


Chapter 6

Legal Implications of Contract Expiry in Modern Commercial Law: Towards a Framework for Post-Expiry Obligations and Risk Management

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ABSTRACT

In an increasingly complex commercial landscape, the legal implications arising from the expiry of contracts demand critical attention. While contract formation and enforcement have been thoroughly examined in commercial law, post-expiry obligations and the associated risk exposures remain underexplored. This paper investigates the residual responsibilities and liabilities that may persist or emerge following contract termination due to expiry. Drawing on comparative legal analysis, case law, and regulatory frameworks across multiple jurisdictions, this study identifies legal ambiguities and practical challenges that can lead to disputes or financial loss. The research further develops a structured framework aimed at clarifying post-expiry duties and enhancing risk management strategies for both parties. By bridging the gap between legal theory and commercial practice, the proposed framework provides actionable guidance for legal practitioners, businesses, and policymakers to mitigate risks and ensure compliance beyond contract expiration.

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1. INTRODUCTION

Contracts serve as the foundation of modern commercial transactions, governing relationships, responsibilities, and the allocation of risk between parties. Traditionally, the emphasis of legal analysis has been placed on contract formation, performance, and breach. However, the expiration of a contract—though often perceived as a straightforward conclusion—can generate significant legal and commercial consequences. As markets evolve and complex supply chains, digital agreements, and long-term service arrangements become more common, the precise moment of contract expiry no longer represents a clear-cut end to legal obligations (Mhia-Alddin & Hussein, 2025a; Sullivan, 2015).

Contract expiry has critical implications for both parties involved, particularly when agreements contain post-expiry clauses such as confidentiality, non-compete provisions, intellectual property restrictions, or transition obligations. In many industries, including pharmaceuticals and housing, expiry clauses can significantly affect downstream business decisions and regulatory compliance (Colangelo, 2017; Pomeroy, 2017; Holmen-Jensen & Åsmoen, 2024). Furthermore, digital transformation and AI-powered contract management systems are increasingly involved in enforcing or triggering obligations automatically post-expiry (Mhia-Alddin & Hussein, 2025b), emphasizing the growing complexity of managing these events.

Despite its importance, the legal scholarship and jurisprudence on contract expiry have often overlooked the enduring or residual legal consequences that may persist or arise after termination. Post-expiry disputes can emerge over intellectual property rights, data protection, environmental liabilities, and regulatory obligations—especially in sectors governed by overlapping legal regimes (Goyal, 2017; Drexler, Conde, & Kim, 2025). Additionally, the intersection of public interest and private agreements in sectors like public housing and healthcare further complicates the post-expiry landscape (Cooper, 2018; Read, Botha, & Jamaloodien, 2023).

The commercial sector's evolving risk profile requires a more nuanced approach to expiry-related liabilities. Risk factors such as contractual ambiguity, conflicting jurisdictional regulations, and inconsistent enforcement mechanisms can lead to reputational damage, financial loss, or prolonged litigation (Bharwani & Mathews, 2012; Munton et al., 2021). In cross-border transactions, the uncertainty is further exacerbated by international trade treaties and domestic statutory interpretations (Amani, 2007; Shoraka, 2006).

This study aims to fill the theoretical and practical gaps in current commercial contract law by examining the legal implications and residual obligations arising from contract expiry. Specifically, it seeks to:

1. Analyze the legal doctrines and case law surrounding post-expiry obligations.

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