#### Pacts with the Devil All you need to know before signing a

# Contract

A lecture by Dr. Carlo Filippo Ciambrelli

Contract

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#### The Master and the Pupil

Remember:

Only a Court of Law can compel somebody to fulfill his obligations

or to rectify his wrongdoing; in Thailand as in the rest of the civilized world.

#### **The Master and the Pupil** Extract of an article by Dr. Carlo Filippo Ciambrelli

Once upon a time a young man wanted to become a lawyer. He was an ambitious lad who wished to learn from the best and to become himself an unsurpassed barrister of the Forum of Athens.

One day he asked audience to the greatest attorney of his time and, once in his presence, putting on a brave face, he said: "Master I want to become the utmost lawyer of any time, I want to learn all your art and secrets, but I have no money to pay you".

"I know that you are the greatest of them all for you have never lost a case in your whole professional life..."

"Son", answered the old counselor visibly surprised, but deeply flattered by the unusual request, "you are ambitious, young and of good demeanor. You remind me of myself at your age. I have not a son of my own, It will be a pleasure and an honor for me to teach you all that I know an ... don't worry about the money" the Master reassured him "We can make a special covenant: I will pass onto you all my knowledge and guide you through the mysteries and the deceptions of the law. You will pay me only in the event that you will win your first case. Should you, on the other hand, loose your first case, you shall owe me nothing".

For months and years the old master imparted to his young apprentice all his knowledge and his skill. Thousands of gallons of oil were consumed to light the ancient scripts. The pupil, a voracious learner, was comforted and enthused even more by the great veneration that grew within him for the Master who, despite the burden of the teachings, kept winning all his case, even the most desperate.

Until one day, unexpectedly, the Master, formally summoned his pupil, for whom he had also grown a sort of admiration, "Son" he began with an unusual hesitation in his tone "You are now ready. You have been the best of student. I am so very proud of you, but now it is time for you to fly alone and, most importantly to pay me."

"I am deeply flattered and happy Master. You have been the best Master, as I have never doubted you would have been, but I will never pay you".

The Master smiled with affection thinking that the student was simply teasing him, but the pupil continued his reply with feigning a tone and a confidence he had never heard from him before; "Worshipful Master" he began, interjecting even a tone of disdain " I wonder how you could dare to ask me for your fee when we established a clear covenant that assures me no obligation towards you."

"I am afraid you are wrong son. I urge you to better read our pact. You will see how IN ANY CASE you shall pay me"

"Worshipful Master", promptly replied the student, "our agreement is clear and I will not pay you. In fact, should you sue me and would the tribunal of Athens decide in your favor, I would have lost my very first case and our pact is clear on the point. On the other hand, should the court decide in my favor, as you taught me, the law, that is above everything, shall be respected and I will be excused from paying you."

"No son, it is true right the opposite. In fact should the Supreme Tribunal decide for you, you will have won your first trial, and in accordance with our covenant you will be obliged to pay me, moreover, should the tribunal decide in my favor, as I often emphasized, the law and the sentence of the Tribunal of Athens is above anything and anybody and you will be coerced to pay me. And this is" he concluded "my very final lesson for you".

Now, I am sure that reading this old story you might agree with the Master or with the Student possibly prone for the last speaker, (try repeating it to your friends swopping the last speakers) but the story has become a motive of infinite discussions among the most eminent jurists for centuries until, a few centuries later, somebody had the brilliant idea to codify all the laws and to affirm the superiority and incontestability of a sentence emitted by the tribunal, Rome.

Nevertheless the Romans, in their deep admiration for the Greek philosophers, cunningly used the story, which is still a topics of study in the most prestigious faculties of law all around the world, as a remarkable example of the hidden dangers that a superficial knowledge of the law *might entail to*.

We shall therefore reaffirm the following principle: in case of conflicts, only a court of justice can establish who is right and who is wrong; while nobody can take the law into his own hands, even in front of the clearest contract or misconduct.

Only a court can compel somebody to fulfill his obligations or to rectify his wrongdoing, in Thailand as in the rest of the civilized world.



## What is a Contract?

A contract an Agreement that has force and effect of law between the parts

# **GENERAL CONSIDERATIONS**

It is not an exaggeration: a contract in a liberalistic (legally speaking) country as Thailand, is a real Majesty. The law, since immemorial time, in any 'corpus lex' (body of laws), whose origins lay as far in time as the ancient Romans, literally recites: "A contract has force and effect of law between the parts". If it is true that in most western countries, this principle of 'freedom of contract' has been eroded over time by an overwhelming bureaucracy and unnumbered laws that 'de facto' limit the real "contractual freedom", in Thailand this liberty is still quite relevant. Consequently, and for this very reason, before signing any contracts, we should use double cautiousness.

# **Essential points:**

- make sure to clearly indicate all parts and to include a signed copy of their passports or ID cards and addresses\*.
- always demand to sign a contract at the presence of two witnesses and to include signed copies of 'their' documents as well.
- The parts must sign all pages of the agreement not just the last one.\*
- - always specify all the dates, including the "limits" of time within the contract should be respected.
- Clearly specify the penalties or the consequences should one of the parts do not respected all the clauses of the contract within the agreed dates.
- Always specify as many details as you can.

# **Competent Authority**

- Specify the competent court in case of litigation, which should preferably be the one where the contract has been signed or were the assets or activities are located.
- The arbitration clause. 'arbitration' is generally advisable to protect the interest of big corporations (usually in order to avoid never-ending court cases), but I would not suggest to private people to subscribe to such a clause for it can become a real double-edge sword The Thai courts of Justice are more then fine to protect you and they always seek compromises and agreements before commencing a court litigation

## THE LANGUAGE

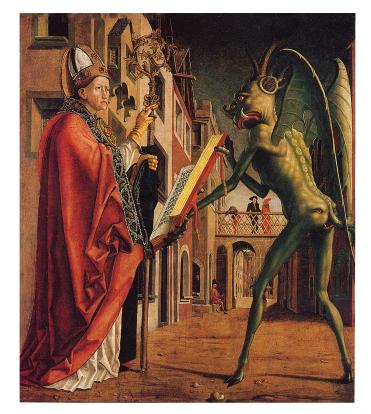
Remember that, if a contract is written in two languages, English and Thai for example, the Thai language will prevail by law. This is, in fact, a very essential point: a contract well written in Thai, will avoid ambiguities and safe you further costs of translations, but you should always demand a certified translation in English or in the language that you fully understand.

## How to Pay

Better paying any sum of money with traceable methods: bank transfers or checks, not cash.

And...

- Remember that stop paying the sums requested or expected as specified in a contract with any excuse (for instance stop paying a rent because your landlord doesn't take good care of the garden or stop corresponding the agreed installments for the purchase of a condo or, even worse, the alimony to a wife, children etc.) such a behavior will put you in the wrong, even if you are right, and you will be in most cases considered the part in default.
- In other words a good contract will establish your right, but to have them accomplished by the counterpart in case of litigation or in case should one of the part miss to comply with one or more points, only a tribunal can enforce it and order a constraining action. Not you!



#### Can we make a legal contract with the Devil?

"Faust" and the adjective "Faustian" imply a situation in which an ambitious person surrenders moral integrity in order to achieve power and success for a delimited term,

In European Law Schools a "Faustian Contract" means an impossible contract or a contract established against the law

#### Section 150 of the Civil and Commercial Code " an act is void if its object is expressly prohibited by law or is impossible ...."

