Solidarity Company's Provisions in Algerian Legislation

Karim MESSAOUDI *
Salhi Ahmed University-Naama, Algeria
messaoudikarim47@gmail.com

Mohammed DERBALE
Salhi Ahmed University-Naama, Algeria
darbel@cuniv-naama.dz

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Abstract: The General Partnership is founded on personal consideration (intuitu personae), where partners are linked by mutual trust. A key feature is the joint, several, and unlimited personal liability of every partner for the company's debts against their private assets; partners also acquire the status of a merchant. Advantages include easy formation and operation with moderate capital. As a legal entity, the partnership requires designated managers to conduct its affairs. The primary goal is profit sharing, but partners also bear losses. Consequently, the Commercial Code contains provisions specifically detailing the appointment, dismissal, and liability of managers toward the company and third parties, and the extent to which the company is bound by their actions.

Keywords: General Partnership Company, Commercial Code, Legal Person, Merchant status, Unlimited and Joint Liability, Management of the company.

***Corresponding author: Mohammed DERBALE**

Introduction:

General Partnerships (Société en nom collectif) are considered one of the oldest forms of companies, tracing their origins back to the Roman legal system. Credit for naming this type of entity a "Solidarity Company" (General Partnership) goes to the scholar **Savary**, who defined them as:

"Companies in which partners conduct trade in all their names on a joint and several basis."

This nomenclature was subsequently adopted by the jurist **Pothier** and later transitioned into the French Commercial Code of 1807. [1]

General partnerships are regarded as the archetype of "persons companies" (partnerships), given that they are based on intuitu personae (personal consideration) and the strict liability of the partners. They are also referred to as a "Collective Name Company" because their title consists of the names of the founding partners.

Commercial jurisprudence defines the General Partnership as:

"A company operating under a specific title, consisting of two or more partners who are personally, jointly, and unlimitedly liable for the company's debts, and who acquire the status of a merchant merely by joining the company."[2]

From an economic perspective, the general partnership is suitable for Small and Medium-sized Enterprises (SMEs) based on the efforts of cooperating partners linked by ties of kinship or friendship.

Furthermore, the legislator did not stipulate a specific minimum number of partners for a general partnership. However, referring to general rules, it may be established by two or more natural or legal persons. It is subject to the general provisions of companies regarding its establishment and formation.

It is mandatory to write the company contract (Articles of Incorporation) after ensuring it includes the general and specific substantive requisites of a company contract. The law also mandates its publicity and registration; otherwise, the company is subject to nullity, and the theory of the "de facto company" is applied to it.[3]

Based on the above, we can pose the following research problem: “Where do the specificities lie that are unique to the general partnership, distinguishing it from other companies, and what are the provisions for its management contained in the Commercial Code?”

To answer this problem, we have divided the plan of this article into two sections:

- **Section One:** We address the characteristics of the General Partnership.
- **Section Two:** We discuss the management of the General Partnership.

[1]Abdelkader El-Bagirat, Principles of Commercial Law, 3rd ed., University Publications Office, Algeria, 2015, p.116.01

[2]Same reference and page.

[3]Amal Ben Berrih, General Provisions of Companies according to Algerian Commercial Law, Bayt Al-Afkar, Casablanca, Algeria, 2021.

Section One: Characteristics of the General Partnership

Referring to the provisions of the Algerian Commercial Code, the legislator addressed the rules of general partnerships in the first chapter entitled Rules Governing the Operation of Various Commercial Companies, under the first section labeled General Partnership. These provisions span thirteen articles, from Article 551 to Article 563 of the Commercial Code. However, unlike some comparative legal systems, the legislator did not provide a formal definition of the general partnership; instead, its characteristics are derived from the content of these articles.

Commercial doctrine defines the general partnership as:

"A company that operates under a specific trade name and is composed of two or more partners who are personally, jointly, and unlimitedly liable for the company's debts, and who acquire the status of merchants merely by joining the company." [4](2)

The characteristics of the general partnership will be discussed in this first section, which is divided into four subsections:

(1) The partners' personal, unlimited, and joint liability;

(2) Non-transferability of partnership shares;

(3) Acquisition of merchant status by the partners;

(4) The company's trade name.

Subsection One: Personal, Unlimited, and Joint Liability of the Partners

This characteristic is one of the most important features distinguishing the general partnership from other companies. The general partner is jointly and unlimitedly liable, with all his movable and immovable property, for the company's debts. Two rules stem from the principle of joint and unlimited liability:

First, the liability of the partner is joint, meaning a creditor may seek full payment from any partner directly, and the partner cannot require the creditor to enforce payment against the company first.[5](03)

This rule is of public order; thus, the partners cannot agree to limit their liability. Any such agreement would deprive the company of its legal nature as a general partnership.

Second, the partner's liability is unlimited, meaning it is not limited to the value of the partner's capital contribution; rather, the partner is liable for all of the company's debts.[6]

This rule, too, is of public order.

However, since joint liability is established for the benefit of the company's creditors, it is permissible for a creditor to explicitly waive joint liability in a specific transaction. If the waiver is general, it is void because it violates public order.[7]

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[4]Abdelkader El-Bagirat, Principles of Commercial Law, 3rd ed., University Publications Office, Algeria, 2015, p.116.01

[5] Mohamed Farid Al-Uraini et al., Fundamentals of Commercial and Maritime Law, New University House, Alexandria, 2015, p.158.

[6] Same reference and page.

[7] El-MoussousAtou, Provisions of Commercial Companies in Algerian Legislation, 1st ed., Rawafed Al-Ilm for Publishing and Distribution, Algeria, 2020, p.128.

To prevent creditor abuse, a creditor must obtain a judgment confirming the debt against the company and must formally notify the company to pay before proceeding against a partner.[8]

This principle is stated in Article 551, paragraph two, of the Commercial Code, which provides:

"Creditors of the company may not demand payment of the company's debts from any of the partners until fifteen days have passed from the date of a formal notice served on the company through a non-judicial instrument." [9]

The partner in a general partnership is treated as a solidary guarantor. Therefore, the company's creditor may seek payment from the partner according to the rules governing personal securities (solidary suretyship) under Article 665 of the Algerian Civil Code.[10]

Since the partner stands in the position of a solidary guarantor, he may invoke against the creditor all defenses relating to the debt that the company could have raised, such as non-performance by the creditor or invalidity of the contract.[11]

Due to the partners' joint liability, the company's fate is tied to that of its partners. Thus, if the company ceases to pay its debts and is declared bankrupt, the partners are also declared bankrupt, as stated in Article 223 of the Commercial Code.[12]

Joint liability remains as long as the company exists and as long as the partner retains his capacity as a partner. However, this capacity may cease due to withdrawal or transfer of shares, or a new partner may join the company after debts have been incurred, or the company may be transformed into another form with limited liability.[13]

First: Liability of the Withdrawing Partner

A withdrawing partner is not liable for debts incurred after the date of withdrawal, effective once the partners agree to the withdrawal. However, the withdrawing partner must publish a notice of withdrawal in the Official Bulletin of Legal Announcements and have his name removed from the company's trade name to avoid misleading third parties.

If he fails to meet these requirements, he remains liable for the company's past and future debts until the company is dissolved and five years have passed, in accordance with Article 777 of the Commercial Code.[14]

If the withdrawing partner pays a company debt, he may seek reimbursement from the company or the other partners.

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[8]Mostafa Kamal Taha, Commercial Companies, 3rd ed., Dar Al-Matbouat Al-Jam'iyya — Alexandria, 1976, p.224.

[9] Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, Official Gazette No. 101 issued on 19 December 1975.

[10]Ordinance No. 75/58 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Civil Code, amended and supplemented, Official Gazette No. 101 issued on 19 December 1975.

[11]Mahmoud MokhtarBariri, Commercial Transactions Law, Commercial Companies, 2nd ed., Dar Al-Nahda Al-Arabiya, Cairo, 2006, p.112.

[12]Ordinance No. 75/59, containing the Commercial Code, amended and supplemented, previously cited source.

[13]El-MoussousAtou, previous reference, p.129.

[14]Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

Second: Liability of the New Partner

A new partner is liable for all past and future debts because joining a general partnership implies acceptance of personal, joint, and unlimited liability. Article 551 does not differentiate between old and new partners.[15]

However, the partners may agree to exempt the new partner from past debts, provided this is expressly stated in the contract and legally registered.[16]

Third: Liability of the Partner Assigning His Share

This raises the question: Can a new partner replace the previous partner in liability?

Doctrine is divided:

– One view holds that the new partner replaces the former one entirely.

– Another view applies the rules of debt assignment, requiring creditor approval for the transfer of liability; otherwise, the former partner remains liable for past debts because creditors relied on his presence in the company.[17]

Fourth: Joint Liability in Case of Company Transformation

If a general partnership is transformed into a limited liability company, the partners remain jointly liable for debts incurred before transformation.

If transformed from an LLC into a general partnership, partners are jointly liable for debts incurred after transformation, but past debts remain limited to the value of their contributions.[18]

Fifth: Liability of a Legal-Entity Partner

If the partner is itself a general partnership, it is liable not only up to its contribution but up to its own capital, and its partners also bear joint liability.

If the partner is a corporation (joint-stock, limited liability, or partnership limited by shares), it is liable up to its contribution and its capital, but its shareholders remain liable only within the limits of their contributions.[19]

Subsection Two: Acquisition of Merchant Status

Every partner in a general partnership acquires the status of merchant upon joining, even if he does not personally engage in commercial activity habitually or professionally. This is due to the company operating under a trade name that includes the partners' names, and signing under the company name entails personal liability.[20]

This contrasts with Article 1 of the Commercial Code, which requires that a merchant engage in commerce habitually and professionally.[21]

If the company is declared bankrupt, the partners are also declared bankrupt.[22]

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[15] Same law.

[16]FouadMa'la,

[17] El-MoussousAnou, previous reference, p.129.

[18]El-MoussousAnou, previous reference, p.129.

[19] El-MoussousAtou, previous reference, p.133.

[20]Samiha Al-Qalyoubi, Commercial Companies, 5th ed., Dar Al-Nahda Al-Arabiya, Cairo, 2011, p.318.

[21] Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[22] Jalal Wafaa Al-BadriMohamedin, General Principles in Commercial Law, New University Publishing House, Alexandria, Egypt, 1995, p.162.

However, the reverse is not true: a partner's personal bankruptcy does not cause the company's bankruptcy, because the company is not liable for the partner's personal debts. But the partner's bankruptcy may dissolve the company due to the personal nature of the partnership.[23]

Thus, a partner must meet the civil law capacity requirements: be at least 19 years old and not be legally incapacitated.[24]

A legally emancipated minor aged 18 may be a partner if legal conditions under Article 5 of the Commercial Code are met.[25]

Although the partner acquires merchant status, he is not required to keep commercial books unless he has an independent commercial activity, nor is he required to register personally in the commercial register; the company's registration suffices.[26]

Subsection Three: Non-Transferability of Shares

In a general partnership, a partner's share is generally non-transferable. It cannot be assigned to third parties, whether for consideration or not, without the unanimous consent of all partners, as stated in Article 560 of the Commercial Code.[27]

This is due to the personal nature of the partnership, where partners know and trust each other because they are personally and jointly liable for the company's debts.[28]

However, since the rule is not of public order, the partners may agree to allow transfers under specific terms.[29]

Restrictions may include requiring approval by a majority of partners or limiting assignments to specific persons.[30]

The law also allows the transfer of a deceased partner's share to heirs if the partners wish to continue the company, and heirs who are minors have limited liability corresponding to their inherited share.[31]

In such cases, the company combines partners with unlimited liability and heirs with limited liability until they reach majority, temporarily turning the partnership into a simple limited partnership.[32]

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[23]Article 43 of Ordinance No. 75/58, containing the Civil Code, amended and supplemented, p.

[24] Abu ZaydRadwan, Commercial Companies: Partnerships and Limited Liability Companies, Vol. 1, Dar Al-Fikr Al-Arabi, Egypt, 1987, p.71.

[25] Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[26]Amal Ben Berrih, Commercial Companies (Partnerships and Corporations), 1st ed., Bayt Al-Afkar, Algeria, 2021, p.19.

[27]Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[28]Youssef Hameed Awad, A Concise Guide to Company Law, Al-Halabi Legal Publications, Beirut, Lebanon, 2012, p.124.

[29]Amal Ben Berrih, previous reference, p.17.

[30]Jalal Wafaa Al-BadriMohamedin, previous reference, p.154.

[31]Article 562/2 of Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[32]Hani Dewidar, Commercial Law: The Legal Organization of Commerce – Commercial and Industrial Ownership – Commercial Companies, 1st ed., Al-Halabi Legal Publications, Beirut, Lebanon, 2008, p.238.

The partners may also agree that the company will continue in case a partner becomes bankrupt or loses legal capacity, in which case the partner's rights must be evaluated as of the date of removal.[33]

An accredited expert appointed by the concerned parties must perform the valuation; if they disagree, the court must appoint the expert.[34]

Any contrary condition is unenforceable against the company's creditors. Share transfers are not effective against third parties unless legally published.[35]

Subsection Four: The Company Name

A general partnership must have a name, which should consist of the names of the partners themselves, or the name of one or more of them followed by the phrase "and Partners." This is stipulated by the legislator in Article 552 of the Commercial Code.[36]

This rule is related to public order provisions; therefore, it is not permissible to agree otherwise by using another name or an invented name for the company.

The rationale behind this rule is that third parties dealing with a general partnership place their trust in the partners personally and rely on their joint, unlimited, and personal liability for all acts of the company.[37]

It is not necessary to mention all partners' names, especially if they are numerous. It is sufficient to mention the name of one partner followed by the phrase "and Partner" or "and Partners," indicating the company's separate legal personality from that of the partners and informing third parties that other partners exist. The name cited in the title should be that of the most important partner, the most reputable, and the most trustworthy.[38]

Any person whose name appears in the company's title is considered a general partner. If the name of a non-partner appears in the title with their knowledge, they are considered liable for the company's debts; and if this inclusion is done with fraudulent intent, they incur criminal liability.[39]

The company name constitutes its trade name. If a company bears the name of a person prior to its sale and the name is among the elements of the commercial business (goodwill), then this trade name is considered a property right with financial value that may be disposed of along with the commercial business. As a rule, the company may not continue using the name of a partner after its ownership is transferred unless the name is among its components and with the consent of the name's owner. When the company retains the same name after the transfer of ownership, it is deemed a former name, meaning that something must be added to indicate the transfer of ownership. If the predecessor consents to the use of the commercial name without

[33]Articles 563 and 559 of Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[34]Article 559 of Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source, p.

[35]Youssef Hameed Awad, previous reference, p.129.

[36]Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[37]Mostafa Kamal Taha, previous reference, p.294.37

[38]Amal Ben Berrih, previous reference, p.15.

[39]El-MoussousAtou, previous reference, p.136.

any addition, they become liable for the company's obligations arising after the sale and concluded under that name, should the company fail to meet such obligations.[40]

The company's name is of great importance, as it informs third parties of the persons who are liable for the company's debts with all their assets and jointly. Therefore, it is prohibited to insert the name of someone foreign to the company in the title of a general partnership.[41]

After discussing the characteristics of the general partnership in the first section, we now move to the second section, which focuses on the management of the general partnership. This section is divided into four subsections: (1) the appointment of the manager, (2) the manager's remuneration, (3) the manager's powers, and (4) liability for management acts.

Section Two: Management of the General Partnership

Since the company is a legal entity, exploiting its assets, expressing its will, and managing its affairs requires appointing one or more managers to carry out the legal acts that fall within its purpose, represent it before the courts, and file lawsuits on its behalf. The manager does not act independently but is subject to the oversight of the partners.

The partners are free to appoint a manager, who may be a third party or one of the partners. Management may also be entrusted to several managers depending on the nature of the company's commercial activity.

Subsection One: Appointment of the Manager

The manager may be appointed in the company's articles of association or by a separate contract. The manager's legal status varies depending on the method of appointment.

First: Appointment of the Manager in the Articles of Association

Partners may agree to appoint one or more partners as managers in the articles of association. In this case, the manager is called the contractual or statutory partner-manager. He becomes part of the corporate structure, and partners must mention his name in the articles of association, just like other required information such as capital, company name, legal form, and registered office.[42]

Thus, the partners may not request his dismissal except with the unanimous consent of all partners, as such dismissal constitutes a modification of the articles of association and leads to the dissolution of the company unless the articles provide for its continuation. This is stipulated in Article 559 of the Commercial Code.[43] Alternatively, the remaining partners may unanimously decide to continue. If the company continues, the dismissed partner may withdraw and request the payment of his rights in the company, assessed at their value on the date of his dismissal by a certified expert appointed by the parties or by judicial order from the competent urgent matters judge.[44]

[40]Samiha Al-Qalyoubi, previous reference, p.294.

[41]Hani Dewidar, previous reference, p.234.

[42]Mahmoud MokhtarBariri, previous reference, p.125.

[43]Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[44]Article 559 of Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

If the dismissal is without legitimate cause, compensation is due. Moreover, any partner retains the right to request the judicial dismissal of the statutory partner-manager for valid reasons.[45]

If the statutory manager is not a partner, he is called a non-partner statutory manager and may be dismissed in accordance with the partners' agreement or by a majority vote.

Any partner may petition the court to dismiss the manager judicially in cases such as mismanagement, severe disputes among multiple managers, fraud, breach of trust, or incapacity to perform duties. The judge has full discretion to grant or deny the dismissal request.

Second: Appointment of the Manager in a Separate Contract

The manager may also be appointed in a contract separate from the articles of association. In this case, if the manager is a partner, he is called a non-statutory partner-manager. His dismissal is governed by the terms agreed upon in the company contract, and if no agreement exists, his dismissal requires unanimity under Article 559(2).[46]

If the manager is a non-partner, he is considered a non-statutory non-partner manager, and may be dismissed by a majority vote.

If the dismissal is unjustified, the dismissed manager may claim compensation for damages resulting from the abusive dismissal.[47]

Subsection Two: Manager's Remuneration

The manager, whether appointed in the articles of association or under a separate contract, is entitled to compensation for management work. Often, the partner contributes to the company by performing management work and therefore receives a share of the company's profits.[48]It is also possible to agree on granting the manager remuneration in addition to his profit share, as provided by Article 426(2) of the Civil Code.[49]

Subsection Three: Manager's Powers

It is essential to distinguish between the powers of a sole manager and those of multiple managers.

First: When One Manager Handles Company Management

The company contract typically determines the manager's powers and the actions he may undertake. If his powers are not specified, he may carry out all acts falling within the company's purpose, whether administrative acts or acts of disposition.[50]

Thus, if the company's purpose is construction, the manager may purchase and sell real estate, borrow from banks, and mortgage property as loan security. He may also contract with engineers and workers, dismiss them, issue checks, and conclude contracts required by the

[45]Article 559 of Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[46]Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[47]FouadMa'la, previous reference, p.264

[48]Mostafa Kamal Taha, previous reference, p.100.

[49]Ordinance No. 75/58 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Civil Code, amended and supplemented, previously cited source.

[50]Mohamed Farid Al-Uraini et al., previous reference, p.160.

company's activity. He also has authority to represent the company before courts and arbitration bodies and may demand that partners provide their capital contributions.[51]

Partners may not interfere in management or object to the manager's actions if they fall within the scope of his powers.

The manager is prohibited from performing acts exceeding the company's purpose. For example, he may not sell the company's commercial establishment or donate from the company's funds unless the donation brings benefit to the company — such as gaining publicity through charitable acts relevant to the company's business.

The manager must not exceed the limits of his authority and must manage the company with the care of a prudent person; otherwise, he is liable individually or jointly with other managers in case of multiple managers for any acts violating the company's articles.[52]

Partners have the right to inspect company records and supervise its affairs. The manager cannot prevent this. Any clause that directly or indirectly deprives a partner of this right is void. Article 558 of the Commercial Code states:

"Non-manager partners have the right to personally inspect, twice a year at the company's headquarters, the commercial records, accounts, contracts, invoices, correspondence, minutes, and any document issued by or received by the company."[53]

Second: When More Than One Manager is Appointed

Multiple managers may be appointed. The articles may assign specific powers to each manager, which is the prevalent situation, or require unanimity or majority agreement for actions, or leave these matters unspecified.

If powers are assigned individually, each manager acts within his own authority and bears liability for exceeding it.[54]

If unanimity or majority is required, decisions must comply with this requirement, and no manager may act alone.[55]

However, if an urgent matter arises whose delay could cause serious, irreparable harm to the company, any partner may act independently without waiting for the approval of the other managers, under Article 482 of the Civil Code.[56]

If the articles do not specify the managers' powers, each manager may perform all acts relating to the company's affairs, and no manager may object before the act is performed, as per Article 545(2) of the Commercial Code.[57] The objection has no effect against third parties unless they knew of it and still chose to contract with the company.

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[51]Mahmoud MokhtarBariri, previous reference, p.132.

[52]FouadMa'la, previous reference, p.266.

[53]Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

[54] El-MoussousAtou, previous reference, p.143.

[55] Mohamed Farid Al-Uraini et al., previous reference, p.161.

[56] Ordinance No. 75/58 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Civil Code, amended and supplemented, previously cited source.

[57] Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Commercial Code, amended and supplemented, previously cited source.

Subsection Four: Liability for Management Acts

The manager is liable to the company for management errors, even if they are not serious—such as failing to renew a mortgage registration in favor of the company or neglecting to pay insurance premiums. Liability may be civil, criminal, or arise in bankruptcy.

First: Criminal Liability

The manager is criminally liable for crimes committed during company management, including misappropriation or embezzlement of company funds.

If there are multiple managers, they are jointly liable toward third parties for management errors.[58]

Second: Civil Liability

The manager's liability toward the company is contractual, arising from breach of obligations stipulated in the company contract if appointed therein. This contractual nature applies both in his relationship with the company and with the partners. Claims against a partner-manager are not subject to the five-year limitation period.[59]

In the absence of specific provisions, the general 15-year limitation period applies, beginning on the day the harmful act occurred, as provided by Article 133 of the Civil Code.[60]

The right to file a claim belongs to another manager, the liquidator in bankruptcy, the partners, or any individual partner. Any clause requiring prior approval by the general assembly to initiate such claims is considered null.[61]

The manager may also be liable toward partners or third parties for damages caused, in which case his liability is tortious. He must exercise the care of a prudent person and is liable for harmful negligence — such as signing an unfavorable lease or incurring unnecessary expenses.[62]

If a third party was acting in bad faith — aware that the manager exceeded his authority or was acting for personal benefit using the company's name — the company is not bound by such acts. The third party must then seek recourse against the manager. Assessing good or bad faith is left to the trial judge's discretion.[63]

Third: Liability in Case of Company Bankruptcy

Bankruptcy may extend to any legal, de facto, apparent, or hidden manager, compensated or not — even if they are not merchants — if they conducted commercial acts for personal benefit, treated company assets as their own, or engaged in reckless management for personal advantage, leading to the company's cessation of payments and bankruptcy.[64]

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[58]Aktham Amin Al-Khouli, A Concise Guide to Commercial Law, Sid Abdullah Wahba Library, Al-Madani Press, Cairo, Egypt, 1970, p.106, quoted in Amal Ben Berrih, previous reference, pp. 26–27.

[59]El-MoussousAtou, previous reference, p.143.

[60]Mohamed Farid Al-Uraini et al., previous reference, p.161.

[61]Ordinance No. 75/58 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Civil Code, amended and supplemented, previously cited source.

[62]Ordinance No. 75-59 dated 20 Ramadan 1395 corresponding to 26 September 1975, containing the Civil Code, amended and supplemented, previously cited source.

[63]Aktham Amin Al-Khouli, A Concise Guide to Commercial Law, Sid Abdullah Wahba Library, Al-Madani Press, Cairo, Egypt, 1970, p.106, quoted in Amal Ben Berrih, previous reference, pp. 26–27.

[64]Mahmoud MokhtarBariri, previous reference, p.138.

Conclusion:

Through the study of the characteristics of general partnerships, it becomes clear that the Algerian legislator classifies them among partnerships and distinguishes them with particular features that set them apart from other company types. The legislator also establishes specific methods for their management. The contractual nature of the general partnership prevails from its formation to its dissolution, whether by legal, judicial, or consensual means.