

LEGAL ORGANIZATION OF CHAMBERS OF COMMERCE

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Abstract

The Chambers of Commerce play a pivotal role in promoting commercial and industrial activities at the global level, as they undertake the task of representing the interests of traders and companies before government agencies, and they are independent institutions from the financial and administrative aspects and enjoy a legal personality, which gives them independence that enables them to perform their functions effectively. The Chambers of Commerce consist of the General Body, which is the supreme authority in it, and includes all merchants registered with the Chamber who have fulfilled their obligations related to the payment of annual subscription fees, as well as the Board of Directors of the Chamber of Commerce, which Its members are elected by the General Assembly. Based on the need to assess its legislative reality, the comparative analytical approach was adopted to reveal the shortcomings and legislative vacuum in the Iraqi law related to the organization of the work of chambers of commerce.

Keywords: Chambers of Commerce, Board of Directors, General Assembly

Introduction

The introduction of our research titled (Formation of Chambers of Commerce/Comparative Study) will include a set of paragraphs that we will divide as follows:

Chambers of Commerce are vital economic institutions that play a pivotal role in promoting commercial activity and developing the national economy in any country, regardless of its size, as they act as a link between the government and the private sector in the country and draw the economic features of the trade movement in the country, and they contribute to improving the business environment by providing support and advice to producers and traders. Chambers of Commerce are not just representative bodies, but institutions that seek to achieve economic and social development by enhancing cooperation between members and providing them with the necessary services. Since the chambers of commerce consist of the board of directors and the general assembly, we will explain in this research what is related to their formation, meetings, and membership of their parties in both Iraqi legislation and comparative laws.

The Problem of Research

Many chambers of commerce face a major problem represented in **their lack of direct connection with a ministry or government entity** that supervises their activities centrally. A number of problems that affect the work of chambers of commerce emerge, as follows :

1- The lack of affiliation of the chambers of commerce with a specific ministry reduces the opportunities for continuous coordination with the government with regard to the development of economic and trade policies. Their lack of direct communication may lead to the lack of integration of government policies with the needs of the private sector

2- Some chambers of commerce may suffer from ambiguity or lack of legal frameworks that regulate their work and powers. This ambiguity sometimes leads to a lack of clarity between the role of chambers and the role of other government institutions.

Research Methodology

To achieve the objectives of the research, the comparative analytical approach has been adopted as the most appropriate for the nature of the subject, where the researcher analyzes the legal texts regulating the formation of chambers of commerce in Iraq, and compares them with their counterparts in both Egypt and the UAE. This is based on the relevant laws and regulations, and the relevant legislative amendments.

Research Structure

The first topic: the Board of Directors of the Chambers of Commerce.

The first requirement: the structure of the board of directors in Iraqi legislation and comparative legislation.

The second requirement: the conditions of membership of the Board of Directors and its meetings.

The second topic: The General Authority of Chambers of Commerce.

The first demand: The General Assembly of the Iraqi Chambers of Commerce.

The second requirement: The General Authority of Chambers of Commerce in comparative legislation.

1. Board of Directors of the Chambers of Commerce

The Board of Directors of the Chambers of Commerce is the highest body responsible for formulating the general policies of the Chamber, supervising their implementation, and following up on the various activities that contribute to achieving the objectives stipulated in the laws regulating the work of these Chambers.

1.1 Structure of the Board of Directors in Iraqi Legislation and Comparative Legislation

The Federation of Iraqi Chambers of Commerce Law **No. 43 of 1989** was **issued** to constitute a qualitative leap, as it strengthened the independence of the Federation and the Chambers of Commerce, and became fully financially and administratively independent. The Federation's powers were expanded to include coordinating the work of the Chambers, supervising the registration of trade names, collecting and documenting commercial information, proposing economic remedies, and organizing participation in international exhibitions. The Federation also became responsible for defining commercial customs. Resolving commercial disputes through arbitration, issuing certificates of origin, and determining the financial solvency of traders, which strengthened its role as a key umbrella for the commercial sector. **For the first time**, the establishment of chambers of commerce is now carried out by a decision of the Federation Council, rather than by a ministerial decision, which granted them unprecedented independence from the government, and the law also stressed the importance of cooperation with Arab and international federations and chambers of commerce.⁽¹⁾

¹Dr. Salah Oraibi Abbas, Kirkuk Chamber of Commerce 1957-2007 (A Historical-Economic Study), First Edition, Dar Ghaida for Publishing and Distribution, Amman, 2016, p. 144

The Iraqi legislature regulated the formation of the Board of Directors of the Federation of Iraqi Chambers of Commerce and the Board of Directors of the Chambers of Commerce within the Law of the Federation of Iraqi Chambers of Commerce No. 43 of 1989.¹²

The Iraqi legislator has clarified the elements related to the formation and composition of the Federation's Board of Directors, where the Federation's Board of Directors consists of the presidents of the chambers of commerce registered with the Federation or their representatives, and the presence of the deputies is in the event that the heads of the chambers are unable to attend in person. The election of the chairman of the board of directors shall be by secret ballot and the election of a first deputy and a deputy Second, the absolute majority of the members present³.

It should be noted that the Iraqi legislature has adopted the principle of direct representation of chambers of commerce in the Council of the Federation, on the basis that each independent chamber of commerce elects its representative in this council, which strengthens the independence of the chambers of commerce and gives them a direct role in the management of the federation that regulates their work.

The Chambers' bylaws also set out the elements related to the formation of the Chambers' Board of Directors, as the Chambers' bylaws state that the Chamber is managed by a board of directors consisting of a number of members not less than eight members and not more than fourteen members, and the number of members of the Board of Directors of the Chamber of Commerce is Baghdad, Basra, Mosul and Erbil The Hilla has fourteen members, and the number of members of the boards of directors of the rest of the chambers in the provinces is ten, and the Council of the Federation may consider increasing or decreasing the number of members of the chambers' councils according to the requirements of the situation in each governorate⁴.

The members of the Chamber's Board of Directors shall also be elected by the Chamber's General Assembly, and half of their number shall be elected as reserve members, and the Chairman of the Board shall preside over the sessions of the Chamber or his deputy in his absence, and in the event of their absence, the Board shall elect from among their present members a Chairman to manage the session, provided that the decisions and recommendations of the Board shall be communicated to the Federation. Decisions of the Council shall be taken by a majority of the votes of those present and, when the number of votes is equal, the side with which the President of the Council votes shall prevail in the manner determined by the⁵ President of the Council.

¹ Article I of the Act defines the Federation as a professional economic organization with legal personality and financial and administrative independence and is represented by the President of the Federation or his delegate.

² See: Article (1) of the Federation of Chambers of Commerce Law No. (43) of 1989.

³ See: Article 4 of the Law of the Federation of Iraqi Chambers of Commerce.

⁴ See: Article 22 of the Rules of Procedure promulgated by the Federation of Chambers of Commerce Law No. 43 of 1989.

⁵ See: Article 23 of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

With regard to the composition of chambers of commerce in comparative laws, we begin with the formation of the board of directors¹ in Egypt.

It should be noted that the Egyptian legislator in the Chambers of Commerce Law of 1933 stipulates that the members of the Board of Directors shall be elected by secret ballot and by a relative majority of the votes of the voters present, in accordance with the provisions of the General Regulations². Contrary to what was said in the law in force, where a quarter of the prescribed number of members is appointed by the Minister of Commerce and Industry, and we in turn support what the Egyptian legislator said in the law of the Chambers of Commerce in force, provided that a quarter of the prescribed number of members are appointed for each chamber, as it achieves more justice because it is done under government supervision.

The General Federation of Chambers of Commerce was established at the level of the Republic and is headquartered in Cairo, and the Board of Directors of the General Federation is composed of the heads of the chambers of commerce in the governorates, a member from each of the Cairo and Alexandria chambers selected by the chamber, and six members interested in internal trade affairs appointed by the competent minister for internal trade affairs for a period not exceeding two weeks from the date of the announcement of the election result. In order to complete his term, the member of the Federation shall have the same rights and duties as a member of the Chamber of Commerce, and the membership of the Federation shall be terminated for any member who meets one of the conditions stipulated in Article 38 of Law No. 189 of 1951, if the member abuses his authority or tampers with the Chamber's funds.³

The researcher believes that what the Egyptian legislator decided in the text that stipulates the formation of the Council of the Federation of Chambers of Commerce consists of the heads of the chambers in addition to members appointed by the competent minister, is the right approach, because it achieves a balance between the independence of the chambers of commerce and their subjection to government control and supervision. This is contrary to the position of the Iraqi legislator, who limited the formation of the Federation Council to the heads of the chambers only, without direct government representation. Accordingly, the researcher recommends that the Iraqi legislator take what his Egyptian counterpart took in this regard. This supports transparency and promotes integration between the State and private sector institutions.

As for the formation of the Board of Directors in the United Arab Emirates, due to the different internal legal organization of each chamber of commerce and industry in the United Arab Emirates, the discussion of the formation of the board of directors refers here to what is stated in the statutes of the Federation of Chambers of

¹See: Article (3) of Law No. 189 of 1951 on Egyptian Chambers of Commerce, as amended by Law No. 6 of 2002.

²See: Article No. (7) of Law No. (14) of 1933 on the Egyptian Chambers of Commerce.

³Counselor Mamdouh Tantawi, The Law of the Chambers of Commerce and its Executive Regulations, First Edition, Modern University Office, Alexandria, 2008, pp. 264-265.

Commerce and Industry in the UAE, as it is the joint organizing framework that includes the chambers under its umbrella.

Article (16) of the Association's Statutes stipulates that the Federation's Board of Directors shall be composed as follows:

1. The Chambers' Chairmen or the Chamber's Chairman of the Board of Directors chosen from among the members of the Chamber's Board of Directors as his representative.
2. A member for each chamber chosen by its Board of Directors.
3. The Secretary-General shall assume the position of rapporteur of the Council's sessions without having a counted vote, and a representative of the Ministry may attend the Council's sessions as an observer and shall not have a counted vote in the Council's deliberations.

The Chairman of the Council shall be elected¹ at its first meeting from among the Chairmen of the Boards of Directors of the Chambers or their representatives, and a Vice-President shall be chosen from among its members, for a period of three (3) years, and the selection process shall be carried out by secret ballot.

1.2 Conditions of Board Membership and Meetings

Iraqi law requires a member of the Council of the Federation to have at least a preliminary university degree in one of the specializations, as well as a requirement for a member of the Board of Directors of the Iraqi Chambers of Commerce².

In Egypt, a member of the Board of Directors of the Chambers of Commerce, in addition to the conditions stipulated in Article (7) of this Law, is required to do the following: 1. He must be an Egyptian citizen. 2. He must be able to read and write. 3. He must apply for candidacy and deposit a security deposit of five hundred pounds

¹See: Article (16) of Federal Law No. (22) of 2000 on the Federation of the Chamber of Commerce and Industry in the United Arab Emirates.

² Article (32) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce stipulates several conditions for those who are nominated for membership in the Board of Directors of the Chambers, namely:

- a. He must be an Iraqi citizen who has completed thirty-five (35) years of age.
- b. He must be legally competent and not convicted of a felony or misdemeanor that violates honor.
- c. The applicant must have obtained at least a preliminary university degree.
- d) He has been practicing commerce and has been a member of one of the chambers for a period of not less than (7) seven
- e. He has paid his subscription fee to the Chamber for the last four (4) years without arrears.
- f. He must be a member of the premium class or the first class for a period of not less than four (4) years prior to the year of nomination.
- g. His business shall be within the jurisdiction of the Chamber of Commerce to which he is nominated for membership of the Board.
- h. He shall not be a member of the board of directors of any of the unions, syndicates, associations, or organizations with similar economic competence.

(500 pounds) for the nomination in the treasury of the governorate in which the chamber is located.

This amount shall become the right of the Chamber and shall be assessed for its revenues if he changes his candidacy after the specified date or if he does not succeed in the elections. 4. He shall not be less than twenty-five or twenty-six years of age¹.

These are self-evident conditions for membership in the boards of directors of chambers of commerce in order to allow whomever they wish to be elected to the board of directors of the chamber that falls within their competence².

As for the position of the UAE law, the legislator stipulated that the member of the Board of Directors of the Chamber of Commerce must be a person registered with the Chamber, practicing commercial activity, in addition to having legal capacity, and not having any criminal judgments against him that affect integrity and honor, which is in line with the comparative trend aimed at ensuring the efficiency and integrity of the members of the Board of Directors.

The Law of the Federation of Iraqi Chambers of Commerce No. (43) of 1989 stipulates that the membership of the Board of Directors of the Iraqi Chamber of Commerce and the Board of Directors of the Federation of Iraqi Industries may not be combined, and that the term of membership in the Council of the Federation and the Board of Directors of the Chambers of Commerce shall be four years, which is in line with the direction of the Egyptian legislator. Appointment of the outgoing member.

The Emirati legislature has made the term of membership in the Board of Directors of the Chamber of Commerce only three years, in accordance with the Federal Law regulating the Chambers of Commerce in the United Arab Emirates³. In turn, we support the view of the Iraqi and Egyptian legislators that the term of membership of the Board of Directors of the Chambers of Commerce should be four years, in order to achieve more stability and give longer opportunities to the members and the Chairman of the Board of Directors by regulating the work of the Chamber of Commerce.

With regard to the vacancy of a member's seat on the Board of Directors of the Chamber of Commerce before the expiry of its legal term, the Federation of Chambers of Commerce has organized in the bylaws of the Chambers of Commerce in Iraq: "In the event of loss of membership in the Board of Directors of the Chamber, which leads to the failure to complete the quorum and the remaining period of the session exceeds one year, the President of the Federation shall call for the holding of supplementary elections to complete the quorum within one month of the loss of quorum, but if the remaining period of the session is less than one year, the new

¹See: Article 7 of the Egyptian Chambers of Commerce Law. "In the past, it was required that a final verdict not have been issued against him for a felony or misdemeanor that violates honor or trust, unless he has been rehabilitated."

² Dr. Mayada Abdel Qader Ismail, The Public Legal Personality of the Chambers of Commerce (A Comparative Study with France), PhD Thesis Submitted to the Council of the Faculty of Law at Alexandria University, Egypt, 2024, p. 31.

³See: Article (17) of the UAE Chambers of Commerce and Industry Law

members of the Council of the Federation shall be selected on the basis of the nomination of the Board of Directors of the Chamber¹."

With regard to the position of the Egyptian legislature, this situation has been regulated by a special provision, whereby the vacant seat must be filled either by the person who obtained the most votes in the last election and has not previously won membership of the Council, or by the selection of a voter who meets the conditions of membership, after the approval of the Minister of Trade and Industry.²

As for the position of the Emirati legislator, it stipulates: "1. The Council shall elect the Chairman of the Council from among the chairmen of the boards of directors of the chambers or their representatives. A Vice-President shall also be elected from among its members for a period of three years, and the selection process shall be carried out by secret ballot. 2. In the event of his absence, the Council shall choose from among its members a person who shall act as President. In the event of a vacancy in the office of the Chairman and his Vice-President, the Council shall elect at the first session a person to replace them to complete the term provided for in clause (1) of this Article³."

A comparison between the two systems shows a disparity in regulating the vacancy of positions within the Board of Directors of the Chamber of Commerce. In Egypt, the legislature addressed this issue with a clear provision that the vacant seat must be filled after the approval of the Minister of Commerce and Industry, in order to ensure the continuity of the work of the Council. On the other hand, the UAE law limited itself to regulating the vacancy of the position of the president or vice president only, without mentioning the vacancy of ordinary membership, which is considered a partial treatment. In Iraq, it is clear from the text of Article (30/First) of the Rules of Procedure of the Federation of Chambers of Commerce, it has been specified in two cases, if the member loses his position in the Chamber's Board of Directors, this leads to the failure to complete the quorum, and the period is more than one year, the President of the Federation calls for holding elections to complete the quorum within one month of the loss of the quorum, but if the period is less than one year, new members of the Federation Council are elected based on Nomination of the Board of Directors of the Chambers

Given these differences, the Egyptian model is more likely in terms of comprehensiveness and clarity, as it provides a tight legal mechanism that ensures the continuation of the formation of the council and closes the door to administrative disruption, while the Iraqi model still needs legislative completion to address cases of permanent vacancy, while the Emirati model is closer to addressing the leaders without extending to the entire membership base, which may affect the stability of the councils in some cases.

With regard to the meetings of the Board of Directors, the first meeting of the Council of the Federation shall be chaired by the oldest member, and the Iraqi laws

¹ See: Article (30/First) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

² See: Articles 9 and 10 of the Egyptian Chambers of Commerce Law.

³ See: Article No. (17) of the Federal Law of the UAE Chamber of Commerce and Industry.

stipulate¹ that the meetings of the Council of the Federation shall be held within a period not exceeding fifteen days from the date of completion of the formation of the Board of Directors of the Chambers of Commerce.

As for the Board of Directors of the Iraqi Chambers, the Council shall meet at least once a month at the invitation of the Chairman of the Council or his Deputy in the absence of the Chairman of the Council, and the Council may be invited to meet by a number of at least five members of the Council by a written request addressed to the Chairman of the Council and supported by the reasons. The Council shall meet at least five days before the scheduled meeting and within seven days from the date of submission of the request to the Council².

It also authorized the Chairman of the Board of Directors to invite a number of specialized traders and experienced traders to attend the meetings of the Board of Directors to seek their opinions and benefit from their expertise without having the right to vote to reconvene the Council within a period of one week³, and the meeting shall be lawful if at least one third of the members of the Council are present⁴. We support what is stated in the text of this article, which allowed a number of specialized and experienced traders to attend the meetings of the Council by benefiting from their experiences and seeking their opinions, as it achieves more justice because these people are fully familiar with the business work.

This is in line with the comparative legislation in **the UAE**, which also stipulates that the meetings of the Board of Directors of the Chambers of Commerce shall be within a period not exceeding fifteen days, so that the Board shall meet at the invitation of its Chairman at least once every three months or at any time at the request of at least two of the Chambers⁵.

The meetings of the Council shall be valid in the presence of a majority of its members, and decisions shall be taken by an absolute majority of the votes of the members present, and in the event of a tie, the side from which the Chairman of the meeting shall prevail⁶.

In Egypt, the legislature stipulates that the Chamber of Commerce must meet at least once a month, at the invitation of the President of the Chamber. The Egyptian legislator stipulates that more than half of the members must attend in order to be considered legal, with a period not exceeding two days and a maximum of eight days to postpone the meeting in case this condition is not met. The decisions of the Chamber of Commerce are taken by an absolute majority of the opinions of the members present, and in the event of equal opinions, the decision is in favor of the

¹See: Article (3) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

²See: Article 24 of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

³ See: Article 25 of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

⁴See: Article 26 of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

⁵ See: Article (19) of the UAE Chambers of Commerce and Industry Law

⁶ See: Article (20) of the UAE Chambers of Commerce and Industry Law

team to which it belongs. It should be noted that the Minister for Internal Trade has a role to play in facilitating certain regulatory procedures when necessary¹.

Among the members entitled to attend the meetings are: a. Appointed members. b. Elected members. c. Associate members who do not have a counted opinion in the deliberations. d. Correspondent members, if they so call for but do not have a counted opinion in the deliberations, e. A representative of the government, who must be invited to attend the meetings of the Chamber, and may discuss all topics without having a counted vote, and may have access to the minutes of the sessions, books, and accounts, in accordance with the text of Article 53 of the Executive Regulations².

2. General Authority of Chambers of Commerce

After we have previously indicated that the Board of Directors of the Chambers of Commerce consists of members elected by the General Assembly, and the latter consists of all the merchants registered in the Chamber who have fulfilled their financial obligations by paying the annual subscription allowance in full, which gives them the right to exercise their membership and participate in the election of the Council, so we will divide this topic into two demands, we will talk about the General Authority in Iraq first, and then we will talk about the General Assembly in comparative legislation.

The first requirement

General Authority of Iraqi Chambers of Commerce

The General Assembly is considered the main pillar in the organizational structure of the Chamber of Commerce, and it consists of all merchants registered with the Chamber, who have completed their financial obligations by paying the annual subscription allowance in full. The **General Assembly** of the Iraqi Chambers of Commerce, especially the Baghdad Chamber of Commerce, is the supreme authority in its organizational structure, and represents the umbrella framework for its members who have paid their subscription fees in full. The general assembly is valid if the absolute majority of the members are present, and in the event that this quorum is not achieved on the scheduled date, the meeting shall be adjourned to the same date of the following week, and the meeting shall be considered valid by those who attended, in order to ensure the continuity of the institutional work and not to disrupt it³.

The legislator **has also regulated the formalities related to the convening of the General Assembly in Articles (9 and 10)**⁴ of the repealed law, through which it is required to announce the date of the General Assembly in at least two local newspapers, in addition to the radio, provided that this is a full month before the date of the meeting local. It is worth mentioning that the Iraqi legislature did not regulate those formalities related to the convening of the General Assembly in the law of the Federation of Chambers of Commerce in force, except that it stipulates that it shall be held by a

¹See: Article (12) of the Egyptian Chambers of Commerce Law.

² Dr. Mayada Abdel Qadir Ismail, op. cit., p. 39.

³See: Article (29) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

⁴See: Article (9) (10) of the Law of the Chambers of Commerce and the General Federation of Iraqi Chambers of Commerce No. (45) of 1973, which is repealed.

majority, without stipulating the rest of the procedures represented in announcing the date of the General Assembly in two local newspapers, provided that this is a full month before the date of the meeting.

The Chambers' bylaws also set out the conditions for membership in the Chamber of Commerce¹ granting the Iraqi merchant, whether a natural or legal person, the right to belong to the Chamber within whose jurisdiction his shop is located, provided that he does not belong to more than one chamber at the same time. Arab investors are exempt from this in accordance with the provisions of the Investment Law No. 64 of 1988². Brokers are also allowed to join the Chamber in accordance with the Signification Law No. 58 of 1987³.

In order to apply for membership in the Chamber, a set of objective criteria must be met, including that the merchant must have practiced trade as a usual profession, be an Iraqi citizen or a citizen of Arab countries residing in Iraq in accordance with the principle of reciprocity, except for Palestinians, as well as have a trade name and register with the Chamber, in addition to having a current account with one of the authorized banks (governmental and private), and having legal capacity or holding a judicial authorization to practice trade. It is stipulated that he should not be sentenced to bankruptcy unless he is considered in addition to it, as well as that he should be bequeathed by two members of the Chamber of Commerce of the third class and above⁴.

As for the classification of the Chamber's members, **Article (18)** ⁽⁵⁾ has a precise organization for this matter, as it divides the membership into five categories: (Excellent, First, Second, Third, and Fourth). The Chamber's Board of Directors, or its authorizer, is responsible for determining the class of each member upon his acceptance, based on several factors, including financial ability, which is determined by a letter of financial competence from one of the approved banks, the type of commercial activity, the reputation of the merchant in the market, and the volume of work he undertakes, and in accordance with the regulations set by the Council of the Federation of Chambers according to the following:

This organization highlights the keenness of the Iraqi legislator to achieve a degree of professional and economic organization within the Chamber, through an accurate

¹ Jurisprudence defines the principle of reciprocity as a situation that is achieved when a country guarantees or promises another state the treatment of its representatives, nationals, trade, or otherwise equal or equivalent to that guaranteed or promised by the latter state. For more information, see Dr. Ibrahim Ahmed Ibrahim, *Private International Law, Center for Foreigners and Conflict of Laws*, Dar Al-Nahda Al-Arabiya, Cairo, 1992, p. 64.

² Note that Law No. 46 of 1988 was repealed and replaced by Law No. 13 of 2006

³ See: Article (17) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

⁴ See: Article (17) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

⁵ See: Article (18) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

classification that reflects the practical reality of the capabilities of merchants, and allows a fair distribution of representation and participation in the activities of the Chambers.

The right to object, elect and classify members of the General Assembly

Within the framework of regulating the relationship between the Chamber and its members, members are granted the right to object to the decisions of the Board of Directors, as Article (19)¹ stipulates that the rejection of his application to join the Chamber shall be entitled to submit an objection to the Federation of Chambers within one month of its notification. The law also authorizes classified members to submit requests to amend their classification based on their financial competence, in accordance with dates and instructions issued by the Chamber.

The Statute has approved a set of rights enjoyed by the members of the Chamber who have paid their subscriptions, including: the right to vote and nominate for membership of the Board of Directors, access to technical consultations, and resort to arbitration services in commercial disputes, as well as the right to benefit from the information and services provided by the Chamber, and the ratification of official signatures and contracts².

These provisions thus demonstrate the legislature's keenness to strike a balance between enabling members to exercise an active role within the Chamber and ensuring a minimum level of efficiency and legal and financial stability.

Article (21) also specifies a number of obligations that fall on the members, including: adherence to commercial laws and regulations, payment of debts owed to the Chamber, cooperation with the employees of the Chamber and the Federation in oversight tasks, assistance to arbitrators, respect for the rules of commercial fellowship, observance of commercial customs and customs, and participation in the various activities organized by the Chamber or the Federation. Consequently, this text highlights a trend towards promoting self-discipline and ethical commitment in the commercial environment.

With regard to the organization of the electoral process, it has organized the procedures for the election of the boards of directors of the chambers of commerce, where the chambers are obliged to inform the federation of their preparations for the elections at least two months in advance. The president of the federation invites the public bodies to hold elections in accordance with the regulations set by the council, and the elections are held on one day during the last week of February. The publication of the announcement of the elections results in the dissolution of the existing councils, with the presidents continuing to conduct business until the formation of new councils. In the event of a loss of quorum Supplementary elections shall be held if the remaining period of the session is more than one year, and if it is less than that, the new members shall be selected with a nomination from the Chamber Council and the approval of the Federation Council. The Federation

¹ See: Article (19) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

² See: Article (20) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

announces the opening of nominations and the place and date of the elections one month before their date¹.

In order to complement the oversight role of the General Assembly, the President of the Chamber was obliged to submit a detailed report on the work of the Chamber during the last electoral cycle, and the report is presented to the General Assembly, which has the right to discuss it and make comments on it, which is considered an embodiment of the principle of transparency and accountability within the institutional organization of the Chambers².

The Rules of Procedure also confirmed the guarantee of the right to participate in the elections for every member who has paid the annual subscription allowance, which reflects the importance of financial commitment as a prerequisite for participation in the institutional work within the Chamber. The law also allows the exercise of the right to vote on behalf of companies and legal persons, in accordance with clear controls aimed at ensuring the validity of representation, the most prominent of which are:

- In joint stock and limited companies (other than the mixed sector), the Board of Directors may authorize any person to participate in the elections and, if the Board cannot meet for this purpose, the authorized director or his delegate shall be permitted to exercise this right.
- In partnership companies and small companies, the right to vote shall be vested in the director appointed in the memorandum of association or his deputy, but in the absence of an authorized director, the representation shall be valid only with the consent of all the partners³.

Passing through Article (49), which regulates the issue of the annual subscription of the members of the chambers of commerce, as a continuous financial obligation related to the active membership of the chamber. The subscription allowance is due at the beginning of each year and is paid according to the dates set by the Chamber. In the event that the member defaults without a legitimate excuse for three consecutive years, an additional amount of 10% of the contribution allowance value will be imposed on him for each year of default. If the default continues until the end of the fourth year without payment, **the member's registration will be permanently cancelled without the need for warning or notification**, reflecting the seriousness and discipline of the membership of the Chambers. In this case, the period of default is considered a legal continuation of the member's membership and practice of commercial activity, and this regulation shows the balance between rigor in the collection of financial resources and human flexibility when there are legitimate realistic impediments.

By reviewing the legal texts regulating the General Authority of the Iraqi Chambers of Commerce, it is clear that the legislature has given this body a central place within

¹ See: Article (30) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

² See: Article (34) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

³ See: Article (35) of the Rules of Procedure of the Federation of Iraqi Chambers of Commerce.

the organizational structure of the Chamber. It has been assigned fundamental powers that enable it to exercise oversight and democratic representation, starting with the election of the Board of Directors, through the discussion of plans and reports, and ending with participation in the approval of the Chamber's general policies. However, the Iraqi legislature has not imposed any penalties on the Board of Directors in the event that they do not comply with the instructions and powers granted to them as stipulated by the legislator.

The second requirement

The General Authority of Chambers of Commerce in Comparative Legislation

- **Starting with Egypt**, where the General Assembly of the Egyptian Chambers of Commerce represents the broadest representative framework of the commercial sector, and it includes all merchants registered in the Commercial Register who have fulfilled their annual subscription, and through them the effective participation in the election of the members of the Board of Directors is achieved, reflecting the democratic and administrative nature of these economic institutions¹.

The Egyptian legislature has regulated the composition and competence of the General Authority indirectly through texts that specify **the conditions of membership**, the right to vote, and participation in the formation of the Board of Directors. It was stipulated that the composition of the Board of Directors of the Chamber shall be equally between members elected by the General Assembly and members appointed by the competent Minister, which achieves a delicate balance between the popular representation of merchants and the administrative supervision of the competent authority.²

This is what the formation of the boards of directors of the Iraqi Chambers of Commerce lacks, as the independence and the absence of administrative representation in the formation of these councils, despite the fact that it shows a manifestation of institutional independence, may in practice lead to weakening the coordinating role of the chambers with the official authorities, and lose part of their institutional effectiveness and sobriety.

Therefore, the involvement of government representatives or certain elements by the competent authorities, along the lines of the Egyptian model, would enhance the strength of the Iraqi chambers of commerce and achieve the required balance between autonomy and administrative efficiency, which calls for a review of the Iraqi legislative framework to remedy this organizational shortcoming.

It has also specified the conditions that must be met by the trader in order to exercise the right to vote, namely that he must be legally competent, not convicted of a crime against honor or honesty, and that he has not declared bankruptcy unless he is considered to be considered as such, in addition to the necessity of paying the annual subscription stipulated in **Article (25)**. In order to ensure the transparency and integrity of the electoral procedures³.

The researcher believes that the Iraqi legislator should take what the Egyptian legislator took in this text, as it is more accurate and correct in its position than the

¹ Dr. Mayada Abdel Qadir Ismail, op. cit., p. 31.

² See: Article (4) of the Egyptian Chambers of Commerce Law.

³ See: Article (5) of the Egyptian Chambers of Commerce Law.

Iraqi legislator in determining who has the right to vote on behalf of the legal person, as it limited the right to vote only through the legal representative or the authorized director, unlike the Iraqi legislator, who gave freedom to the board of directors of the company to choose any person to exercise the right of election on behalf of the company, even if he is not a member of that company.

With regard to the financial contribution, which is a prerequisite for active membership, it stipulates that each trader must pay an annual subscription of (2%) of the paid-up capital, with a minimum of EGP 24 and not more than EGP 2000, and the payment of this contribution is one of the essential conditions for enjoying rights within the General Assembly, on top of which is participation in the election and nomination. The legislature has also provided for a financial penalty for late payment at 25% of the value of the annual subscription, with the possibility of instalments of the arrears in accordance with regulations issued by the competent minister, which reflects the gradual penalty and balances between the financial obligation and the flexibility of implementation¹.

Through this organization, it becomes clear that the General Authority in the Egyptian system is not just a formality, but represents a real entity that has full capacity to influence the formation of boards of directors, and it is the basis from which institutional work within the chambers of commerce is based, in a delicate balance between professional participation and administrative control.

Finally, with the United Arab Emirates, Articles 8 to 15 stipulate in Chapter 1 of the Federal Law the organization of the work of the General Assembly, which is the supreme body that represents all citizens of the State who are members of the Chambers' boards of directors.

The General Assembly (General Assembly) represents the broad base on which the organizational structure of the commercial establishment is built, which includes all the citizens of the State who are members of the boards of directors of the Chambers whose names are notified by the Federation of Chambers. According to article 8, participation is an essential condition for the enjoyment of membership rights, in particular participation in voting and decision-making in the General Assembly².

It is important to note here that the General Assembly has been entrusted with a number of powers that make it a decision-making body with a vital role in oversight and participation, including the discussion of the reports of the Board of Directors, the approval of the budgets and accounts of the Chamber, and the consideration of matters related to the commercial and industrial sector that are presented by the Board or by a member³.

The UAE legislator has also organized the mechanism for convening the General Assembly, as it has authorized the holding of the meeting at the request of the President at least once a year, at the headquarters of the Federation, one of its branches or one of the headquarters of the Chambers, and it can be held at the joint request of the Board of Directors of at least two chambers. The UAE legislator has given the competent minister and the Council the right to call an emergency meeting

¹ See: Article 25 of the Egyptian Chambers of Commerce Law.

² See: Article (8) of the Federal Law of the UAE Chamber of Commerce and Industry.

³ See: Article (11) of the Federal Law of the UAE Chamber of Commerce and Industry.

when needed, which reflects the flexibility and quick response to emergency circumstances, as well as the flexibility of the UAE system in ensuring the continuity of decision-making without institutional disruption¹.

The legislature has set the date for the invitation to meetings, making the period at least one month in advance in the ordinary case and at least ten days in the case of emergency meetings, which balances between advance preparation and speed when necessary². The legislator also obliged the agenda to be distributed fifteen days in advance in ordinary meetings, provided that it is accompanied by the invitation letter in emergency meetings, in order to ensure that members are informed in advance and take informed positions³.

As for the quorum, Article 12 stipulates that the meeting shall be valid in the presence of the absolute majority of the members, and if the quorum is not reached, a second meeting shall be called within 21 days, and it shall be considered valid by those who attended. As for the decision-making mechanism, Article 13 specifies it by an absolute majority of the votes present, with the presence of representatives of the concerned ministries as observers, in order to enhance transparency and institutional coordination.

The President shall preside over the meetings, and in his absence, his deputy or one of the elected members shall do so, and the decisions of the Assembly shall be taken by an absolute majority of the votes of those present, and in the event of equal votes, the side with which the President is present shall prevail, and the decision issued by it shall acquire the status of binding on all members, whether they attend the meeting or not⁴. Board of Directors of two chambers, giving it flexibility in addressing emerging issues⁵.

Thus, we find that the UAE legislature has given the General Assembly a pivotal role not only as a deliberative body, but also as a supreme decision-making authority that contributes to setting the general policies of the Chambers, approving their budgets, and overseeing their work. The organization of the invitation dates, quorum and voting mechanism also reflects the legislator's keenness to strike a balance between procedural efficiency and ensuring the participation of the largest possible number of members.

Through the study that has been reviewed on the organization of the General Authority in the Chambers of Commerce in the State of Iraq, Egypt and the United Arab Emirates, it is clear that there is a disparity in the extent to which this body is able to exercise its institutional and supervisory role within the administrative

¹See: Article (9) of the Federal Law of the UAE Chamber of Commerce and Industry.

² See: Article (10) of the Federal Law of the UAE Chamber of Commerce and Industry.

³See: Article (11) of the Federal Law of the UAE Chamber of Commerce and Industry.

⁴See: Article (14) of the Federal Law of the UAE Chamber of Commerce and Industry.

⁵ See: Article (15) of the Federal Law of the UAE Chamber of Commerce and Industry.

structure of the Chamber. While the UAE law grants the General Assembly flexible powers and clear mechanisms for convening, voting, and enforcement, and shows interest in making it effective in policymaking, the Egyptian organization tends to balance administrative oversight and professional representation, while the Iraqi model remains closer to the traditional model, with real powers but still needs to develop tools for activation and supervision.

The researcher believes that deepening the role of the General Authority within the Chambers of Commerce is not only a procedural necessity, but also a guarantee for the institution of economic work, and achieving a balance between the authority of the administration and the right to participate, which contributes in the long term to enhancing the confidence of the business community in the role of the chambers, and pushes towards a more transparent and stable business environment. In order to achieve this, it is necessary for the Iraqi legislator to intervene in amending some texts in line with the position of comparative legislation.

Conclusion

1. It should be noted that the Iraqi legislature has adopted the principle of direct representation of chambers of commerce in the Council of the Federation, on the basis that each independent chamber of commerce elects its representative in this council, which strengthens the independence of the chambers of commerce and gives them a direct role in the management of the federation that regulates their work.
2. By reviewing the legal texts regulating the General Authority of the Iraqi Chambers of Commerce, it is clear that the legislator has given this body a central place within the organizational structure of the Chamber. It has been assigned fundamental powers that enable it to exercise oversight and democratic representation, starting with the election of the Board of Directors, through the discussion of plans and reports, and ending with participation in the approval of the Chamber's general policies

Second: Recommendations

1. The Iraqi legislator has not imposed any penalties on the Board of Directors in case they do not comply with the instructions and powers granted to them. Based on the above, we propose to the Iraqi legislator to stipulate the penalties that must be imposed on the Chairman and members of the Board in case of non-compliance and violation of the law.
2. We recommend that the Iraqi legislator take what the Egyptian legislator has taken in determining who has the right to vote on behalf of the legal person, as the Egyptian legislator was more accurate and correct in his position than the Iraqi legislator, as he limited the right to vote only through the legal representative or the authorized director, unlike the Iraqi legislator, who gave the freedom to the board of directors of the company to choose any person to exercise the right of election on behalf of the company, even if he is not a member of that company.

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