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# Business Law

Investment law and capital  
companies

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## **Investment Law and Capital Companies**

### **1. Definition of Investment Law:**

Investment Law is the branch of business law that governs the process of investing capital in a country.

It includes the rules, procedures, guarantees, and incentives established by the government to attract both domestic and foreign investors.

Its main goal is to promote economic growth, create job opportunities, and protect investors' rights.

### **2. Objectives of the Investment Law**

The main objectives are:

- To encourage national and foreign investment.
- To protect investors from arbitrary decisions or unfair treatment.
- To ensure fair competition between investors.
- To support strategic sectors such as industry, agriculture, and technology.
- To simplify administrative procedures related to business creation and investment licensing.

### **3. Key Principles**

Freedom of Investment: Any person or company has the right to invest in most sectors.

Equality of Treatment: National and foreign investors are treated equally.

Legal Protection: The law guarantees protection against expropriation without fair compensation.

Tax and Customs Incentives: Investors may benefit from tax exemptions and customs reductions.

Repatriation of Profits: Foreign investors are allowed to transfer their profits abroad.

## **Capital Companies (Companies of Capital)**

### **1. Definition**

Capital companies are business entities where the capital invested is more important than the personal characteristics of the partners.

The partners' liability is limited to the amount of their contributions.

These companies are the most common form for large-scale investments

## **2. Main Types of Capital Companies:**

### **1. Joint-Stock Company (JSC) – شركة المساهمة**

Capital is divided into shares that can be freely traded.

Managed by a board of directors elected by shareholders.

Example: large corporations and banks.

Liability: Limited to the value of owned shares.

### **2. Limited Liability Company (LLC) – شركة ذات مسؤولية محدودة**

Formed by one or more partners (depending on the country's law).

Capital is divided into quotas (not shares) that cannot be freely transferred without partners' approval.

Liability: Limited to each partner's contribution.

### **3. Partnership Limited by Shares (PLS) – شركة التوصية بالأسهم**

Includes two categories of partners:

General partners (who manage and have unlimited liability)

Shareholders (who contribute capital and have limited liability).

It combines features of partnerships and capital companies.

## **Conclusion**

Investment Law serves as the backbone of economic development by organizing how investors contribute to a country's economy.

Capital companies, as one of the main vehicles of investment, help in attracting funds, creating jobs, and ensuring business stability.

Together, they form a legal and economic system that balances profit, protection, and national interest.

### **Key Terms – Investment Law and Capital Companies**

Investment Law – قانون الاستثمار:

The set of rules that regulates and protects investments

مجموعة القواعد التي تنظم وتحمي الاستثمارات

Investor – المستثمر:

A person or company that invests money for profit.

شخص أو شركة تستثمر المال لتحقيق الربح.

Foreign Investment – الاستثمار الأجنبي:

Investment made by foreigners in another country.

استثمار يقوم به أجانب في دولة أخرى.

Domestic Investment – الاستثمار المحلي:

Investment made by citizens within their own country.

استثمار يقوم به المواطنون داخل بلدهم.

Capital – رأس المال:

Money or assets used to start or operate a business.

الأموال أو الأصول المستخدمة لبدء أو تشغيل مشروع.

Economic Growth – النمو الاقتصادي:

Increase in the production and income of a country.

زيادة في إنتاج ودخل الدولة.

Incentives – الحوافز:

Benefits or advantages given to encourage investment.

مزايا أو تسهيلات تمنح لتشجيع الاستثمار.

Guarantees – الضمانات:

Legal protections given to investors.

حماية قانونية تُمنح للمستثمرين.

Expropriation – نزع الملكية:

When the state takes private property for public use with compensation.

استيلاء الدولة على ملكية خاصة للمنفعة العامة مقابل تعويض.

Legal Protection – الحماية القانونية:

Laws that ensure investors' rights are respected.

القوانين التي تضمن احترام حقوق المستثمرين.

Tax Exemption – الإعفاء الضريبي –

Freedom from paying certain taxes.

إعفاء من دفع بعض الضرائب.

Repatriation of Profits – تحويل الأرباح إلى الخارج –

Sending profits earned back to the investor's country.

تحويل الأرباح التي تم تحقيقها إلى بلد المستثمر.

Company – شركة –

A legal entity formed to conduct business.

كيان قانوني يُنشأ لممارسة الأعمال التجارية.

Capital Company – شركة أموال –

A company where partners' liability is limited to their capital.

شركة تكون مسؤولية الشركاء فيها محدودة برأس المال المقدم.

Joint-Stock Company – شركة المساهمة –

Company whose capital is divided into tradable shares.

شركة يُقسم رأس مالها إلى أسهم قابلة للتداول.

Limited Liability Company – شركة ذات مسؤولية محدودة –

Company where owners are responsible only for their investment.

شركة يكون مالكوها مسؤولين فقط في حدود مساهمتهم.

Partnership Limited by Shares – شركة التوصية بالأسهم –

Company with general partners (unlimited liability) and shareholders (limited liability).

(شركة تضم شركاء متضامنين (مسؤوليتهم غير محدودة) ومساهمين (مسؤوليتهم محدودة).

Liability – المسؤولية –

The legal obligation to pay debts or compensate losses.

الالتزام القانوني بسداد الديون أو التعويض عن الخسائر.

Shareholder – المساهم:

A person who owns one or more shares in a company.

شخص يمتلك سهماً أو أكثر في شركة.

Board of Directors – مجلس الإدارة:

A group managing and supervising the company's affairs.

مجموعة تُشرف وتدير شؤون الشركة.