

Director Disqualification in Public Stock Companies under Iranian Securities Law: A Comparative Study of English Law

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Abstract

The disqualification of directors of public stock companies has become an important legal mechanism for enhancing directors' accountability and protecting investors' rights. In the Iranian securities market, the notion of director disqualification was first introduced in the Law for the Development of New Financial Instruments and Institutions (enacted on December 16, 2009). As a relatively new legal concept in the Iranian legal system, director disqualification requires careful examination. Therefore, this article presents the first comparative analysis of this mechanism under Iranian securities law and English law. The findings of the study highlight two main points. First, they emphasize the authority of the Securities and Exchange Organization, as the capital market regulator, to disqualify directors after the grounds for disqualification have been established through disciplinary proceedings. Second, they demonstrate the need to revise the relevant laws and regulations to address existing shortcomings and improve the effectiveness of the director disqualification mechanism.

Keywords: director disqualification; public stock company; securities law; securities market.

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