

Partial Endorsement in Commercial Paper: Reasons for Rejection and Justifications for Acceptance (Critical Study)

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Abstract

This research paper strives to demonstrate how commercial paper trades through endorsement and for this trading to be correct and effective for its impact, the endorsement must meet the necessary objectives and formal conditions for that. One of the special objective conditions for endorsement is that it should be on the full immutable right in the commercial paper, but opinions have emerged from jurisprudence and the judiciary considered that partial endorsement is valid and effective to raise, so this study is done to elaborate the reasons for the endorsement invalidity in general and to study partial endorsement in specific, to find out the motives adhered to by jurisprudence to consider partial endorsement invalid, as well as provided a response by balancing between acceptance of endorsement and the reasons for rejection. In conclusion, the introduction of a new exception to the rules of endorsement will not be unusual.

Keywords: *Partial Endorsement, Endorsement Invalidity, Credit Function, Partial Fulfillment*

INTRODUCTION

Endorsement is considered the main distinguishing characteristic of commercial papers (instrument), so that all the rights that it carries are transferred from the interest of one person to another (Khalifa, 2010), as soon as the beneficiary signs on the back of the paper, in addition endorsement has a second advantage that it has the ability to cleanse the commercial paper defects that exist in the original relations, leading as a result that the debtor cannot pay in front of the holder good faith with the defenses that he could pay in front of the drawer or in front of the previous holders of non-pecuniary obligation.

However, in order for the endorsement to be considered valid and has arranged legal effects, it must meet the objective conditions as well as the necessary formal conditions for that, if an objective condition or a formal condition fails, it may lead to endorsement invalidation; in this case, the rules of the banking law do not apply to the legal relationship between the holder and the obligee to pay the value of the paper, which is known as endorsement invalidation, and one of these cases is partial endorsement, where the legislator considered that the endorsement must be on the full immutable right in the paper, otherwise it is invalid, knowing that the legislator has taken similar cases for partial confirmation in many issues, which we will be exposed to during this study to reach to the extent of the possibility of mitigating invalid cases firstly, the partial endorsement is considered valid as it does not violate the rules of the banking law that apply to similar cases, and in order to preserve the basic function of commercial papers.

Based on the foregoing, it seems that a research plan shows us, where the nature of endorsement will be presented, and the reasons that lead to its invalidation, provided that the specificity of this study in which it will single out the analysis of partial endorsement to identify the reasons on which the legislator and jurisprudence based the invalidity of partial endorsement, and justifications for responding to that. However, we have to provide a balance between rejecting partial admission and its acceptance as well as the study will end with conclusion and recommendations regarding this.

Study Problem

This study came to investigate to what extent partial endorsement can be considered valid and arranged for the effects of the ownership transfer of endorsement, searching for the reasons that the legislator and jurisprudence

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called for considering partial endorsement invalid, and the reasons adopted by the legislator and jurisprudence to consider partial endorsement invalid irrefutable?, and if justifications are provided for accepting partial endorsement, will it lead to legal and economic benefits for commercial paper dealers?. This after providing guarantees to the paper holder while maintaining the principles on which the commercial papers were founded in which the traditional conditions and procedures required by the laws have become an obstacle for a large class of commercial paper dealers.

The Importance of The Study

This study aims to reduce the reasons for the endorsement invalidity that stipulated by the Jordanian Legislature, considering partial endorsement is correct and arranged its effects, in order for the endorsement rules to be in line with the economic situation in this era, where the economic recession in previous years caused bankruptcy of many individuals and commercial institutions as well as tarnishing their commercial and social reputation due to their inability to meet the values of commercial papers. We can avoid these problems through the amendment to the endorsement rules commensurate with current circumstances, in addition to achieving the basic function for which the commercial paper was found, which is credit.

The Study Approach

This study is based on the analytical approach to the texts of the law, jurist opinions, judicial rulings, to find out the reasons for the invalidity of endorsement. With this question reaching practical results, it is assumed that all those dealing with commercial papers will gain benefit from it, and the Jordanian legislator will take it into consideration to face the economic challenges that have occurred in the previous period.

The Study Questions

This study will focus on answering the following questions as well as other questions that will be raised during the study:

- A- What are the reasons that lead to the endorsement invalidation?
- B- What is the concept of partial endorsement?
- C- What are partial endorsement types?
- D-What are the reasons that led the legislator to consider partial endorsement invalid?
- E- What are the reasons for partial acceptance?

Theoretical Framework

Based on the foregoing, the research plan will be as follows: the first part will address the nature of endorsement while the second one will discuss the concept of partial endorsement to identify the reasons for the its invalidity and justifications for responding to that. Finally, the study will end with results and discussions as well as conclusion encompass recommendations.

What is endorsement, its definition, the cases of endorsement invalidation, and the conditions that must be met in the endorsement. This will be further explained in this research paper before drawing a logical conclusion.

Endorsement Definition

Endorsement is considered a legal mechanism for transferring the immutable right in the commercial paper from one person to another easily and proceeds under the provisions of Article1(24)of the Jordanian trade law, otherwise the commercial paper would be subject to the rules of civil transfer that regulated by the civil law, which does not correspond to the characteristics of the commercial law regarding the credit and speed in trading. Endorsement is also characterized by its power of capability of clearing the defects that are in the original relations of the debt, the obligee cannot pay in front of the holder in good intention by not fulfilling any reason that could have been paid in front of the previous drawer or holders, and this is considered a sound principle, otherwise the holder would hesitate to accept the commercial paper as well as it does not perform its

fiduciary function or as a tool of fulfillment if the holder remains worried about the possibility of obtaining his right because of the arguments that can be raised by the obligee.

An aspect of jurisprudence defines endorsement as a statement written by the endorser – or his legal representative – on the commercial paper itself or on a paper attached to it stating the endorser's waiver of immutable right ownership, the power of attorney to third parties to collect its value, or the placement of an instrument as a guarantee (Tarawneh, 2010).

Another aspect, Fiqh, also defined it as a statement written by the endorser on the back of the paper or on an attached paper with the aim of transferring the immutable right of this deed to another person (Nasif, 2012).

Endorsement, as seen from the previous definition, is not different from the creation of the paper, where it is considered as a new withdrawal, in which the endorser plays the role of the drawer and the endorsee plays the role of the beneficiary and the personality of the withdrawn remains unchanged. It is considered a legal act of a formal nature, and for its validity it is necessary to have objective and formal rules.

The endorsement also establishes a legal relationship between the endorser and the endorsee as well as all his former obligees to the commercial paper without this transfer depending on their consent or knowledge, unlike the situation in remittance in which the right of transfer subject to the rules of civil law (Almasadeh, 2023).

By these means, the immutable rights of the commercial paper are transferred from the beneficiary (endorser) to the endorsee if he meets the legal conditions that must be taken into consideration, this was confirmed by the Jordanian court of Cassation in its decision: "endorsement of commercial papers transfers all arising rights from the commercial paper to the endorsee, and if the endorsement includes the sentence of value for collection, power of attorney, value security or value pledge, the holder may exercise all the rights arising from the paper except for endorsement, which in these cases is by the power of attorney pursuant to Articles (148, 149) Jordanian trade law.

Conditions That Must Be Met in The Endorsement

The Jordanian legislator stipulated for the validity of the endorsement the availability of objective and formal conditions in order for the endorsement to achieve its effects, which are as follows:

Objective Conditions: for the validity of the endorsement, it is necessary to have the required objective conditions of other voluntary obligations validity, so that the endorser must be eligible for obligations, and have valid satisfaction, and there must be a reason, a valid and permissible solution, and not contrary to public order (system) or morality (Al-Quda, 2012).

The legislator also stipulated special objective conditions for the validity of endorsement, namely:

1. The endorser must be a legitimate bearer of the paper, reached by the instrument with an uninterrupted series of endorsements (Knani, 1998).
2. The endorsement must also be strictly, in another meaning it should not base on conditions, if condition is found, the endorsement will be valid and the condition is invalidated, however, at the same time, the legislator has approved some conditions of Article 142/1, 153/3) of Jordanian trade law (Abas, 2019)
3. The endorsement should be made on the full amount, if the endorsement is on a part of the amount, it will be invalid and this is the matter of the study.

Formal Conditions: in order for the endorsement to have its legal effects, the endorsement must be done in writing by signature, fingerprint or seal in the presence of two witnesses in the latter two cases on the commercial paper or on a paper attached to it, this in order to achieve the principle of self-sufficiency of the commercial paper (Musa, 2018).

Cases of Endorsement Invalidation

The Jordanian legislator considered that if endorsement does not meet special objective and formal conditions, it will be invalid. The obligee can pay in front of the holder for payment non-compliance, and this is what will

be discussed in this section, in four subsections, provided that the first subsection: endorsement on an independent paper, the second subsection: endorsement after the fulfillment of intervention, the third subsection: the invalidity of endorsement due to the condition, as for the fourth subsection: the endorsement obtained after the due date, and if the endorsement is made on a part of the immutable right of the paper, this will be the focus of this study what is known as partial endorsement.

The Endorsement That Falls on An Independent Paper

In order for the endorsement to be valid, the endorser's signature must be on the paper itself, or on a paper attached to it, and thus the ownership of the immutable right is transferred to the endorsee, but if the endorsement made on an independent paper, the endorsement would be considered invalid (Tarawneh, 2010) and the reason for this is that the individual to whom it is payable must make sure of the chain of endorsements to the holder (of the instrument) in order for his settlement to be correct and discharged (acquitted) (Al-Quda, 2012). The endorsement is not valid on an independent paper, as it makes the paper depend on papers outside of the principle of paper's self-sufficiency in order to determine the actions that occur on it. In this case it is considered a civil transfer and it has a name only as it violates the principle of commercial paper self-sufficiency (Al-Keelani, 2007).

Endorsement After the Fulfillment Of The Intervention

The individual to whom it is payable is defined as a person delivering the value of the paper to the holder on behalf of a signatory of the paper in order to prevent the holder from referring to the one in whose favor the intervention took place and to all previous signatories (Al-Iteer,1998). The Jordanian legislator considered that the endorsement that is made after the fulfillment of the intervention is considered invalid (Al-Akili, 2012), according to the text of Article (207/2) of the Jordanian trade law which stipulates that it is not permissible for the intervenor to show the instrument that was fulfilled by him to another person, and thus the intervenor cannot endorse the paper after its fulfillment, he has the right to return to the obligees according to the legal texts, but if the endorsement is made and the beneficiary of this endorsement returns to any of the obligees, the obligee has the right to refrain from fulfilling with the excuse of endorsement invalidity, the holder has no choice but to return through the rules of the civil law. The legislator intended by that to take the instrument out of circulation by preventing such endorsement, since the instrument had lost its credit in commercial circles and had lost its function as a commercial paper (Al-Akili, 2012).

Endorsement Invalidation Due to Condition

Although the legislation stipulates that the endorsement must be free of any conditions, article (145/1) of the Jordanian trade law allows any of the obligees to set a condition to prevent endorsement as it is not prohibited in the law or it is not related to public system (Alheen,2005), the requirement to prevent endorsement may be came from the drawer or from any of the obliges(Alzyadat, , Alqidah, 2005), in another meaning, the obligee has set this condition meaning that the obligor has set this condition so that his payment responsibility to the endorsee is only directly, the Jordanian legislator has taken this principle into account so that if the endorsement is made to others, then the endorser that stipulated this condition grants himself an exemption from payment obligation towards those to whom the instrument is entrusted with a subsequent endorsement after that (142/2) Jordanian trade so that if the paper isn't endorsed after this condition, the endorsement in this case is considered invalid in relation to the endorser that stipulated this condition for his benefit; the endorsement is not invalidated to others, the previous or subsequent endorsers cannot adhere to it based on the rule of independence of signatures.

Invalidity Of Endorsement After the Due Date

The Jordanian legislator did not consider the failure to indicate the endorsement date as one of the reasons for the invalidity of the endorsement; knowing that the Jordanian legislator did not distinguish if the endorsement occurred before the due date or after the due date. As article (150/1) of the Jordanian Trade considered that the endorsement after the due date takes the judgment of the endorsement date before the due date, and is considered valid as well its effects. It is also deemed that the date-free endorsement considered that it was done

before the due date for submitting protest, unless the opposite is proved (Judgment Jordanian court of cassation No605/ 2009). But if the endorsement date is stated, it must be on the day on which it actually signed, as it is not permissible to early the date of the endorsement, as if it is earlier. This considered a forge (Al- Iteer, 1998) as the endorsement date has a significant importance in the matter of determining the endorser liability towards the legitimate holder; The second paragraph of the aforementioned article of the trade law stipulates that "the subsequent endorsement of the protest submission due to non-fulfillment or after the due date for the protest submission results only the effects of provisions of right transfer, stated in the civil code". From this text, the Jordanian legislator has considered that the endorsement is invalid due to its date in the following cases:

A- If the endorsement takes place after due date of the protest submission with the text of Article (182/4) of the Jordanian trade law.

B - The subsequent endorsement for the submission of the protest paper (Al- Rjoub,Al-Sarayreh 2019) due to non-fulfillment is considered invalid from the commercial perspective. It is not subject to the provisions of the banking law (Lu Phi, Phan, 2023), but this endorsement results in the effects that is acquired due to the right transfer in accordance with the provisions of Article (1002) of the Civil Code.

This is what the Jordanian court of Cassation has taken into account that "if the claimed bills of exchange are endorsed with their value after the legal due date specified for filing a protest, which is one of the two working days following the day of maturity in accordance with the text of Article (182) of the Jordanian trade law, this transfer only results the effects of the provisions related to the right transfer stated by the Civil Law (AL-Fawair,AL-Sarayreh,2023) pursuant to the second paragraph of article (150) of the same law. The previous ruling does not affect the fact that the first paragraph of article (150) of the Jordanian trade law makes for the subsequent endorser after the due date the provisions of the previous endorsement, as although this article considers the endorsement subsequent to the submission of the protest or the one that occurred after the deadline specified for the submission of this protest is not considered endorsement to which the provisions of the commercial transfer apply, but the provisions of the Ordinary Transfer must be applied to it.

METHODOLOGY

It has already explained that the Jordanian legislator stipulated that in order for the endorsement to be considered and arranged for its effects, the endorsement must be made on the full value of the commercial paper (Yamelki, 2012). If the endorsement is made on a part of the paper value, the endorsement would consider invalid. Thus, the concept of partial endorsement will be discussed later as well as the cases of partial endorsement, the reasons that the legislator and jurisprudence (the Fiqh) called for considering partial endorsement invalid and the response to those reasons.

This part of the research study will address the concept of partial endorsement and the reasons beyond refusing partial endorsement.

The Concept of Partial Endorsement

Neither the Jordanian legislator nor the Fiqh provided a definition for the concept of partial endorsement, but the Iraqi judiciary had issued a ruling through which a definition of partial endorsement could be given, as stated in a ruling of the Iraqi court of Cassation(Alhalbosi,2012) "endorsement leads to the fragmentation of the arising right from the commercial paper into multiple parts, in which each part belongs to a person independent of others so that each of them has the right to claim a part of the value of the paper".

Based on the above-mentioned decision of the Iraqi court of Cassation, the researcher can provide the definition of partial endorsement: "it is the concession made by the paper holder of a part of the value of the commercial paper to another person or more, and the holder should keep the remaining part of the paper value for himself, or the endorsement should be made to several people so that each endorsee has a specific part of the commercial paper value, and each person has the right to dispose his part until the paper is fulfilled" (Ibrahim, 2017).

By this, partial endorsement mean splitting the value of the paper over more than one person, without affecting the due date, as the fulfillment of the paper value will be on one date to all beneficiaries of the paper.

Based on the definition, partial endorsement cases can be visualized as follows:

The First Case: the case of partial endorsement is realized when one part of the value of the paper is endorsed to a person and the other part of the paper is endorsed to another person or the remaining part is retained for the benefit of the holder.

The Second Case: if the beneficiaries of the commercial paper are more than one person whose names are listed as a combination, then if the paper appears by one of them in the amount of his share of the value of the instrument, this is considered a partial endorsement.

The Third Case: one side of the jurisprudence considered that partial endorsement is valid in case of the drawee has fulfilled part of the value of the paper and wrote a note on the paper stating that he has fulfilled the amount that he did, so if the holder endorses the paper with the rest of the value, then his endorsement is correct (Ibrahim, 2017)

As for the Jordanian legislator's perspective on partial endorsement, the Jordanian legislator considered in Article (142/2) of Jordanian the trade law that partial endorsement is invalid, it does not arrange the ownership of the transfer of the immutable right in the paper, and the ownership of the part on which the endorsement was made and not transfer to the endorsee as it is considered a void endorsement and the loss of the endorsement one condition of its own objective conditions, which is that the endorsement falls on the full amount of the paper. In such a case, the holder of the paper cannot refer back on the endorsee unless through the right transfer, and not to the drawer unless through indirect case (Al- Iteer, 1998).

Reasons Beyond Refusing Partial Endorsement

Legal scholars defended the Jordanian legislator's point of view as considering the partial endorsement invalid for the following reasons:

The first reason: endorsement requires the paper to be handed over to the endorsee, to claim the paper value on the due date as one of the effects of the endorsement, while in partial endorsement the endorser will remain in possession of the paper to claim his right to the part that he has left of the amount of the immutable right (Tarawneh, 2010), based on this, in partial endorsement; the endorsee will not be able to re-endorse it, which leads to hindering the circulation of the paper, therefore the disposal of this paper becomes impossible. Thus, the paper cannot be at the endorser and endorsee hand at the same time (Alheen, 2005). Thus, the transfer of part of the paper value is unthinkable, since the paper will be in the possession of one person and not the other.

The Second Reason: the endorsee will not be able to ask the drawee or his former obligees to fulfill the amount of his right at maturity date, as the latter will not pay the value of the commercial paper unless he redeems the instrument, in this case the paper is partially in the possession of the endorser (-Al-Akili, A, 2012).

RESULTS AND DISCUSSION

Response to the reasons given by the jurisprudence not to accept partial endorsement: in the previous section, the reasons adopted by one side of jurisprudence in defending the legislator's point of view not to accept partial endorsement are presented. This section is devoted to responding to those reasons, through presentation of cases approaching partial endorsement in which the law authorized the division of the right, and this will be discussed in the first subsection, while in the second subsection the researcher will work to balance between acceptance of partial endorsement and its rejection.

Firstly, similar cases in which the legislator took into consideration partial approval. In the framework of responding to the reasons adopted by one side of jurisprudence in defending the legislator's point of view not to accept partial endorsement, it is found that there are many cases in which the law has authorized the possibility of immutable right fragmentation. Additionally, there are cases in which the possession of the paper by one person is not required in order to be fulfilled, and these are the cases in which it is possible to justify

the acceptance of the endorsement idea, and to respond to the reasons that the perspective of partial endorsement is invalid based on, this can be shown as follows:

1-It turns out that the majority of jurisprudence defends the unacceptance of partial endorsement due to the endorser's possession of the paper, it is true that possession is a manifestation of ownership, whoever possesses something is often its owner. Possession is a material issue in which a person actually controls over something. However, it is not required from the owner to have the object in his possession, and since commercial papers differ from other movable property in their circulation, as they are transmitted by endorsement, as long as the partial endorsement is nominally, so the endorsee in this case is the owner of a part of the value of the paper. He has the right to all authorities from the authority to use, exploit and dispose, so he can cede ownership of the part belonging to him to another person through endorsement, and since the right holder has the legal authority, we get out of the scope of the possession problem to whom it will be and how the claim is fulfilled. Since the owners of the paper are clear, and it cannot be disputed, therefore its possession by one of the beneficiaries does not affect its ownership and delay the fulfillment on the due date.

2- We also provide another proof and emphasize that the idea of the commercial paper fragmentation is not alien to the Jordanian legislator, where the idea of partial fulfillment was authorized in Article(157/2) of the Jordanian trade law, so if the holder is offered a part of the value of the immutable right, the holder must accept that part, as the rest of those who are committed to the fulfilled part, or who have been offered a real offer, have been discharged⁽³¹⁾. The holder must begin by writing a protest paper and procedures that enable him to protect his right, as well as the same article in the third paragraph was declared that if the fulfillment is partial by the drawee, he may prove this fulfillment on the instrument and request a discharge of the fulfilled part.

Thus, the legislator himself has provided a response to the first reason adopted by the jurisprudence that in this case the commercial paper has been partially fulfilled, and the possession of the paper will remain with the holder in order to return back on the obligees with the remaining part, although basically is for the deceased to hand over the paper to the drawee, in order to keep it to deduct its amount from the account of the drawee. Despite the partial fulfillment, the paper remained in the possession of the holder; in order to refer back to the obliges.

Based on the above-mentioned legal text and by analogy with it, what is the legal problem if the holder of the paper who has fulfilled part of the value of the paper from the drawee doesn't endorse it, and after it has been written on it that the value assigned by the drawee has been fulfilled, so that the new holder (endorsee) has the claim of the holders only for the unpaid part and within the legal allowed periods.

And this is what the Iraqi judiciary took it into consideration⁽³³⁾ that the endorsement done after partial fulfillment is a valid endorsement in order of its effects, As stated in Iraqi court of Cassation resolution No. 223/73/1973: "the distinguished judgment was found to be correct and in accordance (compliance) with the law as the distinguished acknowledges that he edited a paper in the amount of (2000) dinars for the order (X) and since the person drawn to him wrote on the back of the paper the phrase: (I received an amount of a thousand dinars from (M), the plaintiff – and this instrument was endorsed to him-signed X). The court's decision (resolution) in its distinctive Judiciary is to oblige the editor (writer) of the paper to the remaining amount of the paper, one thousand dinars, on which the endorsement was signed in proper time" (Alhalbosi, I 2012)

3- It cannot be recognized that possession is the problem, as the legislator has authorized the paper to be released to a number of beneficiaries as a combination (-Al-Akili, 2012). It is logical that the paper should be with one of them, and when the due date comes, in order for the fulfillment of the withdrawer to be valid, it must be fulfilled by the beneficiaries collectively(Al-Quda, 2012), so if the obligor fulfills to one of them without the presence of the other, it is considered incorrect fulfillment. In this way it is possible to measure this in order to adapt the rules of endorsement, when it comes to partial endorsement, the maturity date and demanding the paper holder the obligor to pay the value of the paper, the obligor will find out from the chain of endorsements that the value of the paper has been distributed to a number of endorsees (beneficiaries), he must request the presence of everyone to fulfill this in order to be considered that his fulfillment is correct or true(Jordanian court of cassation N0926/99) .

4- The lack of possession is not a sufficient reason to refuse partial endorsement, and this is when the maturity date reached and the beneficiaries have not claimed the value of the paper, so the depositor may deposit the value of the paper in the treasury of the court or one of the accredited banks, in exchange for receiving a document from the authority indicates the maturity date of the instrument, the name of the first beneficiary, and the amount of the deposit, etc. This is what has been stipulated in Article (2/173) of the Jordanian trade law, if the beneficiaries of the debtor ask for the value of the paper, the document will be handed over to them for the court treasury review or the bank where the value of the paper was deposited. If it is assumed that the beneficiaries of the paper are multiple people, then how to fulfill them in such a case. There is no doubt that all holders of the immutable right must be present, so if the endorsement is partial, specified in the value of the endorsee right of the amount of money, the bank will pay to the endorsee the amount of his assigned right in the paper. Thus, the problem of paper possession does not arise (AL-Arajeey,2019).

To conclude, we have reached after responding to the opinions of the jurisprudence justifying the idea of partial endorsement non-acceptance, that there are possible solutions to accept partial endorsement, and these solutions that are presented do not differ from the solutions taken by the Jordanian legislator in the case of non-fulfillment of the full paper value by the obligee, or in case the beneficiaries of the paper value are multiple, the issue of who holds the paper and to whom the fulfillment should be due. One of the conditions for the correct fulfillment is a legitimate holder, whether individual or multiple. The fulfillment of a partially endorsed paper should be done by each holder of the right on the due date specified in the paper.

Secondly, balancing between rejecting and accepting partial endorsement; Commercial papers are one of the most important manifestations of commercial law, which reflects its distinctive characteristics in terms of its basis on speed, trust and credit, as they are traded by endorsement in order to be used as an alternative to money to protect debts between people in their dealings (Nga, L. P, & Tam, P. T ,2023) fulfilling the function for which it was found, which is credit, where the immutable right in the commercial paper is transferred to the creditor with certain maturity date free of any defenses (Bashayrah,2021), so we will strike a balance between refusing the acceptance of partial endorsement and the idea of its acceptance in the following form:

1-The refusal of partial endorsement leads to the failure to achieve the basic function of endorsement which is the transfer of the immutable right easily. This will also lead to the disruption of the fiduciary role on which the commercial papers were founded. Whereas, if the partial endorsement is accepted, it will lead to faster and increased dealing with commercial papers as well as it will increase public confidence and trust in dealing with them. In order to stabilize the status of the endorsee, in part, so that it is not surprised by the defenses that the defendants adhere to from their personal relationships with the owner or with former holders, unless the endorsee in part, has deliberately acquired part of the paper with the intention of harming the debtor (article 147) leads to financial non-compliance, whether by the direct relationship or by the debtor.

2- The beneficiary of the paper may have acquired the status of a merchant and owe commercial debts, so if he does not pay his debt on time, he will be exposed to the penalty of bankruptcy, and the fact that the endorsement rule protects the idea of credit and responds to merchants' needs to settle the debts arising from their transactions by simply endorsing them, and therefore the idea of partial endorsement will achieve the spirit of commercial endorsement and ensure a quick circulation of commercial papers away from the idea of complexity present in civil transfer (Bashyarh,2021), as if the idea of partial endorsement is accepted; we will avoid the debtor's tarnishing commercial reputation and any other related legal accountability. In this case, the endorser still has the right to dispose of the part that it kept for himself in a second transaction. Of course, it could be said why the paper is discounted from one of banks for settlement, but the discount has its own problems that may take us away from the purpose of the study (Saber, 2002).

3- Considering the partial endorsement invalid, does not mean the invalidity of the commercial paper, but transfer the obligation arising at the debtor's expense from financial obligation to a right transfer, limited by conditions, elements and effects contrary to the ease and speed of trading required by commercial transactions, thereby negating the objective of the commercial paper. The assignor has to adhere to the direction of the assignee with the defenses that he had to invoke against the assignor, however, this principle cannot be applied in the field of banking law (Nga, L. P, & Tam, P. T,2023)., as it contradicts the nature and function of

commercial papers, the paper cannot be a credit tool or a loyalty instrument when the holder of the paper was worried about his right, exposed to defenses that he was ignorant of and was not able to know. Therefore, the commercial law abandoned the rule referred to in order to facilitate commercial dealings and protect the commercial paper holder. Thus, it looks like accepting partial endorsement will work to transfer the part that appears to be free of defenses according to the endorsement rule clearing the paper of defenses as well as it will also achieve the basic function for which commercial papers and endorsement exist together.

CONCLUSION

In this study, we addressed the topic of partial endorsement, the reasons for refusal and justifications for acceptance. The truth is that the situation is not easy or simple as commercial papers originated in a purely practical environment and their rules diverged from the general legal logic of civil law rules, in addition, the exchange rules arose for practical necessities and were based on this consideration. So, it must be interpreted in the light of the same practical considerations, even if the matter led to a departure from the rules of the legal text and this is the role of jurisprudence in adapting legal rules to suit the economic conditions of society.

Additionally, the research discussed the reasons for the invalidity of endorsement, and devoted a part to address the reasons claimed by jurisprudence for the invalidity of partial endorsement, which is considered the main focus of this research. It also sheds the light on those reasons and the possibility of taking partial endorsement by analogy with similar cases such as partial fulfillment and fulfillment to multiple beneficiaries in the commercial paper.

Moreover, the research provides a balance between rejecting and accepting endorsement, and the benefits that can be gained for commercial paper dealers in case of accepting partial endorsement, by preserving the real role of commercial papers and protecting their dealers from being subjected to the penalties imposed in the banking law.

Accordingly, the best solution is to recognize the renewal of banking law rules as it is considered a practical and scientific necessity and a system that suits commercial transactions at this time, as the nature of flexibility should overcome the rule of acceptance the idea -in order to reduce the invalidity of endorsement cases- in a way that is appropriate and vital reflects the economic reality that we live with conservatism and balancing among opposing interests in the commercial paper.

Therefore, the study came up with a set of conclusions and recommendations that are hoped the legislator will take into account in the case of amending the trade law in order to harmonize the real role of the paper with the purpose for which it was found, as follows:

In order for the endorsement to be considered and its legal financial effects be effective, the endorsement must be on the entire immutable right of the commercial paper, and the partial endorsement may also be considered valid. The research found that the modern judiciary began to break the restrictions set out in the law, and this is what is considered about renewal in legal texts; to ensure the protection of conflicting interests among the commercial paper parties and keep all legal guarantees for all, and the renewal of the banking law rules in order to reduce the invalidity of endorsement in any function that the commercial paper will perform for the holder.

It turned out that the legislator approved the idea of retail of the commercial paper through partial fulfillment, which forced the holder to accept this partial fulfillment in order to relieve the obligees of the amount offered to fulfill.

It turned out that in case of violation of one of the endorsement conditions, will lead to the non-compliance of the obligees of the commercial paper with the banking law rules and their accountability through the rules of civil law, and this is not good for the holder, because the obligee may find some defenses that enable him to exempt from fulfillment and this due to the difference in the rules governing commercial law and civil law.

It is wished that the Jordanian legislator to revoke the text of Article (142/2) "partial endorsement is invalid" to be "that the endorsement on the unpaid part is a valid and productive of all the effects of the transfer of ownership ". It is hoped that the legislator will develop a text indicating that partial endorsement is nominal to

know the endorsee of in part so as not to cause problems in the personality of this beneficiary of partial endorsement.

Moreover, it is hoped that the legislator, after recognizing the legality of partial endorsement, to show its types, and ways to protect the beneficiaries of the commercial paper on which the partial endorsement was made. Furthermore, the Jordanian legislator will reconsider the issue of endorsement after partial fulfillment, and also regulated the issue of partial acceptance and partial fulfillment, and other cases. So that a text is added in the following form " if the partial fulfillment is fulfilled ...

Finally, the Jordanian legislator was asked to single out a special chapter for endorsement invalidity cases, since endorsement is considered the backbone on which the process of trading commercial papers is based on, so that all specialists or dealers can easily access them to reduce the disputes that arise regarding it.

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