Research Journal in Advanced Humanities

RJAH

https://doi.org/10.58256/yr3tac38

Open Access

Check for updates

REVIEW ARTICLE

Section: *Law; Legal Studies*

The impact of the arbitration clause on the rights of partners in partnership companies in light of the personal nature of the company

Mohammad Mahmoud Said Al dawoud[1]*, Asia Khalaf Mohammad Al Da'jeh[1], Eman Al-Wreikat[2], Yasar Alhiniti[1] & Ehab Qouteshat[1]

[1]Faculty of Law, Zarqa University, Jordan

[2]Private Law Department, Al-Ahliyya Amman University, Jordan

*Correspondence: maldawoud@zu.edu.jo

ABSTRACT

The current investigation aims to explore the duration of partners' commitment to the arbitration clause stipulated in the partnership agreement, whether partners are joining the company or departing, with a focus on the legal consequences of special dissolution that are particular to partnerships. The significance lies in the effect on those who were not involved in the contract, such as heirs. Besides, the paper aims to highlight the extent to which the arbitration clause is effective against third parties who enter into contracts with the company under the existence of such a clause. The study was based on a primary issue, which is the degree to which the arbitration clause is in conflict with the personal nature of partnerships that are formed based on personal sentiment and mutual trust between the partners, as well as the consequences of this conflict in the event of having to implement the arbitration clause on a partner without their consent, and in the event of the emergence of disputes regarding the clause's validity, as well as the state of the legal systems in Jordan regarding these issues. The method of study is analytical and involves deconstructing the foundations of partnerships and clarifying the effects of the inclusion of arbitration clause in them, as well as the legal responsibility associated with their use and the consequences of their infringement. The investigation also employed a comparative approach by reviewing the Jordanian laws in regard to some of the tendencies of the Anglo-Saxon legal systems to be benefitted from their advanced features, in order to highlight areas of discrepancy, divergence and convergences between them. The investigation has yielded some results, the most significant of which is the existence of partial conflict in some instances where the arbitration clause is in conflict with the nature of the partnership, unless the partnership's contract includes an express stipulation regarding the scope of the clause, as well as a legislative deficiency in regulating arbitration in partnerships that takes into account their special attributes. Based on this, the study advocates for the necessity of enacting stringent legislative rules that would regulate the application of arbitration clauses in partnerships and determine their scope and limits.

KEYWORDS: arbitration clause, partnerships, partners' rights, legal liability

Research Journal in Advanced Humanities

Volume 7, Issue 3, 2026

ISSN: 2708-5945 (Print)

ISSN: 2708-5953 (Online)

ARTICLE HISTORY

Submitted: 09 May 2026

Accepted: 20 June 2026

Published: 12 July 2026

HOW TO CITE

Al dawoud, M. M. S., Al Da'jeh, A. K. M., Al-Wreikat, E., Alhiniti, Y., & Qouteshat, E. . (2026). The impact of the arbitration clause on the rights of partners in partnership companies in light of the personal nature of the company. *Research Journal in Advanced Humanities*, 7(3). https://doi.org/10.58256/yr3tac38

Published in Nairobi, Kenya by Royallite Global, an imprint of Royallite Publishers Limited

© 2026 The Author(s). This is an open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

1 Introduction

This increased reliance on arbitration and the expansion of its scope is one of the most significant modern legal developments that have become part of the legal systems of a majority of countries. Arbitration is no longer considered to be an alternative to legal resolution in special or unusual situations; today, it is more commonly viewed as a form of justice that is normal, primarily in regards to international and personal commercial transactions (between individuals or companies). Many countries have recognized the value of arbitration, despite the differences in their political, social and economic structures, they have all come to realize the importance of including arbitration clauses in contracts as a viable and efficient method of resolving disputes that are both flexible and rapid, appropriate for the nature of commercial transactions and the need for swift justice.

The evolution of arbitration is dependent on a complex series of mutations that are closely connected with each other. Some of these are distant relative to the ancient societies that were structured around justice in a way arbitration was deemed the only form that did not require violence. Others are indirectly associated with the accelerated scientific and technical evolution that has affected the way people interact with each other and have led to the development of alternative systems of justice. These systems are more complex and dependent on one another than the legal system, and thus they have replaced the need for a trial. The outcome is that modern national laws have dedicated special attention to the regulation of arbitration through formal rules that define the framework of the agreement, specify the types of disputes that can be referred to arbitration tribunals, and regulate the procedural and substantive rules of arbitration (*Jordanian Companies Law No. 22 of 1997*, 1997). In this regard, the specificity of the commercial endeavors has led to the adoption of special legal rules that are specific to the trader and the corporations that are different from the general civil law rules. This is initiated in response to a pressing need for speed and decision making in the resolution of disputes and the determination of priorities; all of which should be accomplished as quickly as possible and in accordance with the principles of market justice and its movement. However, arbitration clauses that are included in company agreements, particularly those that are part of partnership agreements, have a controversial legal nature. This concerns the degree to which partners are affected by the clause and its range of application to partners who were later admitted to the company and who were unaware of the clause's existence, or vice versa, who was aware of the clause but chose not to utilize it as a means to resolve disputes with the other partners, fearing the additional financial burden that this option would involve (Jordanian Civil Code No. 43 of 1976, 1976).

All of these issues are more intricate in the context of the special legal nature of partnerships, which are formed by personal agreement and trust between partners and are limited by their personal responsibility for the mission of the company. This has led to the question of whether or not the legal protection afforded to the partners in this situation is sufficient, whether or not the arbitration clause is included in the memorandum of association or the articles of association of the company, or whether it is later agreed upon. This, in turn, explains the importance of studying the legal rules pertaining to the partners' responsibility for complying with the arbitration clause, clarifies its legal effects, and determines the degree to which the clause's provisions are protected in the event of noncompliance with the arbitration. Because of the special provisions of the Jordanian Companies Law and the legislative loopholes that may need to be reviewed and amended, the clause's provisions are specifically mentioned in the contract. All of this is intended to augment and provide legal certainty for commercial transactions (Naser Al-Din et al., 2023).

Taking into account what has preceded, the purpose of the current study is to explore the legal framework surrounding arbitration clauses in partnerships, in order to assess the effectiveness of the special rules that the Jordanian Companies Law has established regarding the partners' responsibility for handling disputes via arbitration, either in the execution of an arbitration clause in the partnership agreement, or a separate agreement that is reached after the dispute has occurred. Indeed, the purpose is to elucidate the legal effects of the partners' disrespect for the agreements, and to propose more effective solutions that are consonant with the principles of justice and stability in commercial transactions.

1.1 Research Problem

This study is derived from a legislative and judicial necessity, which however creates a significant legal challenge, because it is concerned with the lack of specific, organic regulation that is capable of precisely defining the binding power of the arbitration clause and the effects of this on the rights of partners in partnership companies, regarding the special nature of this type of company, which is based on trust and on the unlimited liability of partners for the company's obligations. If the modern legislator is supportive of arbitration as a means of quickly and efficiently resolving commercial disputes, a question remains as to the degree to which the commitment to arbitration is compatible with the specific nature of partnerships, as far as this commitment limits their access to the courts or causes them to pay a financial obligation that they have not specifically agreed on.

This situation is even more frustrating when a personal composition of the partnership is altered, through the addition of a new partner, the removal of a partner or the transmission of the partner's share to the heir. In this instance, one must consider if the arbitration clause is binding on these individuals due to the nature of the legal personality of the company, or if the individuals have a personal nature that necessitates them not to be bound by a clause that was not previously known to them or that they did not explicitly agree on. This is all more regrettable because the legislator has not observed a need to make the presence of arbitration clause known to a new partner or the heir of a previous partner. Such a thing would lead to an unequal legal position between partners and would lead to the loss of the benefits of a real consent (Awaisheh et al., 2025).

Practical experience also demonstrates a conflict between the jurisprudential and judicial approaches regarding the expansion of the arbitration clause in this type of corporation. While a recent trend broadened the scope of the clause's application by taking into account the stability and efficiency of the company, another trend followed the principle of personal consideration and the specific nature of partnerships, rejecting any expansion of the clause unless explicitly stated. This divergence results in a state of legal ambiguity that negatively affects the protection of partners' rights and the stability of commercial transactions and poses a significant concern that the arbitration clause may be employed as a means of displacing the company's equilibrium and instead achieving justice.

As a result, the study's problem lies in questioning the effectiveness of the legal rules in the Jordanian Companies Law and the Arbitration Law in addressing the impact of the arbitration clause on the rights of partners in partnerships, as well as the degree to which it binds the initial partner, the subsequent partner, the departing partner, and the heirs of a deceased partner. It also considers the appropriateness of this scenario to the principles of consent and personal consideration, and the legal consequences that result from it that concern the right to litigation and the distribution of responsibilities within the company. The importance of this issue is directly related to practical reality, to the rights of partners, and to the lack of formal legislative oversight, all of which are subjects that need to be studied in depth and with an academic approach.

1.2 Study Methodology

The study employs the analytical method as its primary method in the investigation of the provisions of the Jordanian Arbitration Law and the Jordanian Companies Law, as well as the general rules of the arbitration clause and the nature of its independence. The study also attempts to detect instances of agreement or disagreement between the different concepts, and different methods of interpreting the effects of the arbitration clause and its scope in relation to partners' rights and third parties.

It also employs the comparative method by comparing the position of the Jordanian legislator with the rules of various comparable laws and the most important legal principles in other legal systems, specifically those that have focused on commercial arbitration. In this method, the purpose is to expose the discrepancies or benefits of the Jordanian legislative rules and to suggest solutions to the problems that are more effective and in line with the principles of justice and legal stability. Also, the description of the conceptual framework for the partnership and the clause regarding arbitration is dependent on the method of presentation that describes the conceptual framework for the partnership and clarifies its features in advance of the analysis of practical issues that arise as a result of changes to the status of the partners, whether by way of admission, departure or death, and the effects of these changes on the length of the clause regarding arbitration.

2 The Legal Regulation of Partnerships

The legal regulation of partnerships is considered one of the most significant and important issues for these companies, the special nature of which is based on individual consideration. This implies that the partners do not have a company that is different than the others on the basis of mutual trust between them. This factor is crucial to the organization's survival. Because of this nature, this category of companies is distinguished from capital companies – which are based on financial metrics – the importance of the shareholder's personality is not considered. During the development of commercial transactions and the demand for quick resolution of disputes, arbitration has become more popular as a means of resolving disputes. This is caused by the procedural ease of the method, the speed of legal protection, and the privacy of the arbitration's proceedings, instead of the typical jurisdiction. As a result, arbitration clauses have become one of the most significant components of company agreements, including partnership agreements. This results in the issue of the impact of this clause on the specific nature of partners' rights regarding special status in the organization. This status is attributed to the partners' solidarity, and is characterized by the unlimited liability of the partners to third parties (Abdelrahman et al., 2026).

Companies that are part of the Jordanian Companies Law include the general partnership, the limited partnership, and the joint venture. The rules regarding general partnerships are applied to all of the aforementioned types, as Article (48) states that the rules pertaining to the general partnership under this law will apply to the limited partnership in situations and matters that are not specifically mentioned in this section (*Jordanian Companies Law No. 22 of 1997*, 1997). As a result, the scope of this study is confined to addressing the rules pertaining to the management of the general partnership and the partners' responsibility towards the arbitration clause in the partnership contract and the way it affects the parties involved.

To understand the effects of the arbitration clause on the partnership companies, it is important to start by clarifying the unique aspects of the legal nature of the general partnership regarding both management and liability. Actually, the former is highly associated with personal decision making and is typically delegated to one of the partners who takes it – the other partners have no legal rights to it. Regarding the latter, the personal and unlimited liability of the partners promotes a special benefit to the arbitration clause because of the clause's capacity to impose limitations on the partners' rights or oblige them to take new obligations. As a result, it is worthwhile to include a formal rule regarding these issues in the contract as an introduction to the influence of the arbitration clause on them.

2.1 Management of a General Partnership and the Liability of Managers

To fully explain the legal rules that apply to a general partnership, it is necessary to discuss the issue of leadership management and the legal consequences associated with it, specifically regarding the liability of the managers. The determination of this liability is significant because of its indirect effect on the protection of the rights of partners and third parties and the stability of commercial transactions. (Alrfoua et al., 2026) The management of the partnership as a whole is the primary method of the company's activity and the attainment of goals and powers of management involve legal effects that affect all partners as this is due to the joint and unlimited liability that defines this type of company.

The Jordanian legislator mandates that the partnership agreement must name the partners who will have the authority to manage the company and represent it, as well as the scope of this authority (*Jordanian Companies Law No. 22 of 1997*, 1997). Additionally, the manager is selected from outside the partnership, whether paid or unpaid, in accordance with the provisions of the Jordanian Civil Code (Jordanian Civil Code No. 43 of 1976, 1976).The manager's choice is one of the most significant decisions that are typically subject to special attention from the partners, because the company's future is dependent on it, and in practice it is one of the partners who is typically delegated with management, although the law does not prohibit the possibility of having a non-partner as a manager, because the manager is both responsible for the actions they take and liable for the company's debts from their own property, via their status as a partner. After taking over their role, the manager is the sole manager of the company in a broad sense, which includes all actions that are necessary to achieve the company's goals and within the boundaries of the partnership agreement and the general legal rules that govern it (Al-Aqili, 2022). This is why the partnership agreement or the separate contract according to which the manager is appointed should specifically describe the scope of their powers, and in particular, define the actions that they are permitted to take on their own, as well as those that require recourse to the partners, specifically regarding decisions that have a fundamental nature, such as the addition of an arbitration clause to a contract, or the triggering of an internal or external dispute to be resolved through arbitration in addition to actions that the partner is prohibited from undertaking. If the articles of partnership agreement is silent regarding this, the manager can engage in any conduct that serves the company's purpose, provided that they do so within their delegated authority. Otherwise, the other partners are barred from interfering in the management of the company, as this would negatively affect the proper functioning of the company (Jordanian Civil Code No. 43 of 1976, 1976).

The manager's obligation to the partners is even more clearly established when their actions involve an arbiter's clause, specifically when they create or activate the clause without the partners' prior approval or in excess of the powers granted to them. Typically, the corporation is subordinate to the actions of the manager on its behalf and in its name. The personal liability of the manager is limited to the extent that it is proven by exceeding the authorized range of their authority – for example, submitting a dispute to arbitration, selecting an arbitral tribunal, or taking part in counterproductive procedures that are detrimental to the partnership. In this circumstance, the manager may be legally responsible if their conduct negatively affected the company or partners, or if they engaged in tortious behavior and their conduct was characterized by seriousness or power abuse. Conversely, liability is excluded when the manager engaged in good faith and had a legitimate reason to believe that the resort to arbitration was a legitimate and justifiable use of their powers – in particular the speed of the process and the protection of the company's interests. As a result, the manager's obligation to the partners regarding arbitration is directly tied to the boundaries of their power and their respect for the partners' wishes and the terms of the agreement between them. The effects of this liability are different depending on the nature of the relationship and the legal status of the parties involved, whether they are a founding partner, a later admitted partner, a retiring partner, or the heirs of a deceased partner (Naser Al-Din et al., 2023).

Regarding the manager's liability towards third parties, this is a topic that is raised in the context of arbitration clauses, when the manager takes part in or utilizes arbitration in response to the partners' objections or lack of consent. The issue is based on a dispute between the rules regarding representation of the company and the principle of safeguarding third parties that act in good faith and have a stable transactional behavior. In theory, as the legal representative of the company, the manager is entitled to participate in legal transactions that are necessary for the pursuit of the company's goals, including the inclusion of arbitration clauses in contracts or the reliance on arbitration when a dispute occurs, subject to the partnership agreement and any additional rules that are imposed by the law. In regards to other parties, the manager's actions are considered to be binding on the company because of their apparent authority, despite the partner's internal objections. These objections are not disclosed to the third party and are not known by the third party. This is intended to preserve the principle of transactional stability and the legitimate expectations protection of third parties (Al-Aqili, 2022).

However, the manager's obligation to third parties can be assumed if it is demonstrated that they engaged in a particularly reprehensible behavior – for example by ending the arbitration clause while they lacked any authority, or by enforcing the arbitration clause with the intention of negatively affecting the third party or taking away they procedural guarantees, or by publicly and verbally exceeding the mandated limits of their power. In these instances, the responsibility would not be confined to the internal partnership with the partners, but would include the personal responsibility of the manager towards the aggrieved third party. A different legal situation occurs when the third party is aware of the partners' opposition or the manager's overpowered powers. In these situations, the presumption of good faith is lost. That said, the validity of the arbitration clause or the potential for the partners to take part in arbitration against the corporation is called into question, despite the partners' right to appeal to the manager in the event of abuse of power (Alkhawaldeh et al., 2025). Overall, the liability of the manager to third parties in the context of arbitration agreements is based on the concept of faith in management and the degree to which they appear to have power. If the manager takes power in this fashion, the company is still subject to the arbitration clause despite any internal objections, and the liability is confined to the internal sphere. Conversely, if the manager exceeds their powers significantly or if the third party is aware of this extra, the manager's personal responsibility is assumed and the binding effect of the arbitration clause against the company is nullified, unless special circumstances exist regarding the extension of the clause to other parties, which will be discussed below.

2.2 Liability of Partners in a General Partnership

A general partnership is a partnership that is based on personal relationship and mutual confidence between the parties. This is what is reflected in the system of liability. Partners of a general partnership are responsible, in relation to the company's creditors, for a personal, joint, and unlimited amount, which means that any creditor of the partnership can demand the entire debt to any partner, and they are not required to first pursue the company's assets. This liability system is unique to partnerships. It is also considered one of the primary safeguards for creditors.

Regarding the association between partners and third parties, the general rule is that the actions undertaken by a partner, as part of the partnership and with the goal of its business, are obligatory for the company and the other partners, even if the third party has employed good faith. As a result, the liability of the partners is separate from that of the third party, and a contract between the partners that would limit or prevent the third party from participating cannot be considered as an opposition to the contract. This rule thus increases the stability of transactions and the expected legitimacy of third parties (Al-Khraisat et al., 2026).

In practice, a special issue can arise when an arbitration clause in the general partnership agreement is included, especially if the company or its partners have a dispute with third parties. In theory, an arbitration clause only has an effect on the parties to it, as arbitration is a decision made by consent, and the arbitration agreement is a separate agreement that is autonomous from the partnership contract. As such, an arbitration clause is not considered to have a presumed effect on third parties. The parties must demonstrate that the third party has explicitly or impliedly agreed to the clause. Based on the discussion, it is proposed that third parties should not be mandated to submit to arbitration regarding a clause in their partnership agreement that they have not participated in.

However, the collective and multiple liability of the partners may enable them to be held individually responsible before the courts, despite the presence of an arbitration clause between the partners or between the company and them. A partner cannot utilize the arbitration clause to challenge the jurisdiction of the courts if the third party has specifically agreed to participate in arbitration. (Al-Wreikat et al., 2025)

On the other hand, when the dispute is between the partners themselves or between a partner and the company, the arbitration clause is unable to be ignored. It remains legitimate and binding, and as a means of exclusive resolution of the dispute. It is applied in the context of the separability principle of the arbitration clause from the main contract. If, however, the dispute involves both internal and external parties, this can lead to a situation of dual jurisdiction, which is to say that the internal parties have a form of jurisdiction via arbitration of their relationship, while the external parties have a form of jurisdiction via the State courts. Depending on the nature of the parties to the dispute, this can lead to a situation of dual jurisdiction. In this regard, it is obvious that the liability of partners in a general partnership to third parties is still governed by the mandatory rules of commercial law, and is not affected by the presence of an arbitration clause, unless the third party is itself involved in or has admitted the arbitration clause.

3 The Effect of the Arbitration Clause Contained in the Company Agreement and Its Extension beyond the Contract

The principle that governs the institution is based on the general theory of contracts, it is called the principle of relativity of the effects of the contract, which states that the effects of the contract do not reach the third party, whether these are rights or obligations. The Jordanian legislator has formalized this principle with absolute precision, listed it in Article (208) of the Civil Code, which states that a contract will not have any effect on a third party, but it may grant a right to him. However, there is a very significant deviation from this principle in the area of arbitration agreements. The term is instead derived from the ordinary rules of contract law, and is distinguished from the rest of the contract by its special nature.

Article (22) of the Jordanian Arbitration Law states that the arbitration clause is a separate agreement that is independent of the other terms of the contract. It also states that the nullity, rescission, or contract's termination will not affect the clause as long as the clause is itself legitimate. This stipulation of the law is considered to be both express and clear – it is the adoption of the principle of separability of the arbitration clause from the underlying contract in Jordan. Because of this separability, the arbitration clause is still legitimate and capable of exercising its legal effects even if the contract that contains it is no longer relevant, as long as the dispute regarding it is caused by the legal relationship that led to the clause (*Jordanian Companies Law No. 22 of 1997*, 1997).

Legal jurisprudence further claims that an arbitration clause in a company agreement is peculiar in its nature that causes it to be more closely associated with a specific procedural obligation that is independent of the legal existence of the original contract and is not affected by any flaws or contract terminations that may be cited against it. This attribute also has an effect on the effectiveness of arbitration and prevents it from being frustrated by invoking the contract's inefficacy or conclusion (Jordanian Civil Code No. 43 of 1976, 1976). However, this specific characteristic is the source of a complicated legal question regarding company agreements, and particularly general partnerships, because of their association with a constantly changing number of participants, subject to transformations caused by a partner's admission, partner's exit, or the death of a partner and the transmission of their rights and obligations to their heirs.

In this regard, the range of the effects of an arbitration clause regarding a party that was not part of the original company agreement and was not involved in its conclusion must be determined, as well as the legal foundation on which to bind this party via a clause that may encroach on their right to access ordinary courts. Also, it is important to determine the boundaries and consequences of this extension in the personal nature of partnerships and the joint and multiple liability of the participants. The question's sensitivity is increased when it concerns third parties or universal successors. This necessitates a careful study of the balancing of the two principles of separation of powers (Al-Aqili, 2022):

- The first is the principle of the arbitration clause's autonomy.
- The second is the principle of the relativity of contractual effect.
- The third is the protection of consent.

Based on this, we can conclude that addressing this issue will require a dualistic approach that takes into account the two perspectives. The first, regarding the degree to which the arbitration clause has an effect on the change of status of one of the partners of a general partnership, this can be caused by either a new partner or by the removal or exclusion of a partner or by the transfer of a partner's share of the partnership's assets to their heirs. The second concern was the maximum number of parties that could be involved in the arbitration process. This would balance the principle of the separability of the arbitration clause with the principle of the relativity of the effects of a contract and the protection of consensuality.

3.1 Extension of the Effect of the Arbitration Clause upon a Change in a Partner's Status

The current section examines the effects of the arbitration clause on the transition of status of a partner in a general partnership that does not involve company dissolution. This status alteration is considered a sensitive legal issue regarding the scope and length of the reasons for expanding the obligation to resolve disputes in the company's personal nature and the joint and multiple liability of its partners.

Regarding the admission of a new partner to a general partnership, the judiciary and jurisprudence are inclined to assume personal, joint, and unlimited responsibility for the obligations and responsibilities of the company, whether before or after the partner was admitted. This would include the previous agreements of the company regarding various forms of dispute resolution, including the clauses that specify how to resolve disputes. This method is derived from the notion that the new partner will recognize the company's status quo, meaning that the partner consents to all of the company's rights and obligations, and that joint and several liability associated with a general partnership is inalienable from the nature of participation in it (*Jordanian Companies Law No. 22 of 1997*, 1997).The Jordanian legislator has explicitly embraced this approach in Article (29) of the Companies Law, which reads as follows: The new partner will be jointly responsible for the company's liabilities and obligations, as well as its debts. The same is true of Article (207) of the Jordanian Civil Code, which concerns the directing of personal rights to a specific successor, with the requirement that the partner was aware of them at the time of directing (Jordanian Civil Code No. 43 of 1976, 1976).

Advocates of the opinion believe that the expansion of the arbitration clause in these instances is caused by the common economic position, which causes the common legal position. As a result, it would be illogical to grant the new partner benefits while they do not bear the burden of the partnership, specifically in regards to the chosen method of resolution of disputes (Al-Aqili, 2022).Jordanian law also supports this perspective as the Court of Cassation has admitted in a decision that the company can take advantage of all of the conditions and defenses in the contract, including the arbitration clause, despite any alterations to the partners or their legal standing as a result of the benefit. This is derived from the contract's provisions (Al-Bataineh, 2008). This example represents a significant case of the application of the rule that arbitration clauses can include parties other than the original ones to the agreement that have a shared interest and legal standing (AlMahi & Ahmad, 2023).

The researchers believe that the admission of the new partner is crucial during this period. This is particularly true when the nature of the relationship between the partners changes and a number of rights and obligations are associated with the new partner, including the obligation to follow the stipulations of the original contract of the society, including the clause regarding arbitration. The Jordanian judiciary and jurisprudence have recognized that the arbitration clause is one of the distinguishing features of the company's contract. This clause is considered to be relatively independent of the other clauses, and applies to all existing and new partners as they become aware of it and accept its effects. As a result, the new partner's duty does not solely focus on the financial and administrative aspects, but also includes the obligation to submit to arbitration in internal disputes between the partners, unless the agreement between the partners specifically states otherwise (Al-Arasi et al., 2024). This facilitates the application of the principles of disclosure and transparency, as the existing partners are presumed to have divulged the new partner the legal and financial status of the corporation, including the presence of an arbitration clause and disputes prior to their admission, in order to be granted their consent on the basis of full comprehension and free will. In the event that the necessary disclosure is not made, the new partner has the right to compensation for the harm caused by the concealment. This will allow them to balance the need to honor the contractual commitments while also protecting the new partner. (Awaisheh, 2025)

Regarding the case of a partner's departure from the partnership or the transfer of their stake, the general rule is that their personal and collective responsibility is maintained regarding the debt and obligation associated with the partnership prior to their departure, but they are not responsible for any obligations after their departure, especially when it is carried out in accordance with legal procedures and the partner's name was removed from the company's registration (*Jordanian Companies Law No. 22 of 1997*, 1997).As a result, the query may be asked as to whether or not the departing partner is still adhered to the arbitration clause. If the arbitration tribunal was already formed and had begun to work prior to their departure, the obligation to arbitrate is still maintained, because the formation of the arbitration tribunal is an independent process that is not affected by subsequent changes in the status of the parties. However, if the tribunal had not yet been formed, the most important factor is the date on which the obligation was created, rather than the date of beginning of arbitration. If the dispute is associated with rights or obligations that originated before the partner's departure, the arbitration clause will be relevant to them because of the principle of separability of the clause and its continuing effect on the dispute that has its origin in the original contract. Conversely, where the dispute occurred following the partner's departure and is not associated with their participation in the company, the obligation to resolve the matter is extinguished on the grounds of the loss of its legal basis, unless there is an explicit agreement that extends the clause following the departure (Alnaimi & Al-Omar, 2023). This suggests that the researchers believe that the arbitration clause is derived from the obligation, rather than the status, and that the partner is released from it only when they fail to participate in the partnership or when they are removed from it.

The clause that arbitrates disputes between partners that precedes their partners and the effect of this clause on the deceased's heirs is of special interest when considered alongside the principle of the separability of the arbitration agreement and the transmission of obligation to the successor in general. Article (30/A) of the Jordanian Companies Law states that the death of a partner does not lead to the dissolution of the partnership; the partnership will continue between the surviving partners unless otherwise stipulated in the agreement on partnership that is subject to the condition that the heirs who want to participate in the partnership fulfill the requirements of a typical partner (Al-Adwan & Al-Shawabkeh, 2016). The controversy is then whether or not the heirs of a deceased partner are obligated by the arbitration clause to which their predecessor had committed. The common view in the jurisprudence is that the deceased partner's consent to the process of arbitration is integral to their contractual obligations – these include both the main contract and the arbitration clause. Since the process of arbitration is an extra contractual procedure that is associated with the main contract, it follows from the legal jurisprudence that the deceased's rights and obligations are connected with it, and thus, it does not have to be included in the will of the deceased partner or their heirs. Instead, the dispute must have a direct association with the deceased's legal rights (Rukba et al., 2025).

The heirs may not rely on the absence of their personal signature in regards to the arbitration clause to be released from the binding force of the contract as they did not create the partnership through a new, independent transaction. Instead, they took the place of the deceased partner and agreed to the conditions that their predecessor had stipulated, including a specific mechanism for resolving disputes. The right of the heirs to shun the arbitration clause would detrimentally affect the stability of transactions and the binding power of contracts; it would also allow for the frustrating of arbitration when the parties to a legal relationship alter. As a result, by entering the partnership, the heirs are subject to the same degree of binding arbitration as the deceased partner was subject to during their lifetime, provided that the dispute in question is derived from the partnership agreement or relates to the rights and obligations that were created during their death. As long as the deceased partner's consent to arbitration is maintained, this will produce its legal effects.

3.2 The Position of International Conventions and Positive Laws on Arbitration Clauses Contained in Company Agreements

The clause regarding arbitration in a company's agreement, which stipulates the methods of resolution of disputes, is considered paramount to the contract. The unique nature of these clauses is attributed to their exceptional nature, which always justified the specific interest that international agreements and positive legislations have taken towards them, in terms of their legal nature and, most importantly, their degree of independence from the primary contract. This is done with the intention of increasing the effectiveness of arbitration and ensuring the stability of commercial transactions, by preserving them from being questioned as a result of alterations to their contractual agreements. International agreements, which have different levels of precision, have increasingly recognized the concept of the arbitration clause being separate from the main contract as a fundamental component of the continued validity and binding power of the latter despite any nullity, rescission or contract termination, or any alteration in the status or legal standing of the parties to it. The 1963 Convention on International Commercial Arbitration in Geneva involved the subject of arbitration in Article IV. In its reading, the principle of separability is not explicitly stated; however, a premise in its favor can be derived from the different solutions to disputes regarding the contract and the arbitration agreement; on this basis, an initial tendency to recognize the independence of the latter can be recognized (Almakhzoumi & Aleshoush, 2025).

A more definitive position was attained by the New York Convention on the Recognition and Enforcement of Foreign Arbitral Aids, 1958. Article V(1) of the Convention explicitly states that the agreement on arbitration is separate from the underlying contract. That said, the conclusion of the contract does not necessarily lead to the invalidity of the arbitration clause. This has distinguished the status of the arbitration clause internationally, granting it legal protection in a way not connected to the fate of the contract (*Jordanian Companies Law No. 22 of 1997*, 1997). Through the Washington Convention on the Resolution of Investment Disputes, 1965 (ICSID Convention), the principle of separability was enshrined explicitly (Naseir et al., 2026). Article 44 of the Convention states that the arbitration procedure is independent of the dispute over substance, while Article 25 directly references the scope of the agreement between the parties. This indicates that the legal relationship between the parties is also pertinent to the disputes between them, which are different from the ones that were involved in the original agreement regarding arbitration. (Alshehadeh et al., 2025) The arbitration procedure was initiated by consent. This is one of the most prominent examples of international practice that employs the independent nature of arbitration clauses and their extendibility (Althunibat et al., 2025). It follows from the above that international agreements have always, explicitly or implicitly, placed the concept of the separability of the arbitration clause at the forefront in order to ensure its independent existence and to avoid the potential loss of the company's agreement with the parties or changes to the contract itself.

In this regard, and in accordance with the international pattern, modern positive legislations have followed the same path by accepting the independence of arbitration clauses from the underlying contract. This recognition of the importance of the principle to the attainment of stability and certainty in the rules govern commercial relations. The judicial practice in France has long recognized the distinction between arbitration clauses and judgments of 29 April 1993 (Cour de cassation, Première chambre civile, 1993). and lacks any notable exception. The aforementioned Judgment stated that the clause regarding arbitration has a separate legal existence that is separate from the contract itself and is not affected by the nullity of the contract or the lack of one of the essential components of the contract. This jurisprudence has contributed to making arbitration a powerful and consistent process for the resolution of commercial conflicts. The Egyptian legislator has also adopted the concept of separability by viewing the arbitration clause as a separate procedure that is still legitimate and effective long after the dispute arises from the contractual relationship, regardless of the nullity or the conclusion of the contract. Similarly, the UAE legislator has followed this path by explicitly including the independence of the arbitration clause and its immunity from the nullity, rescission or termination of the contract, as long as the dispute is associated with it. This reflects a desire to take an arbitration-friendly approach. (Al-Awaysheh et al., 2026)

The Jordanian legislator has also enacted this principle into law, both explicitly and implicitly, via the provisions of the Arbitration Law and via the uniformity of judicial interpretations that have recognized the arbitration clause as an independent contract that is binding to all parties regardless of their legal standing or position.

Based on the above, it can be stated that any disputes between the partners or third parties that arise, regardless of the nature of the dispute, will be covered by the arbitration clause in the company's agreements, because the dispute regarding the contract is separate from the dispute regarding the arbitration clause; and the latter is a procedural obligation that must be followed and respected. (Alsaraireh et al., 2026) As a result, the researchers believe that the implementation of the principle of separate clauses in international agreements and positive legislations regarding arbitration is crucial to maintaining the effectiveness of the clause and avoiding any frustration associated with the changes to the company's agreement or the parties involved or the loss of status. All of this is done in order to prevent the clause from being misused as a means of circumventing the obligation to arbitrate on the basis of the loss of status or a change in the legal position in light of principles of modern commercial justice.

4 Conclusion

To summarize the legal analysis of the effects of the arbitration clause on partnerships, and particularly on general partnerships, it is important to note that this clause is a legal tool that has a specific importance, due to the personal nature of the company and its organization that is primarily based on trust and personal agreement between partners. The procedure or intervention of an arbitration clause is not solely dependent on the resolution of a dispute, but also affects the internal distribution of power between the parties. The adherence of the manager or authorized partner to the limits of their power, and the function of the clause itself enhances the interests of the partners as well as third parties. It was observed in this research that the arbitration clause, if it is written clearly and represents the will of the partners, has a positive effect: it facilitates the quick resolution of disputes and guarantees the confidentiality of business interactions, both of which contribute to the company's continued operation and prevent internal conflict. However, this beneficial effect can become problematic, specifically when the arbitration clause is misused by the manager or authorized partner, who employs arbitration without authorization or in violation of the partnership contract or the law of the host country. The risk of this is that the partnership will be overburdened with obligations that were not agreed to by the partners or that the manager will be exposed to legal liability.

Ultimately, it is also important to note that the study's conclusion states that the sensitivity of the situation created by the arbitration clause in a general partnership is particularly high, as the division of the partnership's assets and the partners' is not entirely distinct. This is why any reckless approach in this regard is susceptible to lead to conflicts and responsibility. The effectiveness of the arbitration clauses in this context is dependent on the personal consideration that is specific to the general partnership and a proportional balance between the partners' and third parties' interests.

Based on the foregoing, the study reaches the following results:

- The manager or authorized partner can take advantage of arbitration without having to sign a formal contract or have permission from the company. This involves the assumption of legal responsibility, especially when this causes harm to the company or partners.
- The validity of the arbitration clause in joint companies is contingent on the personal nature of the company, which necessitates a narrow interpretation of the clause in order to maintain the partners' intent and prevent overzealousness from occurring.

In light of these results, the study recommends the following:

- It is crucial to explicitly stipulate in partnership agreements the boundaries of the manager's or authorized partner's authority regarding inclusion or activation of an arbitration clause. This will prevent any misinterpretation or overreach that would negatively affect the relationship between partners.
- It is beneficial to partners to be aware of the importance of the arbitration clause and to participate in the decision to utilize it as this will help to promote internal stability and decrease the likelihood of future conflicts.

Refernces

Abdelrahman, A., Awaisheh, S. M., Awaisheh, S. M., et al. (2026). *Speaking—and Silencing—The Constitution: A Semiotic Analysis of Jordan's Constitutional Court Judgments*. *International Journal for the Semiotics of Law*. https://doi.org/10.1007/s11196-026-10462-5

Al-Adwan, M. K. M., & Al-Shawabkeh, M. M. A. (2016). Arbitration in insurance disputes. *The Jordanian Journal of Law and Political Science, 8*(2), 49–74. https://doi.org/10.35682/jjlps.v8i2.176

Al-Aqili, A. (2022). *Al-Waseet fi Al-Sharikat Al-Tijariyyah* [*The Mediator in Commercial Companies*] (2022 ed.). Dar Al-Thaqafa for Publishing and Distribution. https://daralthaqafa.com/Item.aspx?ItemId=393

Al-Arasi, S., Almakhzoumi, O., & ALemady, H. (2024). The statistical impact of the COVID-19 pandemic on the implementation of international contractual obligations. *Journal of Statistics Applications & Probability, 13*(3), 891–902. https://doi.org/10.18576/jsap/130304

Al-Awaysheh, S. M., Alsaraireh, N., Smairan, A. M., Awaisheh, S. M., Awaisheh, S. M., & Al-Khraisat, W. M. M. (2026). Medical liability for missing the opportunity for a patient's recovery or survival in Jordanian legislation: An analytical legal study. *Genetics and Molecular Research*. https://doi.org/10.4238/ag42af18

Al-Wreikat, E. I., Al Ajarmeh, H. H., Khalaileh, L. A., Albalawee, N., & Altarawneh, S. M. (2025). Medical liability in plastic surgery. *Journal of Natural Science, Biology and Medicine, 16*(2), 37–45. https://doi.org/10.5281/zenodo.15681454

Al-Bataineh, A. F. (2008). *Dawr al-qadi fi al-tahkim al-tijari al-duwali: Dirasah muqaranah* [*The role of the judge in international commercial arbitration: A comparative study*]. Dar Al-Thaqafa for Publishing and Distribution. https://library.ecssr.ae/cgi-bin/koha/opac-detail.pl?biblionumber=154070

Al-Khraisat, W. M. M., Awaisheh, S. M., Al-Wreikat, E. I., AbuMalik, T. H. M., Alkasasbeh, A. A. M., Alrfoua, A. Y., Awaisheh, S. M., & Abdelrahman, A. (2026). Administrative justice and regulatory governance in environmental licensing: Balancing legal certainty and sustainable development in Jordan and France. *Corporate Law & Governance Review, 8*(3), 113–120. https://doi.org/10.22495/clgrv8i3p10

AlMahi, M., & Ahmad, M. (2023). The impact of bank governance on the quality of accounting information (A field study on a sample of Sudanese banks in Gadarif State). *Al-Balqa Journal for Research and Studies, 26*(1), 1–22. https://doi.org/10.35875/ajrs1

Almakhzoumi, O., & Aleshoush, M. (2025). The ramification of consent defect in international treaties. In A. E. Hassanien, A. Darwish, V. Snášel, M. F. Tolba, & A. Elhadi (Eds.), *From machine learning to artificial intelligence: The modern machine intelligence approach for financial and economic inclusion* (pp. 1689–1700). Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-76793-7_97

Alnaimi, J., & Al-Omar, A. (2023). A study in the common and descriptive trademark as a criterion for the lack of distinguishing character in the trademark formation. *The Jordanian Journal of Law and Political Science, 15*(2). https://doi.org/10.35682/jjlps.v15i2.436

Alrfoua, A. Y., Awaisheh, S. M. A., Al-Wreikat, E. I., Al-Khraisat, W. M. M., Awaisheh, S. M., & Abdelrahman, A. (2026). The role of administrative regulatory authorities in protecting the environmental sustainability of natural resources. *Scientific Culture, 12*(1–1), 1–9. https://doi.org/10.5281/zenodo.11425133

Alsaraireh, N., Awaisheh, S., Alsweilmieen, S., & Al-Maagbeh, M. (2026). The role of legal legislation in empowering women and supporting their participation in political life in light of Bahraini and Jordanian legislation. In *Studies in Systems, Decision and Control*. Springer. https://doi.org/10.1007/978-3-032-04378-8_61

Althunibat, A. O., Awaisheh, S. M., Al-Hobabseh, W. I., Alhendi, N. I., Samawi, R. S. F., Alamaireh, M. A. M., & Awaisheh, S. M. (2025). Market manipulation risks in contracts for difference (CFDs): Legal regulation and the Jordanian framework. *Research Journal in Advanced Humanities*. https://doi.org/10.58256/dt93t122

Alshehadeh, A. R., Al-Zaqeba, M., Qtaishat, A., Al-Khawaja, H., & Al-Wreikat, E. (2025). Digitalization and sustainable development goals: Enhancing electronic financial reports quality in banking. *Data and Metadata, 4*, 734. https://doi.org/10.56294/dm2025734

Alkhawaldeh, A., Al-Shaer, B., Alwreikat, E. I., & Al Wahshat, Z. M. (2025). Analysis of the influence of good governance on economic growth in Jordan from 2002 to 2022. *International Journal of Sustainable Development and Planning, 20*(4), 1469–1478. https://doi.org/10.18280/ijsdp.200410

Awaisheh, S. M. (2025). From paper to pixels: The legal status and challenges of electronic writing in administrative contracts—A comparative study. *Electronic Government*. https://doi.org/10.1504/EG.2025.144726

Awaisheh, S. M., Awaisheh, S. M., Abdelrahman, A., & Al-Thnaibat, O. H. A. (2025). Environmental governance and administrative judiciary in Jordan and France: A socio-legal comparative study. *International Journal of Sustainable Development and Planning, 20*(12), 5491–5501. https://doi.org/10.18280/ijsdp.201238

Cour de cassation, Première chambre civile. (1993, April 29). *Judgment No. 91-15.043*. Légifrance. https://www.legifrance.gouv.fr/juri/id/JURITEXT000007196065/

Jordan. (1976). *Civil Code No. 43 of 1976*. Ministry of Labour. https://www.mol.gov.jo/ebv4.0/root_storage/ar/eb_list_page/قانون_رقم_43_لسنة_1976_(القانون_المدني_لسنة_1976).pdf

Jordan. (1997). *Companies Law No. 22 of 1997* (as amended). Companies Control Department. https://ccd.gov.jo/AR/ListDetails/التشريعات/1092/1

Naser Al-Din, T. Y., Meknas, J. D. A., & Meknas, A. Y. (2023). *Al-Wajeez fi Sharh Al-Qanun Al-Tijari: Al-Awraq Al-Tijariyyah wa Al-'Amaliyyat Al-Masrifiyyah*. Dar Al-Thaqafa for Publishing and Distribution. https://daralthaqafa.com/Item.aspx?ItemId=2341

Naseir, M. H. A., Al-Ali, E., Bqoour, K. J., Al-Wreikat, E. I., Al-Awaysheh, S. M., Awaisheh, S. M., & Al-Khraisat, W. M. M. (2026). Shortcomings in medical civil liability in Jordan and the role of public administration in addressing them. *Genetics and Molecular Research*. https://doi.org/10.4238/5psp6j89

Rukba, R. O. A., Awaisheh, S. M. A., Al-Hobabseh, W. I., Al-Khalaileh, L., Hmaidan, R. M., Althunibat, A. O., Awaisheh, S. M., & Abdelrahman, A. (2025). Balancing efficiency and ethics in public administration: The role of artificial intelligence in administrative law of the Middle East. *Research Journal in Advanced Humanities, 6*(4). https://doi.org/10.58256/ktbmht44