

EFFECTS OF OBLIGATIONS

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QUALIFICATIONS / CHARACTERISTICS OF AN OBLIGATION

أوصاف الالتزام

Qualifications / Characteristics

Merriam Webster:

1. Qualification: a restriction in meaning or application : a limiting modification
2. Characteristic: a distinguishing trait, quality, or property

Here: Attributes that may affect or attach to certain obligation in a way that modifies or changes their effects and the way they are performed.

Qualifications

1. Suspension or Delay of the existence of an obligation
 - A. A condition Precedent, or **Suspensive Condition**: الشرط الواقف
 - B. A condition subsequent, or **Resolutive Condition**: الشرط الفاسخ
 - C. Time Delay, Term, Maturity: الأجل
2. **Alternative or Optional Obligation**: الالتزام التخييري والبدلي
3. Solidarity
 - A. Joint and Several Liability, Solidary Obligation: التضامن السلبي
 - B. Joint Obligation: التضامن الإيجابي

Suspension and Delay

- The general rule, is that an obligation is due to be performed once it is created or once it legal arises:
 - Once a sale takes place, the obligation to deliver arises right away. The seller has to deliver the car immediately, and buyer has to pay immediately.
- This is not the case all the time:
 - Parties may agree to delay delivery or delay payment to a certain time.
 - Parties may make the obligation dependent on a certain event that may or may not take place.

A condition:

In an insurance contract: the insurance company is obligated to pay the Insured indemnity in case the risk materializes. In auto insurance, it is required to pay cost of repair, or in health insurance it is required to cover the cost of medical treatment.

The Obligation is already created; the source of the legal obligation of the insurance company is the insurance contract. However, the Obligation does not actually have any effect unless and until The Occurrence takes place.

The insured cannot claim any money from the Insurer unless this happens.

A Condition:

- A does not have a driving license or a car yet. He contracts with B to drive his children to school every day for the entire academic year. But, there is a condition, if A gets his driving license and is able to buy a car, he will notify B a week in advance and the contract will be terminated.
- Or A buys a new car, with a condition: if his wife does not like the car, he will return it, and gets his money back.

A Term

- In a debt, the debtor borrows money, but is not obligated to actually pay until the agreed date of re-payment: a year, 6 months?
- A rents a car for a week. The contract ends by the end of the week.
- Term: can be a period that has to pass before a debt is claimed (Maturity date, due date).
- Or can be a period that defines the life term of an obligation, and when the time passes, the obligation ends (Expiration date, Termination Date).

Optional or Alternative Obligation

- The general rule is: an obligation has to be specified clearly in a contract. There should not be any uncertainty in the obligation when arises.
- Sometimes, however, a contract or the law will do one of two things:
 - Allows one of the parties a choice between many alternatives
 - Stipulate that if one of the parties cannot perform a certain obligation, he or she will perform an alternative obligation

Optional or Alternative Obligation

- In a franchise agreement,
- Franchisor is obligated to sell the franchisee the equipment necessary for the operation of the franchise **OR** to direct him to some one who sells this equipment : **The option is to the franchisor**
- Franchisor is obligated to provide necessary training the employees of the franchisee. **If** the franchisor cannot provide trainers at the location of the franchise, **franchisor must** provide online training through suitable means.

Option or Alternative + Terms+ Conditions

- In a sale contract of Furniture:
- The buyers must notify the seller of the color and design they choose for the cushions within 5 days of the contract.
- If buyers do not notify seller within 5 days, the seller have may choose the design and color, and notify the buyers of his choice. If they do not object within 2 days they are considered to accepted his choice.

Solidarity:

- Negative Solidarity: Solidarity between debtors:
 - When there are multiple debtors to the same creditor, under certain conditions, the creditor may be entitled to sue any or all of them for the whole amount of debt. Each one of them is obligated to pay the whole amount then collect from the others.
 - Commercial contracts. Multiple merchants buy goods from a seller, he can sue the richest for the whole amount of the price.
- Positive Solidarity: Solidarity between Creditors
 - When there are multiple creditors, under certain conditions, the debtor may pay the whole debt to only one of them. Also, one of them may sue the debtor to collect the whole amount of the debt. Debtor is not allowed to refuse or to insist on paying only the creditor's share of it.

MORE DETAILS?

THANK YOU !
