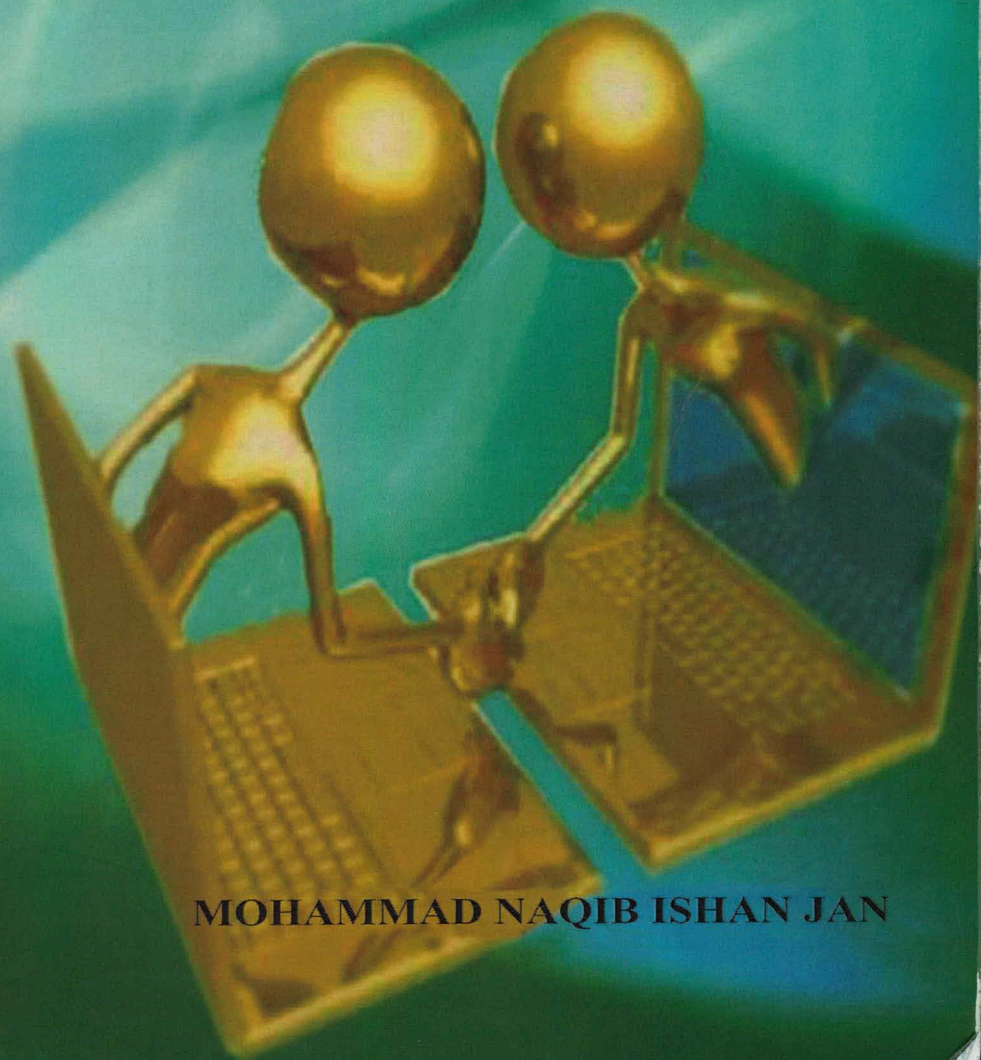


LAW AND COMMERCE : THE MALAYSIAN PERSPECTIVE



MOHAMMAD NAQIB ISHAN JAN

LAW AND COMMERCE: THE MALAYSIAN PERSPECTIVE

MOHAMMAD NAQIB ISHAN JAN

LLB (HONS) (IIUM), MCL (IIUM),
Ph.D (IIUM)

ASSOCIATE PROFESSOR,

COORDINATOR OF ALTERNATIVE DISPUTE
RESOLUTION UNIT,

AHMAD IBRAHIM KULLIYAH OF LAWS (AIKOL)
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA



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CHAPTER 7

DISCHARGE OF CONTRACT

by

NOR ASIAH MOHAMAD

Parties in a contract are bound by what have been legally agreed by them. They can only be freed from their obligation through proper ways identified by the law. The law recognizes specific ways that a contract can be discharged, namely:

- a. Discharge by consent or agreement between the parties;
- b. Discharge by performance;
- c. Discharge by breach; and
- d. Discharge by frustration or impossibility of performance.

DISCHARGE BY CONSENT OR AGREEMENT BETWEEN THE PARTIES

A contract may end by an agreement by the contracting parties in contract. Sometimes parties in a contract may mutually agree to end their contract by performance or by occurrence of certain acts or events.¹ Under the normal practice, every contract may contain a provision that expressly provide the ways how and when a contract may come to an end. Nevertheless, when a contract is silent as to how and when the contract will be