

Predicting the termination right in collateral contracts

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Abstract

Collateral contracts which are concluded to guarantee and facilitate the collection of debts, have several rules apart from the provisions of all contracts. One of the most important issues with regard to contracts, is the accuracy or inaccuracy of the prediction of the termination right. In accordance with the rule, such a right can be considered for the parties in the contract; but there is no such possibility for some contracts. However, there are doubts about collateral contracts. Some authors also believe that predicting the termination right in collateral contracts is valid and some consider it to be invalid. Also, Some have believed that predicting the terminate right in some examples is valid and about others is invalid. The advocates of each of the aforementioned views have expressed reasons for proving their views. However, it seems that we should consider the view that believes in the possibility of predicting the terminate right in collateral contracts. In this paper, the author's attempt will be to examine the reasons given by each of the views and examine them with an analytical perspective.

Keywords:

Transition collateral contract, Guaranteed collateral contract, termination right.