The Effects of Financial Crises on the Binding Force of Contracts - Renegotiation, Rescission or Revision
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Preface

Growing interconnectedness of global economies facilitates the spread of the effects of financial crises. Financial crises cause severe difficulties for persons to fulfill their contractual obligations. During the financial crises, performance of contractual obligations may become excessively onerous or may cause an extreme loss for one of the contracting parties and consequently destroy the contractual equilibrium and legitimate the interventions to the contract. But who will bear the risk arising from these circumstances?

This question, asked during the uncomfortable economic climate, leads to one of the most controversial dilemmas of the contract law: whether the binding force of the contract is absolute or not. In other words, unstable economic circumstances impose the need to devote special attention to review and perhaps to narrow the binding nature of a contract. Principle of good faith and fair dealing motivate a variety of theoretical bases in order to overcome the legal consequences of financial crises. All these theoretical bases are analyzed in this book with special focus on the available remedies, namely, renegotiation, rescission or revision, and the circumstances that enable the revocation of these remedies.

The legal approaches of various jurisdictions provide different answers and solutions to this problem. These differences seem to be determined predominantly by the frequency and intensity of financial crises in each jurisdiction and also by the influence of the financial, political, and social forces of the respective country.

The chapters in this collection are based on papers originally presented at the XIXth Congress of the International Academy of Comparative Law, held in Vienna, July 2014. I am grateful to all reporters who were willing to reformulate and submit their reports considering the debates, which aroused great interest and appreciation during the session in the Congress.
Preface

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