

The Effects of the Main Corporations Bankruptcy on Their Subsidiary and How to Bankruptcy Treatment in Multinational Corporations (A Comparative Study with UNCITRAL)

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Abstract

Developing transboundary business relations doubles the significance of changing the attitude towards the problem of transboundary bankruptcy, questions such as the impact of parent business companies' bankruptcy on companies under their coverage or possession, and vice versa are among the most important questions regarding the issue of transboundary bankruptcy of the multinational companies. The answers to the above-mentioned questions in the national arena have been formulated in the positive laws of each country, but they are still ambiguous regarding the international and transnational contexts. This research has tried to answer the above-mentioned questions by descriptive and analytical review of the existing rules and regulations and procedures of the courts regarding the case of transboundary bankruptcy. At last, it was found that it is not possible to examine the effects of the bankruptcy of any company on another company without probing features of transboundary bankruptcy and business characteristics of the multinational corporation's activities. Therefore, features of transboundary bankruptcy have been designed and examined in three legal, economic and political areas.

Keywords: Bankruptcy; Multinational Corporations; Subsidiary; Bankruptcy Treatment.

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