Towards the other partners and third parties for damages resulting the above regulations is ten years from the date of the formation of the company.

Article 100.

Any limited liability company formed contrary to Articles —96 and 97 is null and void. The partners cannot, however, so far as third parties are concerned, avail themselves of this nullity,

Article 101.

If the Court declares the company to be invalid, in conformity with the preceding article, the partners responsible for the the nullity, as well as the board of directors and the manager who were in charge and neglected their duty at the time of the nullity or immediately afterwards, are jointly and severally responsible towards the other partners and third parties for damages resulting from the invalidation.

The right to prosecute is barred after ten years from the date when the cause of nullity arose.

Article 102.

A partner's contributions cannot be represented by transferable commercial instruments whether bearer or registered. shares in the company cannot be transferred to third parties without the consent of a majority of the partners, representing at least three quarters of the company's capital.

IX. Dissolution or winding up of a joint stock company.

Article 93.

A joint stock company must be dissolved:-

(A) When the company has carried out the task for which it has been formed, or should the carrying out of such a task become impossible;

(b) When the company has been formed for a fixed period and that period has expired;

(c) In the case of bankruptcy of the company;

(d) When a general meeting passes a resolution to that effect.

Section 2.

Limited Liability Companies

Article 94.

A limited liability company is one formed by two or more persons for the purpose of trading, when the company's capital is not represented by shares or bonds, but when each of the partners is responsible for the liabilities and obligations of the company to the extent of his contributions only.

Article 95.

In the company's title the phrase "limited liability" must appear, otherwise the company will, so far as third parties are concerned, be considered as a general partnership and come under the regulations governing the same.

The name must not include the name of any partner, otherwise the partner whose name appears will, by third parties, be looked upon as a member of a general partnership.

Article 96.

A limited liability company is only definitely formed when the capital in cash has been fully paid up and when the non-cash contributions have been valued and delivered.

trary to the regulations of Articles 28, 29, 36, 37, 38, 39, 44, and 50 of the present law is liable to a fine of from Rials 500. to Rials 10,000 besides having to pay damages to the company or to individuals, In cases where the act is also criminal as determined by Article 238. of the penal Code, the penalty provided in the said article will also be applied to the offender.

Article 90.

The above penalty will likewise apply to those who falsely represent themselves as holders of shares or bonds and attend the general meeting or take part in the voting, as well as to those who entrust strangers with shares for a fraudulent purpose, In cases provided for by the present article, the offender may be imprisoned for one to six months, in addition to the fine.

Article 91.

Whoever knowingly negotiated shares or part shares contrary to Article 28, 29, 38, and 39, or whoever is a party to such negotiation, or whoever issued to the public such shares or part shares, shall be liable to a fine of from Rials 500 to Rials 10,000.

In addition to the penalties provided by the present article, the offender may also be imprisoned in accordance with Article 238 of the penal Code if the offence is criminal.

Article 92.

The following persons are considered swindlers:-

(a) Any person who, with intent to defraud, either claims that shares have been subscribed for, or that the price of shares has been paid, or who fraudulently advertises to that effect, or makes fraudulent statements with the object thereby of inducing others to take shares or to pay for shares. It is immaterial whether such acts have been effective or not;

(b) Persons who, with a view to obtaining payment, or subscription for shares, falsely and fraudulently represent others as connected with the company;

(c) Directors who, without any statements of accounts, or on the authority of a fraudulent statement, distribute fictitious profits to shareholders.

non-cash shares have not been valued and approved, or where they have demanded privileges which have not yet been approved.

Article 84.

The proceeding for annulment of the company or of its deeds and contracts cannot be heard by the Court, if, before the lodging of the petition, the cause for invalidation has ceased to exist.

Article 85.

After the expiration of one year from the date when the invalidation ceased to exist, should any third party claim damages by reason of the invalidation, such claim will not be admitted by the Courts.

Article 86.

If, to prevent the nullity, a special general meeting is called and the shareholders (partners) are notified of the meeting in accordance with articles, nullity proceedings will not be entertained by the Courts from the date of notification, unless the meeting has failed to remove the nullity.

Article 87.

If no action is taken for invalidation and damages within ten years of the date of such invalidation, the Courts will no longer admit such action,

Article 88.

Dividends cannot be reclaimed from shareholders unless the distribution was made without preparation of a statement of accounts, or contrary to the results shown by such a statement. In such cases claim for refund can be made within five years only. Prescription runs from the date of distribution of such dividends.

VIII. Penal provisions.

Article 89.

Whoever issued shares or bonds of a company formed con-

money, and the managing directors must pay it over to the competent authorities. Any managing director failing to carry out this obligation will be liable to pay treble the amount mentioned above.

Article 80.

When the company wishes to convert its registered shares into bearer shares it must publish an announcement to this effect as stated above. If, within the prescribed limit, which must not be less than two months, the shareholders do not convert their registered shares into bearer shares, the registered shares actually in their hands will be considered as cancelled and the new shares deposited in their name at the company's head office.

Article 81.

When the company wishes to convert provisional scrip it has issued into shares, the non-registered provisional scrip will be dealt with in accordance with Articles 76,77,78 and 79 and the registered provisional scrip in accordance with Article 80.

VII. The invalidation of a joint stock company or its deeds and resolutions

Article 82.

Any joint stock company failing to comply with Articles 28, 29, 36, 38, 39, 41, 44, 45, 46, 47, and 50. of the present law will be declared null void. The shareholders (partners) however, are not discharged from liability to third parties of reason of this annulment.

Article 83.

If in conformity with the preceding article, the Court decrees that the company, itself, or its deeds and resolutions are void, the promoters responsible for the nullity, as well as the auditors and directors who were in charge when the cause of nullity arose, or immediately thereafter, and who have failed in their duty, are jointly and severally responsible towards shareholders and third parties for the damages resulting from the invalidation.

The same responsibility may attach to shareholders whose

قانون تجارت ایران به انگلیسی (۲)

(3) Iranian Commercial Code

VI. The conversion of shares.

Article 76.

If the company wishes, in conformity with the provisions of its articles, to convert its bearer shares into registered shares, it must publish a notice to that effect and grant shareholders a respite of six months at least in which to change their shares for new ones.

Article 77.

The notification referred to in the preceding article must be published twice, at an interval of ten days, in the Gazette of the Ministry of Justice, and in one of the widely circulated papers appearing in the town where the company is registered. where the head office is outside Tehran, the notice must also be published in one of the Tehran daily papers appointed by the Ministry of Justice for that purpose.

The six months will run from the date of first publication in the Official Gazette.

Article 78.

Any shareholder not having converted his shares within the time limit mentioned in Article 76 will lose the right to do so. The company will then have the right to see to third parties, by auction, the new shares issued in lieu of the unconverted ones.

Article 79.

The price of shares sold in accordance with the preceding article will be deposited in the company's head office or in the Bank Mellie Iran. If, within a period of ten years from the date of sale, the shareholder does not return his shares and claim the amount deposited as above, his rights to claim the deposit will be barred by statute. The said deposit will be considered as unclaimed