

Effects and Nullity of Contracts

Once a contract has been validly formed, it enters a new phase: the phase of execution and legal effects. At this stage, the agreement is no longer merely an expression of mutual consent; it becomes a source of binding legal consequences. However, not all contracts produce valid effects. When certain legal conditions are not respected, the contract may be deprived of its effects through the mechanism of nullity.

The study of contracts must therefore address two complementary questions: what are the legal effects of a valid contract, and under what circumstances can those effects be denied or removed?

The primary effect of a contract is its binding force, often expressed through the idea that the contract has the force of law between the parties. This principle means that once the contract is concluded, each party is under a legal obligation to perform what has been agreed. The obligations arising from the contract are no longer optional; they are enforceable through legal mechanisms. If one party fails to perform, the other may seek judicial intervention, either to compel performance or to obtain compensation.

This binding force is essential for the stability of legal and economic relations. Without it, contracts would lack reliability, and parties would hesitate to engage in agreements. The law therefore protects the expectation that commitments will be honored. At the same time, this principle limits individual freedom: once consent has been given, it cannot be withdrawn unilaterally without consequences.

Closely related to the binding force is the principle of the relative effect of contracts. According to this principle, a contract produces effects only between the parties who have concluded it. It neither creates obligations nor confers rights upon third parties. This rule reflects the idea that legal obligations should arise only from one's own will or from situations recognized by law. A person cannot be bound by an agreement to which they did not consent.

Nevertheless, the relative effect of contracts does not prevent contracts from indirectly affecting third parties. For example, a contract may create a situation that has factual consequences for others, but it cannot impose legal obligations upon them unless specific legal mechanisms apply. The distinction between direct legal effects and indirect factual consequences is therefore important.

Another essential dimension of contractual effects lies in the requirement of good faith in performance. The execution of a contract is not limited to the literal application of its terms; it must also conform to standards of honesty, fairness, and loyalty. Good faith imposes a duty on each party to cooperate in the proper execution

of the contract and to avoid conduct that would undermine its purpose. This requirement plays a corrective role, allowing the law to intervene in situations where strict adherence to the contract would lead to unfair or abusive outcomes.

While a valid contract produces these effects, the situation is different when the contract suffers from a defect affecting its validity. In such cases, the law provides for the possibility of nullity, which is the legal mechanism through which a contract is deprived of its effects. Nullity reflects the idea that certain agreements should not be recognized because they fail to meet the conditions required by law.

A distinction must be made between absolute nullity and relative nullity, as they serve different purposes and operate under different conditions. Absolute nullity arises when the contract violates a rule that protects the general interest or public order. In such cases, the defect is considered so serious that the contract cannot be tolerated by the legal system. The contract is deemed void from the outset, and its invalidity may be invoked by any interested party or even raised by the court on its own initiative. Agreements involving illegal objects or purposes fall into this category.

Relative nullity, by contrast, is designed to protect specific individuals whose consent or capacity has been compromised. The contract is not inherently contrary to public order, but it suffers from a defect that affects one of the parties. In such cases, only the protected party may invoke the nullity, and the contract may even be confirmed if that party chooses to maintain it. This type of nullity typically arises in situations involving defects of consent, such as error, fraud, or duress, or in cases where one party lacks legal capacity.

The distinction between these two forms of nullity is fundamental, as it determines who may invoke the nullity, whether the contract can be confirmed, and how the legal system treats the defective agreement.

When a contract is declared null, the general consequence is that it is considered as having never existed. This retroactive effect leads to the restoration of the parties to their original situation. Each party must return what has been received under the contract. If restitution is not possible in kind, it may be replaced by an equivalent value. The objective is to eliminate the effects of the invalid contract and to re-establish the legal situation that existed prior to its conclusion.

However, the consequences of nullity may vary depending on the circumstances, particularly when the contract has already been partially executed or when third parties are involved. The law may adapt the effects of nullity in order to achieve a fair and practical outcome.

In conclusion, the effects and nullity of contracts represent two essential aspects of contract law. On the one hand, the binding force, relative effect, and requirement of good faith ensure that valid contracts produce stable and enforceable legal consequences. On the other hand, the mechanism of nullity ensures that contracts

that do not meet legal requirements are deprived of their effects. Together, these rules maintain a balance between legal certainty and the protection of fundamental legal principles.