



Abdelhafid Boussouf University Center

Faculty of Law and Political Sciences

Departement of Law

Module: Legal English

Lesson One: Contract Interpretation and Legal Effect

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Before You Start:

At the third-year level, students of private law are expected to go beyond basic contract vocabulary and understand how contracts are **interpreted** and how they **produce legal effects**. Legal English here is not descriptive only, but analytical.

Contract Interpretation

Contract interpretation refers to the process by which courts determine the meaning of contractual terms.

العقد ليس نصًا لغويًا فقط، بل أداة قانونية تُنتج آثارًا وكل كلمة فيه قد تُنشئ حقًا، التزامًا، أو تُسقط مسؤولية.

السؤال القانوني الحقيقي ليس ماذا كُتب حرفيًا؟

بل ماذا قصد الأطراف قانونيًا كما يظهر من صياغة العقد؟

Key principles of interpreting:

- The intention of the parties is central.
- The wording of the contract is the primary reference.
- Ambiguous clauses are interpreted to give effect, not to invalidate the contract.

Example:

The contract shall be interpreted in accordance with the intention of the parties as expressed in its terms.

هذا يعني أن نية الأطراف تُستخلص أساسًا من نص العقد نفسه.

Legal Effect of Contractual Clauses الأثر القانوني لبنود العقد

Contractual clauses are not neutral; they create rights and obligations.

Common clauses and their effects:

- **Termination clause:** allows one party to end the contract.
- **Penalty clause:** imposes a financial sanction in case of breach.
- **Limitation of liability clause:** restricts compensation.

Example:

In the event of breach, the injured party shall be entitled to terminate the contract.

Practice

- Explain the legal effect of a termination clause in two sentences.
- Identify the obligation created by the clause above.