LAW AND COMMERCE: THE MALAYSIAN PERSPECTIVE

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CHAPTER 6

DISTINCTION BETWEEN VOID AND VOIDABLE CONTRACTS

by
NOR ASIAH MOHAMAD

In the previous chapters, it has been shown that a contract consists of certain elements in order to constitute a good, valid and enforceable contract. In this chapter the discussion whether a contract is valid or void is pertinent in determining the position of any agreements and decides on the rights and obligations of the parties in contract. Any contract which is found to be void ab initio will deny all rights and interests of the parties.

VOIDABLE CONTRACT

Meaning of voidable contract

A voidable contract is an agreement entered into by two or more parties that can be declared invalid by one of the parties for a legal reason. It also refers to an agreement enforceable by law at the option of one or more of the parties thereto, but not at the option of the other or others.¹ Usually, only one of the parties has the right to cancel the contract. Until that party voids the