

# Managing Director Liabilities & Obligations

## FAQ

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**Q: Is the manager liable to protect the company's interests?**

A: A person authorized to manage the company shall preserve its rights and extend such care as a diligent person.

**Q: Is the manager responsible for keeping the company's financial records and showing it to the shareholders?**

A: The manager shall keep accounting records showing its transactions to accurately reveal at any time the financial position of the company and enabling the partners or shareholders to confirm that the accounts of the company are properly kept in accordance with the provisions of this Law.

**Q: What is the minimum period to maintain the accounting books?**

A: At least 5 (five) years from the end of the financial year of the company.

**Q: Is it mandatory for the company to prepare financial accounts?**

A: The company shall prepare annual financial accounts including the balance sheet and the profit and loss account, while applying the International Accounting Standards and Practices.

**Q: Is it mandatory to audit the accounts?**

A: Every company shall have one or more auditors to audit the accounts of the company every year.

**Q: Who is responsible for preparing the accounts?**

The Manager of the company shall prepare the annual budget and the profit and loss account and shall also prepare an annual report on the affairs and financial position of the company and provide his



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recommendations on the distribution of the profits of the General Assembly, within three months from the end of the financial year.

**Q: Is it permitted for the manager to compete with the company?**

A: The Manager shall not, without the consent of the General Assembly of the company, undertake the management of a competing company or a company with objects similar to those of the company or make, for his own account or for the account of third parties deals in a trade in competition or similar to the activity of the company.

**Q: Is the manager's civil liability limited towards the company?**

The civil liability could be financial or personal liability pertaining to the losses and damages towards:

The company itself  
The shareholders of the company  
Third parties (employees – suppliers .....)

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