

COVID19 virus has threatened the whole world economically and has major effects on various aspects, this highlights the issue of the legal effect on contractual obligations.

The virus has arisen many issues regarding legal, social and economic matters, the debate now revolves around the commercial trading, contract obligations, financial and taxation obligations. This has led many corporations and institutions specialized in different fields such as air transport and petroleum industries to declare force majeure exemption from contractual obligations in relation with their clients and to avoid paying compensations, remedies and to prevent one party from fulfilling its contractual duties, absolving them from penalties.

Furthermore, this arises the questions regarding the definition of the force majeure. The term force majeure relates to the law of insurance and is frequently used in construction contracts to protect the parties in the event that a segment of the contract cannot be performed due to causes that are outside the control of the parties, such as natural disasters, that could not be evaded through the exercise of due care and is frequently used in commercial contracts governed by such common law systems because of the limited remedies otherwise available to the parties when the contract becomes impossible, difficult or onerous to perform due to events outside the affected party's control. In addition, it occurs when unforeseeable circumstances, such as natural catastrophes, prevent one party from fulfilling its contractual duties, absolving them from penalties.

Moreover, the force majeure has conditions to obtain legal force, the spread of the epidemic diseases as a physical fact may constitute a force majeure as long as it has direct impact upon the possibility of contractual obligations on the obliged party and the obliged party has the burden of proof.

The consequences of the force majeure :

In a world where markets and economies are intrinsically linked, where corporations and supply chains operate across hundreds of borders, and where the world is connected financially, digitally and socially like never before, a pandemic (or anything close to that) presents as a significant financial and economic risk. In 2006, the World Bank forecast that a pandemic could reduce world gross domestic product by around 5%. The SARS outbreak is thought to have wiped 1% from China's GDP in 2003.

the coronavirus outbreak is already having a damaging economic and business impact, affecting everything from tourism to the supply of parts to the automotive and technology industries. Stock markets have been volatile and China's economy – which makes up one-sixth of the global economy – is expected to slow.

The number of Chinese people travelling abroad has skyrocketed in recent years, rising from only 10.5 million in 2000 to 150 million in 2018. That means tourism is likely to be one of the worst-affected industries worldwide, as cross-border travel is halted to control the spread of the virus. The Chinese government has implemented city-wide lockdowns and large-scale quarantines that effectively curbed the movements of millions in China as the country seeks to contain the COVID-19 virus. Those restrictions have hurt businesses as operations of factories and facilities came to a near-standstill. According to the China Council for the Promotion of International Trade, a government-linked entity, China has issued 4,811 force majeure certificates as of Mar. 3 due to the epidemic. They covered contracts worth 373.7 billion Chinese yuan (\$53.79 billion), state media Xinhua reported. Such certificates are issued by the government to companies that apply for them.

The U.S. Court of Appeals for the Fourth Circuit also took action late Monday afternoon, sending out calendar notices to litigants slated to appear for oral arguments from March 17-20. The notice asks lawyers to notify the court if they have a fever, cough, shortness of breath or if they have been exposed to anyone in the past 14 days who may have COVID-19. "This will enable the Court to reschedule an argument that might otherwise risk spreading the Coronavirus,"

The situation of comparative judiciary from the effect of epidemic and diseases on enforcement of contractual obligation. The question arises here when we estimate the unpredictability of the event.

Initial, we take into consideration the date of the issue of the contract.

The cassation court in France took this approach in the date 29/12/2009 in (chukungunya) case that appeared in January 2006.

To sum up with, COVID-19's global trajectory is currently uncertain. That said, there are obvious and apparent risks that the virus may – if it has not already – move to pandemic levels and have very significant economic and contractual impacts.

Businesses should be carefully assessing their existing contractual arrangements now to understand the risks (and opportunities) that may be presented if contractual obligations are severely impacted. Similarly, in respect of future negotiations and contracting, businesses should prepare for a likely change in the normal and pre-existing assumptions underlying and surrounding risk allocations in a range of contracting structures, the operation of supply chains and in terms of the ability to easily access markets and materials.