

## The Study of the Business Judgment Rule in Americans Corporate Law and its Comparison with Iranian 's Law

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### Abstract

The business judgment rule as a central and a judicially created doctrine in commercial companies' law immunizes corporate directors from personal liability for decisions they make on behalf of a corporation in order to manage it. There are two approaches about its reliability in American law. According to the first approach, the court can hold directors liable only if their decisions do not correspond with management standards. According to the second approach which is considered as "The Abstention Doctrine", the courts can't basically and usually review the board's decisions and actions. Based on this approach, directors are personally liable against corporation only in special cases. The distinction between these conceptions matters a great deal and essentially comes down to who has the burden of establishing the existence of the factors that would grant or deny business judgment rule protection. In this article, we deal with these two approaches and its differences with Iranians commercial regulations comparatively.

**Keywords:** The Business Judgment Rule; Managerial Standard; Board of Directors; Shareholders; The Abstention Doctrine.

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