

DOI: 10.5281/zenodo.11042583

# THE IMPACT OF DEADLINES AND TIMETABLES ON REORGANIZATION UNDER JORDANIAN INSOLVENCY LAW NO (1). 21 OF 2018

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Received: 11/11/2025  
Accepted: 18/11/2025

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## ABSTRACT

*This research examines the concept of a pre-prepared reorganization plan, its requirements, importance, characteristics, and content. It also explains the mechanisms for its use, adoption, implementation, and termination, as well as its legal implications. It also addresses the concept of insolvency, the conditions for applying the insolvency law, its characteristics, importance, and scope of application. It also addresses the procedures for issuing a declaration of insolvency, its legal nature, and the means of appeal. The preliminary phase represents the cornerstone of all insolvency proceedings. During this phase, the debtor's insolvency status is verified, and all the basic and necessary procedures for implementing the insolvency law are initiated. These procedures include submitting an application, establishing the insolvency status and its causes, appointing an insolvency trustee, inventorying the debtor's assets, identifying, classifying, and notifying creditors, verifying debts, identifying the debtor's transactions and the restrictions resulting from them, taking the necessary measures to preserve their assets, and publishing the insolvency declaration, among other essential procedures. At this stage, the legislature has provided a path allowing the debtor to avoid formal insolvency proceedings through a pre-prepared reorganization plan. If the debtor anticipates financial distress within a specific timeframe, the law allows them to submit a proposed plan outlining the mechanism for restructuring their business. If accepted by the creditors or a qualified majority of them and approved by the court, the plan may prevent the company from formally entering insolvency. The pre-prepared reorganization plan, the provisions of which were set out by the legislature in the preliminary stage, is a tool that enables the debtor to rescue their economic activity from insolvency and ensure its continuity. This, in turn, achieves multiple benefits: it helps debtors maintain their source of income, secures job opportunities and income sources for workers, improves debt repayment to creditors, and contributes positively to the national economy. Among the study's most notable findings is the importance of the insolvency law in protecting the interests and rights of the debtor an aspect previously neglected under the repealed bankruptcy law and its role in protecting the rights of creditors and supporting the national economy. The researcher also highlights the legislator's focus on setting deadlines for implementing the provisions of the insolvency law. Among the most prominent recommendations is the need to regulate the right of heirs to use a pre-prepared reorganization plan, provided its conditions are met. Other findings and recommendations will be detailed in the full study.*

**KEYWORDS:** Insolvency Law, Reorganization Proceedings, Statutory Time Limits, Legal Framework.

## 1. INTRODUCTION

Time is one of the most important and valuable aspects of human life. It is defined as a measurable amount of time allocated for a specific purpose. Every minute that passes is irreversible, requiring its optimal use to achieve goals. Time should not be wasted or neglected, no matter how long it lasts. Properly prioritizing is crucial to effectively utilize the time available to accomplish the most important tasks before it is too late. As the saying goes, "Time is like a sword; if you don't cut it, it cuts you." Societal progress is often measured by the value of time. The main difference between developed and underdeveloped societies lies in how they utilize time. A greater appreciation of time leads to increased productivity, reduced dependence on others, and self-sufficiency in meeting citizens' needs. On the individual level, proper time management enhances productivity, allows for rest and recreation, and opens up opportunities for self-development and creativity. Time is fleeting; it often passes without our realizing it, and once lost, it cannot be recovered. Humans have long relied on the movements of the sun and the moon their rising and setting to count days, months, and years. As stated in the Holy Quran: "It is He who made the sun a shining light and the moon a light and determined for it phases - that you may know the number of years and the reckoning." (Surah Yunus, verse 5). Accordingly, the solar (Gregorian) year is calculated based on the Earth's orbit around the sun, while the lunar (Hijri) year is calculated based on the moon's orbit around the Earth.

All legal systems place great importance on time, making it a fundamental element in various political, social, economic, health, and other spheres. For example, when merchants adhere to deadlines to fulfill their obligations, this promotes economic growth. Similarly, respecting product expiration dates is vital for public health and social development. Modern legislation often links legal proceedings to specific time frames, ensuring that time is not misused or exploited against others. For example, Jordanian lawmakers include binding time limits in their legal legislation, which apply not only to rights holders but also, sometimes, to judges, to ensure due process and the smooth administration of justice. Among these modern laws is the Jordanian Insolvency Law No. 21 of 2018, which sets specific deadlines that parties must adhere to in order to preserve their legal rights. These time frames prevent legal proceedings from becoming an open-ended threat that can be activated at will.

## 2. RESEARCH SIGNIFICANCE

Legislators emphasize the organization of statutory periods and deadlines across all legal texts, as these are among the most important procedural aspects. The significance of adhering to these timelines lies in ensuring the accuracy, orderliness, and timeliness of legal processes, thereby securing the rights protected by law. This research focuses specifically on the statutory time limits and deadlines under the Jordanian Insolvency Law, particularly those that influence reorganization procedures. The importance of this research stems from the fact that the Insolvency Law is relatively new, necessitating analytical examination to understand the role of timeframes in regulating the rights of involved parties and their compatibility with procedural requirements.

## 3. PROBLEM STATEMENT

**This study addresses the challenges and legal questions raised by the statutory time limits and deadlines introduced under the Jordanian Insolvency Law. Specifically, it seeks to answer the following questions:**

1. What are the legal definitions and classifications of time limits and deadlines, and how do they apply under the Insolvency Law?
2. Do the statutory timeframes set by the legislator achieve the intended objectives of the Insolvency Law?
3. Are these timeframes appropriate and proportionate to the legal procedures they are designed to govern?
4. What are the legal consequences of failing to observe these deadlines procedurally or in terms of sanctions?

## 4. SCOPE OF THE STUDY

This research is limited to the statutory timeframes stipulated in Jordanian Insolvency Law No. 21 of 2018, with particular emphasis on those affecting reorganization processes.

## 5. METHODOLOGY

The study employs an analytical legal methodology, by examining the relevant statutory provisions in light of legal doctrine (fiqh) and jurisprudential interpretations, in order to determine the extent to which these timeframes fulfill the intended legislative objectives.

## 6. RESEARCH STRUCTURE

**The research is divided into three main sections:**

1. Section I: The concept and types of time limits

- and deadlines
2. Section II: The impact of timeframes under the Insolvency Law on reorganization
  3. Section III: The objectives of the Insolvency Law and the extent to which the prescribed deadlines align with those objectives

### ***Section I: The Concept and Types of Time Limits and Deadlines***

Statutory time limits are measured periods defined in years, months, days, or hours within which certain legal actions must be taken. These limits may apply before, during, or after a particular event. The primary aim of imposing such timeframes is to safeguard the rights of parties whether in asserting a claim or mounting a defense and to ensure the orderly progression of legal procedures. To understand the legal nature of time limits and deadlines, this section will discuss their definition, classification, and regulatory framework, including how they are calculated, and their legal effect. This will be covered through the following subsections:

#### ***Subsection I: Definition Of Time Limits and Deadlines***

**To define time limits and deadlines accurately, we must distinguish between linguistic and legal definitions, explore their types, and explain their importance and objectives, as follows:**

##### ***A. Linguistic and Legal Definitions***

Most legislative texts avoid explicitly defining the terms "periods" or "deadlines," leaving this task to legal scholars.

1. Linguistically, a period is "a specified time allocated for something" (Al-Hindi, 1995, p. 145). The terms "deadlines" and "periods" are the plural of "mi 'ad" or "muddah," referring to a promised or designated time (Mustafa & Zayadat, 1995, p. 253). Thus, a period is the time span between the start and end of an event.
2. Legally, timeframes are defined as "a legal duration set by the law for a specific action, starting at one moment and ending at another" (Al-Sharqawi, 1977, p. 53). Time limits are considered procedural conditions that must be observed for an action to be valid and legally effective (Al-Shu'arabi, 1996, p. 5).
3. They are also defined as "durations or deadlines prescribed by law for taking certain actions, whether before, during, or after the period, failing which the right may be lost" (Ayad, 2004, p. 52), or "the times and dates that

must be respected before undertaking legal procedures" (Al-Nimr, n.d., p. 148).

##### ***B. Researcher's Definition***

**The researcher concludes that "time limits and deadlines" are:**

"Legally prescribed durations measured in years, months, days, or hours that must be observed before initiating legal procedures, whether such durations occur before, during, or after the prescribed period. Failure to observe these timelines results in the forfeiture of the right for which they were established."

##### ***Second Subsection: Calculation of Time Limits***

Procedural deadlines may be determined in hours, days, months, or years. Article 23 of the Jordanian Code of Civil Procedure provides the method for calculating the beginning and end of a deadline. It stipulates that when the period is measured in months or years, the Gregorian calendar is used unless the law provides otherwise. If the deadline is measured in days, months, or years, the first day., the day the event or procedure triggering the deadline occurs is not counted. This ensures that a deadline defined by days, months, or years is not effectively reduced to a matter of hours. If the deadline is set in hours, fractions of hours are not considered, so as to avoid transforming the deadline into one measured in minutes. Such a deadline ends with the last working hour of the final day, or, if measured in hours, with the final hour of that period.

For example, if the deadline is set in days, Article 92(b) of the Jordanian Insolvency Law provides that objections to the approval of a reorganization plan must be filed within ten days. If the court approves the plan on February 1, the deadline starts on February 2 and ends at the close of working hours on February 11. If no objection is submitted by then, the right to object lapses, since this is a forfeiture deadline (Ayad, 2004, p. 51).

If the deadline is measured in months or years, the number of days in each month or year is irrelevant. For instance, if a three-month deadline begins on February 10, the deadline starts on February 11 and ends on May 11, regardless of the number of days in each month. Complete and forfeiture deadlines that are measured in days, months, or years expire at the end of the last day, while those measured in hours end at the last hour of the period. Reverse deadlines, which require action before the deadline begins, are not explicitly addressed in the law, but legal scholars treat them as complete deadlines that must be calculated in reverse, from the end back to the start

(Al-Hindi, 1995, p. 159).

If the last day of a deadline coincides with a public holiday, the deadline is extended to the next working day, as stipulated in Article 23(2) of the Code of Civil Procedure. The law states: "If the last day of the deadline falls on an official holiday, it shall be extended to the first working day thereafter." This extension applies only to the last day, not to the entire period, regardless of how many days within the deadline fall on holidays. The extension is limited to one working day the first day after the holiday period (Sawy, 1990, p. 444).

This rule applies whether the holiday is scheduled or unexpected (e.g., due to political unrest or natural disasters). The rationale is to ensure fairness and avoid depriving a party of their right to take necessary action on a day when official business cannot be conducted (Mabrouk, 2001, p. 149). The provision is general in nature and applies to all types of deadlines, whether measured in days, months, or years (Fazairi, n.d., p. 96).

### *Third Subsection: The Legal Nature of Appeal Deadlines*

The general legal rule is that an appeal against a judicial ruling must be submitted within the time limits prescribed by law. If the appellant fails to comply with the deadline, the right to appeal is forfeited. This rule is considered a matter of public order, meaning it cannot be waived or altered by agreement, whether to shorten or extend the legal deadline. As a rule of public order, the competent court must apply it *ex officio*. If an appeal is submitted after the expiration of the legal period, the court must reject it outright, even without a motion from the opposing party (Wali, 1959, p. 493; Al-Obaidi, 2016, p. 462; Al-Qashtini, 1979, p. 332). It follows that appeal deadlines are considered forfeiture periods and not periods of extinctive prescription (Abo Al-Wafa, 1989, p. 571; Wali, 2017, p. 496; Al-Nadawi, 2001, p. 378). To further clarify the legal nature of these deadlines, the following distinctions are necessary:

#### *I. Distinction Between Appeal Deadlines and Extinctive Prescription Periods*

Although both forfeiture deadlines and extinctive prescription periods involve legal durations after which certain rights lapse, they serve different purposes, and the distinction between them is essential.

**The following points highlight the main differences:**

##### *6.1. Legislative Purpose*

Forfeiture deadlines (e.g., appeal periods) are designed to provide a fixed timeframe for a party to exercise a legal right granted by law (such as filing an appeal). Extinctive prescription aims to protect the stability of legal relations, penalize negligence by the creditor, and serve as a presumption that the debt has been fulfilled due to prolonged inaction (Al-Sanhouri, 2000, p. 1000; Markus, 2019, p. 833). Accordingly, since appeal deadlines are established to provide a specific timeframe to challenge a judicial ruling, they are classified as forfeiture deadlines.

##### *6.2. Legal Classification*

Appeal deadlines are of public order. Courts must apply them on their own initiative, and any appeal filed after the legal timeframe must be dismissed, even without a request from the opposing party. Extinctive prescription periods, however, may be waived or interrupted under certain conditions and are generally subject to party autonomy. The statutory deadline for it [i.e. the remedy] is prescribed by law, without any need for its invocation by the opposing party; whereas in contrast, the opposing party must raise the issue of the expiration of the prescriptive period. The court of first instance is not obligated and indeed should not decide on the extinguishment by prescription *ex officio*; rather, it must examine the matter only after one of the parties raises it in the proceedings. If no party raises it or asserts it, there is no basis for the court to rule on prescription. (Al-Sanhouri, 2000, p. 1000). Forfeiture deadlines (sacrifice time limits) are generally shorter than extinctive prescription periods.

##### *Second: Forfeiture Of the Right to Appeal a Judicial Judgment*

A legally prescribed deadline limits the time within which an appeal may be filed: it must fall between a commencement date and an expiration date. It is impermissible to leave the right to appeal unrestricted by time; neglecting this principle would allow a malicious judgment debtor to delay indefinitely in filing an appeal, thereby preventing the challenged judgment from becoming final thus denying the prevailing party the ability to execute it. (Omar & Khalil, 2004, p. 506). This, in turn, would diminish the ability of that party to enforce its legal entitlement, while leaving unsettled the dispute that had already been resolved by the competent court. All of this harm the stability of transactions among individuals and the stability of social order, and undermines litigants' confidence in the judiciary thus sacrificing part of its dignity and respect. Therefore,

procedural statutes insist on the automatic forfeiture of the right to appeal once the statutory period has lapsed.

### ***Third: Suspension Of Deadlines and Time Limits***

The legislature recognizes that a party entitled to appeal may be prevented by certain circumstances from exercising that right. According to a fundamental principle in legislation, *"the time limit does not run against one who cannot take steps to preserve his right."* (Abu-Al-Wafa, 1989, p. 572). As an exception to the general rule that the right to appeal is lost when the statutory period expires, the law permits the temporary suspension of appeal deadlines in specified circumstances. This means that the deadline's running is halted for part of the time due to a legally recognized excuse, and it resumes once the excuse ceases. (Abdul Latif, 1958, p. 113).

In the absence of an explicit statutory text on this matter, a school of doctrine holds that appeal deadlines may be suspended when a force majeure event prevents the filing—such as disruption of communications due to war or natural disasters (Omar & Khalil, 2004, p. 511; Al-Obaidi, 2016, p. 463). Determining whether such an event constitutes a valid force majeure is for the appeals court to decide. (Ismat Abdul Majeed Bakr, 2019, p. 729).

Although the general rules used to justify this doctrine pertain to the passage of time barring lawsuits (i.e. prescriptive periods) rather than forfeiture deadlines, if one were to apply those general rules to support suspension of appeal periods in exceptional circumstances, the same rules would require that a fresh full appeal period begin once suspension ends.

Deadlines and time limits are affected when extraordinary circumstances disturb the ordinary course of public life. In case of natural disasters, internal unrest, external attack, or any form of force majeure, the running of deadlines halts until the abnormal condition ceases if the time period has already begun. If the impediment occurs before the start of the deadline, the countdown does not begin until the impediment ends. (Sawy, 1990, p. 450). The rationale is that justice demands the suspension of deadlines when a reason prevents a party from exercising a right; once the impediment is removed, the deadline either resumes (if it had begun), adding the portion already elapsed, or starts anew (if not yet begun). (Al-Hindi, 1995, p. 174).

One question arises: Does the loss of legal capacity or the death of the party entitled to act suspend these deadlines? Under the general rules and Article 123(3)

of the Jordanian Code of Civil Procedure, the court is to notify the legally appointed substitute for the incapacitated person, or the legally recognized heirs (as shown in the civil status records), so they may take the necessary action before the statutory deadline expires. The text implies that the deadline does not suspend; rather, the law substitutes another person to act in the place of the original party. (Abu-Al-Wafa, 1989, p. 523). If someone suffers a sudden illness or accident that does not cause loss of capacity, the law does not regard it—because of the difficulty in proving it and to prevent abuse by delaying action in the hope of reclaiming lost time. Missing a compulsory deadline carries serious consequences, such as the forfeiture of the right itself. (Al-Hindi, 1995, p. 174).

### ***Section II: How The Deadlines and Time Limits in the Insolvency Law Affect Reorganization***

Reorganization becomes necessary when prior arrangements are ineffective or no longer viable, especially due to internal or external changes that render the old structure incompatible. For instance, changes in management, economic systems, social or political conditions, nationalization of companies, economic deterioration, or unexpected expansion of operations might necessitate major or minor structural adjustments to avoid insolvency. To keep the enterprise viable, it may be essential to revise the organizational structure: determining which units to eliminate or expand, or replacing them; since managerial capacity is the driving force of the structure, absence or deficiency therein may lead the project to stagnate or ultimately fail, triggering insolvency.

The new Insolvency Law prescribes deadlines and time limits that parties must observe to carry out reorganization. It also establishes timeframes affecting the general applicability of the law itself. The researcher divides this into two subs-sections:

#### ***Subsection I: Time Limits for the Application of the Insolvency Law***

1. To apply the Insolvency Law to acts performed by the parties, those parties must fall within its scope under Article 3 of the Insolvency Law. The legislator excludes persons "related" to the debtor under Article 4. Among them is the marital relationship, which is time-limited: if a transaction is made within one year *before* the beginning of the marriage, the spouse is considered "related," or if the marriage ends, for one year afterward the ex-spouse retains that status. If the transaction occurs before or after that one-year buffer, the spouse is not "related,"

and the Insolvency Law applies (Article 4/a/2). This indicates that if the marriage begins or ends outside the prescribed interval, the Insolvency Law applies; if it lies within the buffer period, the marital relationship renders the parties “related,” excluding them from application of the law. This period is the first statutory time limit affecting whether the Insolvency Law applies.

From a doctrinal perspective, this duration may be regarded as a complete deadline for challenging the application of the Insolvency Law—one must wait for the full period to lapse before claiming the law should apply. Conversely, it may be seen as a forfeiture deadline, since a party may challenge the inapplicability of the law if the act occurred during that period (a year before or after) as transactions with a “related party” are excluded from the law’s scope. Legally, it is also a mandatory deadline in terms of penalty: if the parties fail to act within that timeframe, their right to invoke the Insolvency Law is lost.

2. The deadline to file a petition for declaration of insolvency is two months from the date the debtor or, in the case of a corporate debtor, those managing it becomes aware, or should have become aware, of insolvency (actual). For impending insolvency, the deadline extends to six months (Article 7(a)). If this deadline is missed and damage results, the law sanctions the debtor or management by prohibiting them from engaging in economic activity for a period of one to five years (Article 7(c)). The text, however, does not clarify the required level of harm or the precise circumstances triggering the sanction. The researcher contends that harm is presumed when the debtor reaches insolvency, whether affecting debtor or creditors, and that the sanction should apply even if the defect lies in incomplete evidence submitted with the petition. The statutory timeframes here are forfeiture deadlines, requiring timely filing of the petition, with the consequence of dismissal (Article 9(b)), and the penalty for noncompliance.
3. Objection to a petition for insolvency: The law grants the debtor ten days from the day after it receives notice of the petition to file an objection, along with evidence to counter it (Article 11(b)). If the debtor succeeds, the Insolvency Law does not apply. This time limit is a forfeiture deadline, since failure to object within it eliminates the debtor’s right to object. Once the objection window expires, the court

must issue the insolvency declaration within fifteen days (Article 11(b)). This is a mandatory forfeiture deadline: the debtor must act within the timeframe or lose the right.

4. Appeal against the insolvency decision: A stakeholder may appeal within ten days from the date the decision is issued or received (Article 15). This appeal does not automatically suspend insolvency procedures, but if the appeal succeeds, the insolvency declaration might be overturned and the law will no longer apply. This appeal period is a forfeiture deadline the stakeholder must file within the timeframe or lose their right to appeal, and the insolvency procedures become enforceable.

### ***Subsection II: Time Limits and Deadlines for Reorganization Plan Implementation***

The reorganization plan is a route provided to the debtor to avoid impending insolvency (through a *pre-arranged plan*) or escape actual insolvency (via the normal reorganization plan). The law permits the debtor, within six months of impending insolvency, to file the insolvency petition and subsequently submit a prearranged plan agreed with creditors to the court. If the debtor is already insolvent, the ordinary reorganization plan may be used. Creditors may also propose a plan. To be accepted, these plans must meet numerous conditions, and among the most significant are the statutory deadlines stipulated in the law.

#### ***A. Deadline for Submitting the Plan***

1. Deadline for a Prearranged Reorganization Plan  
A debtor wishing to use a prearranged reorganization plan, if initial conditions are satisfied, must file the plan within thirty days of the publication of the insolvency declaration if it was not attached to the petition. Article 67(b) states that procedures under Chapter Eight apply to cases in which a plan is filed within thirty days of the insolvency declaration; otherwise, the reorganization falls under Chapter Nine. Article 69(b/2) similarly sets thirty days from publication of the insolvency declaration to submit the plan. If the debtor fails to do so within this period, the right to use this plan is forfeited.

#### ***6.3. Deadline For Submitting a Regular Reorganization Plan***

The debtor, the insolvency trustee, or creditors representing at least 10% of the total debts may submit a regular reorganization plan to the court within thirty days from the start of the reorganization

phase, provided the debtor did not submit the plan with the insolvency petition (Article 76 of the Jordanian Insolvency Law). It is clear from this provision that the plan may be submitted by the debtor, creditors, or the trustee. The plan must be filed within thirty days of the commencement of the reorganization phase.

The regular reorganization phase begins on the date the court declares the end of the preliminary phase, unless the debtor requests to proceed with liquidation (Article 67/a of the Insolvency Law). This deadline is considered a mandatory and preemptory (non-extendable) deadline. Failure to submit the plan within the specified period results in the forfeiture of the right to proceed with reorganization, and the case transitions directly into the liquidation phase. This clearly reflects the critical role of this deadline in enabling the use of the regular reorganization plan.

### **3. Deadline For Submitting a Plan Based on the Trustee's Report**

The importance of deadlines in relation to reorganization is also evident when the trustee's report concludes that reorganization is not possible, or if the economic activity has ceased. In such cases, the court must order liquidation. However, the legislator grants the debtor a ten-day period from the date the trustee submits the report to file a request to the trustee expressing the intent to propose a reorganization plan supported by creditors representing at least 25% of total debts. If the debtor fails to submit this request within the ten-day period, the court proceeds with liquidation.

This provision is somewhat ambiguous. It opens with: "Notwithstanding the provisions of paragraph (a) of this article referring to Article 67/a, which states that the court shall declare the end of the preliminary phase and commence reorganization unless the debtor requests liquidation. If the trustee's report concludes that reorganization is impossible, or if economic activity has ceased, the court must proceed with liquidation unless the debtor submits a written request to the trustee within ten days expressing intent to submit a reorganization plan supported by at least 25% of creditors (Article 67/c).

The ambiguity lies in whether the intended plan is a regular reorganization or a prearranged one, and how reorganization would be possible if the trustee has concluded it is not. Article 67/d states: "The trustee shall file the request with the court, which shall proceed with reorganization at the conclusion of the preliminary phase" repeating the content of Article 67/a without clarifying Article 67/c. Nevertheless, this is considered a mandatory and

preemptory deadline that the debtor must comply with to retain the option of reorganization. If the ten-day period expires, the debtor loses this right.

### **Second: Deadline For Objecting to the Reorganization Plan**

The law sets another critical deadline affecting the approval of both types of reorganization plans (prearranged and regular). The debtor, creditors, or trustee who oppose the plan or did not attend the meeting may file an objection within ten days from the date the plan was filed with the court. Grounds for objection include: violation of legal requirements for plan preparation, improper majority formation, or the plan's impracticability. Objections must be reasoned on one of these bases. If the objection succeeds after the court notifies the trustee or creditors' committee and grants them time to respond, and possibly appoints an expert the plan may be rejected, and the court may proceed with liquidation.

This ten-day deadline is decisive for the reorganization plan. If it is not used, the plan proceeds without further challenge. If it is used successfully, the court rejects the plan and initiates liquidation (Article 92 of the Insolvency Law). This is a mandatory and preemptory deadline, and failure to file within the prescribed time results in loss of the right to object. The objection is filed with the same court that received the plan. The court must issue a ruling on the objection within ten days after the objection period ends.

### **6.4. Scope Of Judicial Discretion**

A question arises regarding the court's discretion in ruling on objections. The analysis shows that the court has discretion only in the second ground (impracticability). The court may appoint an expert and is not bound by the expert's opinion. However, in the first ground violations related to plan conditions or majority formation the court must accept the objection and reject the plan if a violation is found (Article 92).

The researcher also notes that objections are not limited to those initial grounds. Objections may also arise during plan execution by the plan supervisor, creditors' committee, or any creditor if there is a material breach of the plan. The objection must be filed as soon as the breach becomes known, since setting a fixed deadline could unfairly prevent objections due to late discovery. If a party delays in objecting after learning of the breach, it is considered a waiver. If the objection is timely and the court confirms a breach, it proceeds with liquidation

(Article 96/a).

### **6.5. Debtor's Right to Respond**

The legislator provides the debtor an additional opportunity to preserve the plan. The debtor may submit a response to the objection within five days of being notified. If the response proves the objection invalid, the reorganization plan continues. This five-day deadline is mandatory and peremptory if missed, the right to respond is forfeited, and the court may begin liquidation (Article 96/b).

### **Court's Discretion in Confirming Breach**

Another question arises: can the court continue the reorganization plan even if the debtor does not respond? The researcher believes the court has discretion to assess the breach's seriousness. If the breach is not related to non-payment of installments (the clearly defined ground), the court may disregard the objection. The defined breach acts as a guidepost, not a mandatory basis for liquidation. This is supported by the court's authority to notify the debtor and allow a response, and by the appeal rights granted.

### **6.6. Appeal Of Decision on Objection**

A ten-day appeal period applies to the court's decision on the objection whether the court accepts or rejects the plan (Article 96/d). If the appeal succeeds, it can halt the reorganization and begin liquidation, or vice versa. This deadline is mandatory and peremptory failure to appeal within ten days results in the finalization of the court's decision.

### **Third: Deadline To Appeal the Reorganization Plan**

Another important deadline relates to the appeal of the court's approval of the reorganization plan. The legislator grants the debtor, creditors, or trustee a ten-day period to appeal. Although general rules (Article 178 of the Code of Civil Procedure) allow thirty days to appeal final judgments, this is an exceptional rule—only ten days are allowed here. The purpose of appeal is to provide a higher court with an opportunity to review and possibly amend or overturn the lower court's decision (see French Civil Procedure Code Article 452). The appeal must be filed within ten days of the court's decision on the objection being issued or notified. This is a mandatory and peremptory deadline.

**If missed, the court's decision becomes enforceable. According to Article 172 of the Code of Civil Procedure:**

1. Appeals filed outside the prescribed time are

dismissed on procedural grounds.

2. The court must dismiss such appeals on its own motion. Thus, this appeal period significantly affects the reorganization plan: a successful appeal can stop or reverse the plan; failure to appeal on time leads to its enforcement.

### **Fourth: Deadline For Completion of Plan Implementation**

The law sets a time limit for completing either type of reorganization plan. The debtor must follow the implementation schedule and, upon full execution, submit a request to the court to officially declare completion, accompanied by evidence of compliance (Article 97/a). The court then publishes its decision declaring the plan completed. Creditors are notified within fifteen days via publication in two daily newspapers (one foreign if applicable) and possibly in the insolvency registry. Any interested party has a ten-day period from publication to file a written objection to the completion decision (Article 97/b), if the debtor failed to meet plan terms affecting their interests.

If such an objection is filed and substantiated, the court after hearing the debtor and supervisor may order liquidation (Article 97/c). This objection period is a mandatory and peremptory deadline. Failure to object within ten days finalizes the court's decision. To protect parties' rights, the law allows appeal of the court's decision regarding the objection. Either debtor or creditor may appeal within ten days of issuance or notification (Article 97/d). This appeal deadline is mandatory and peremptory failure to appeal results in loss of the right and enforcement of the court's decision.

The researcher finds that all the time periods in the Insolvency Law are specified in months and days, with no durations given in hours or years. The rationale behind this is clear: to provide the parties with sufficient time to carry out the required procedures without prolonging litigation in insolvency cases, thus achieving the goal and purpose for which the Insolvency Law was enacted. It is worth noting that the periods granted to the court to take any action in this plan are considered procedural deadlines given to the judiciary and its assistants to take measures regarding any request or lawsuit submitted. This means that any delay by the court beyond these periods does not affect the reorganization plan.

### **Section Three: Objectives Of the Insolvency Law and the Compatibility of the Legal**

### *Deadlines with These Objectives*

There is no doubt that enhancing sustainable economic development depends on having wise and fair legislation capable of addressing all challenges facing various economic activities and adapting to all circumstances and developments, whether positive or negative.

The modern insolvency framework, adopted by Insolvency Law No. (21) of 2018 and its subsidiary regulations, aims to actively contribute to providing a legal umbrella that grants struggling economic projects an opportunity to reorganize priorities, restructure management, regulate expenses, and renew marketing and production mechanisms sufficiently to help them overcome their distress and resume commercial activity smoothly. This goal cannot be achieved without activating the provisions of the Insolvency Law, which allow the insolvent debtor to continue managing their usual business and reorganize it through an agreed reorganization plan approved by creditors. This plan can secure a higher debt repayment ratio than what creditors would receive in liquidation (Al-Shawarbi, 2019, p. 712). The plan is executed under the supervision of the court and the insolvency agent, enabling the debtor to emerge from insolvency and preventing liquidation of viable economic projects. This concept is drawn from the legislative guide of the UNCITRAL Insolvency Law (United Nations Commission on International Trade Law, 2020).

The law does not only address actual insolvency cases but extends to activities on the verge of insolvency or distress. Hence, giving economic projects a chance to reorganize and encouraging individual merchants or companies to correct their financial status by submitting a reorganization plan approved by creditors serves the debtor's interests by enabling debt repayment under suitable conditions. It also benefits creditors by facilitating the collection of their dues and, importantly, preserves employment opportunities within these projects. The ultimate goal is to avoid squandering productive or potentially productive assets (Abdin, 2021, p. 37) and allow investments with sufficient assets to resume activity, even if liquidity shortages occur due to internal or external market factors or emergency situations like the ongoing COVID-19 pandemic. In these difficult circumstances, the Insolvency Law provides a golden opportunity for struggling companies to overcome distress, acting as a lifeline to prevent the collapse and closure of many economic projects, helping to rescue, rehabilitate, and reintegrate them into the local economic system. The state firmly believes that these commercial projects

and economic activities exist to endure and contribute to strengthening and sustaining the national economy.

Reviewing the provisions of the Insolvency Law shows that they serve everyone's interest. When insolvency conditions (actual or imminent) exist and are declared by the court, the law provides legal protection for the economic activity or insolvent debtor. The insolvency system has evolved from one focused on liquidating the debtor's assets and distributing them among creditors to a rescue system that helps the economic activity overcome insolvency and revive as an active project within the economic system. The Insolvency Law was established to provide an effective legal framework for addressing financial distress before moving to termination and liquidation, balancing the need to address distress swiftly and effectively with protecting the interests of the debtor, creditors, and other affected parties. The insolvency system is the gateway through which insolvent or near-insolvent enterprises enter, with the key criterion being the "project's ability to continue operations." All these procedures directly encourage investment within the country, providing assurance to investors that their rights will be safeguarded if their invested economic activity faces distress due to internal or external factors.

**The researcher summarizes the purposes of the Insolvency Law as follows:**

1. To preserve the economic activity so it continues to benefit all parties specifically and the national economy generally.
2. To quickly undertake insolvency procedures to protect insolvency estates, minimize potential damages, and guarantee the highest repayment rate to creditors.
3. To encourage investment within the country by providing investors with legal guarantees to protect their rights and clear procedures that maintain these rights.

After examining the objectives of the Insolvency Law, the researcher finds that one of its most important features is the speed in taking measures to minimize potential damages if these procedures are delayed. The researcher notes that supervision of impending insolvency requires relatively longer time for confirmation to proceed with the related procedures, giving the debtor six months to verify insolvency supervision. This shows the legislator's clear interest in maintaining the economic activity and preventing its exit from the market, which would affect the debtor, creditors, employees, and the national economy. The debtor, creditors, and company monitors (if the debtor is a legal entity) are

granted two months to file an insolvency application if the debtor is actually insolvent, since actual insolvency is clear and evidence is straightforward. Although this period is relatively short, it is suitable for mitigating damages if the interested party files promptly. Once insolvency is requested, the debtor is prohibited from disposing of assets, and the court takes measures to protect the insolvency estate.

The researcher concludes that the deadlines granted to parties in both actual and impending insolvency cases are consistent and harmonious with the objectives of the Insolvency Law.

#### **Are the Deadlines Granted for Procedures in the Insolvency Law Compatible with These Objectives?**

The researcher observes that the deadlines for implementing insolvency procedures align with the required speed to preserve insolvency estates and their assets.

**However, some deadlines are relatively short to complete these procedures, for example:**

1. The legislator grants the debtor fifteen days to object to the insolvency request filed by a creditor or company monitor, attaching evidence supporting the objection. Preparing such evidence may require more time; failure to do so within the specified period results in losing the objection and declaring insolvency with its consequences (Article 11/b of the Jordanian Insolvency Law).
2. The debtor is required to submit documents specified in Article 8 of the Insolvency Law within ten days of the insolvency declaration if the request was filed by a creditor or monitor (Article 13/b). However, if the debtor submits documents late, is there any penalty or suspension of the insolvency declaration? Given the debtor's interest in avoiding insolvency declaration, failure to provide documents could lead to evasion.
3. The legislator grants the insolvency agent thirty days to prepare a report evaluating the debtor's pre-submitted reorganization plan, which must be discussed with creditors. The legislator also requires that this report contain matters listed in Article 78. The researcher believes this period conflicts with the time needed for the agent to prepare the report because:
4. The insolvency agent cannot prepare this report before inventorying the debtor's assets and liabilities, for which the legislator granted two months, extendable by one month if exceptional circumstances arise (Article 57).

#### **1.7. The Agent Must Include in the Inventory Report**

1. Analysis of documents attached by the debtor or provided by court order.
2. Analysis of insolvency causes with an evaluation of the debtor's claims.
3. General assessment of the economic activity's continuity potential.
4. Statement of measures taken by the agent since appointment.
5. Supporting evidence, including asset lists, creditor lists with classifications, and claims against or by the debtor (Article 58).

The researcher believes three months would be sufficient for these procedures, while one month is insufficient for preparing a comprehensive report evaluating the debtor's proposed plan. The legislator also neglected that the debtor might submit the reorganization plan after the insolvency request, granting the insolvency agent only ten days to prepare the report in such cases, which is insufficient. The insolvency agent is required to submit a detailed report on the ordinary reorganization plan within fifteen days of notification.

**The researcher believes this period is inadequate considering the report must include:**

1. The agent's opinion on the viability and effectiveness of the plan.
2. Confirmation that the plan contains all legally required information to enable informed decisions by the court and creditors.
3. Reasonableness of assumptions underpinning the plan.
4. Cash flow forecasts.
5. Debt repayment ratios compared to liquidation.
6. Potential challenges to amounts owed to related parties.
7. Impact of suspending judicial and administrative procedures on plan implementation.

Such comprehensive work requires detailed studies and comparisons, and the insolvency agent may need to enlist experts, which demands more time than currently allotted.

## **7. CONCLUSION**

At the end of this research, which addressed the impact of the time periods in the Jordanian Insolvency Law on reorganization, the researcher arrives at a set of findings and recommendations as follows: One of the most important features of the Insolvency Law is the speed in taking procedures to preserve the insolvency estate and to prevent the increase of potential damages resulting from the

debtor's insolvency. The legislator has done well in balancing the rights of creditors and the rights of the debtor, while maintaining the continuity of economic activity. Some of the deadlines stipulated in the Insolvency Law are consistent with the objectives for which the law was enacted. Some deadlines stipulated in the Insolvency Law do not align with the procedures required to implement the law and achieve its intended purpose.

## 8. RECOMMENDATIONS

1. The researcher hopes the legislator will reconsider some of the deadlines stipulated in the Insolvency Law, extend them, or grant discretionary authority to the competent body to increase them as needed to complete the required procedures and fulfill the objectives for which the Insolvency Law was enacted.
2. The researcher urges the Jordanian legislator to

clarify the ambiguity in Article 67(c). The researcher proposes that paragraph (c) of Article 67 be amended as follows: "Notwithstanding the provisions of paragraph (a) of this Article, if the insolvency agent's report concludes that reorganization is not possible or if the economic activity has ceased, the court shall issue a decision to proceed with liquidation procedures unless the debtor submits a written request to the insolvency agent within ten days of the agent's report. This request must include the debtor's intention to submit a proposed reorganization plan demonstrating the possibility of continuing the economic activity and proving to the insolvency agent the feasibility of reorganization, which must be approved by creditors representing at least 25% of the total debts."

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## THIRD: LAWS

- Jordanian Civil Procedures Law No. 24 of 1988.

- Jordanian Insolvency Law No. 21 of 2018.
- French Civil Procedures Law No. 13 of 1990