BOND UNIVERSITY
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A Comparative Analysis of the Corporate Governance Legislative Frameworks in Australia and Jordan measured against the OECD Principles of Corporate Governance 2004 as an International Benchmark

A Major Thesis Completed in Satisfaction of the Requirement for the Degree of Doctor of Legal Science

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Dedication

This major thesis is dedicated to my parents who have supported and encouraged me throughout my life and in particular my studies, also to my home country, The Hashemite Kingdom of Jordan under the leadership of His Majesty King Abdullah II.

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SYNOPSIS

In recent years, countries across the globe have come to realise the importance of an official corporate governance regime, which provides a platform for market integrity and efficiency, as well as facilitating economic growth. Formulating effective corporate governance measures is a complex task for legislators. The purpose of this paper is to provide an in depth analysis and comparison of the corporate governance legislative frameworks in Australia and Jordan. In 2004, the Organisation for Economic Cooperation and Development (OECD), in conjunction with national and international governmental organisations, finalised a universal set of corporate governance principles. Although non-binding, the OECD Principles 2004 are a serious attempt to strengthen every aspect of corporate governance and, accordingly, have been utilised in this paper as an international benchmark.

The ultimate objective of this paper is to formulate a number of detailed and specific recommendations to the Jordanian Government. Jordan's legislative framework for corporations received a significant shake-up a decade ago when the Jordanian Government began the process of implementing a privatisation program under the guidance of the World Bank and the International Monetary Fund. Despite a number of positive developments since this program was initiated, the Jordanian Government has continually failed to recognise the importance of promoting good corporate governance. There can be no doubt that the Jordanian companies' legislation is in desperate need of reform. The vast majority of the provisions are ambiguous and lack the necessary detail to regulate the complex sphere of company law. In this writer's opinion, the relevant authorities in Jordan must act immediately to bring the country's legislative regime into line with internationally recognised standards and practices.

Chapter 1 of the paper sets out an introductory explanation of corporate governance and corporate structure. Chapter 2 provides a brief account of the history of company law in Jordan and a description of the different types of company structures permitted under the relevant Jordanian legislation. Chapter 3 provides a detailed discussion of the corporate governance principles formulated by the OECD. The process began in 1999 and was completed in 2004 after extensive revision and consultation. Chapter 4,

the core part of the paper, presents a comparative analysis of the implementation of the OECD principles in Australia and Jordan. Chapter 5 provides an explanation and analysis of two important shareholders' remedies in the Australian companies' legislation that do not exist in Jordan. Finally, Chapter 6 provides a summary of analysis and sets out a list of recommendations to the Jordanian Government.

Declaration

In accordance with Bond University Regulations, I declare that this thesis has not been previously submitted for a degree or diploma at Bond University or any other institution. It is declared further that the content of this paper is entirely my own work and all research materials utilised have been properly referenced according to the Australian Guide to Legal Citation (2nd edition) published by the Melbourne University Law Review Association.

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Zain Sharar

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