

# Research on Legal Risk Classification of Contract

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**Abstract:** The theory of contract law has a very important position in the field of private law, from simple trading rules to the development of the legal system of contract system and fine large, from the legal perspective, it can be said that the law to adjust and standardize the contract has reached unprecedented breadth and depth, and from this point speaking, all the risks caused by the contract is the legal risk of contract. In addition to the generalized contract risk which we are talking about the risk, including debt risk, namely the contract signing and performing in the process of facing various risks.

**Keywords:** Contract legal; Risk; Classification

## 1. Introduction

"Risk", even in the field of contract, the definition of the concept of legal system in different countries is also wide and strict. This refers to is not the same, also led to the national legal system and method research on institutional arrangement of contract risk sharing and its theoretical perspective and focus are also different [1-5]. "Generally speaking, the risk of a word in the contract field mainly refers to the damage, due to reasons of objective reasons not attributable to the parties of the subject matter of the risk of loss is also known as the risk. Because the theory of contract law has a very important position in the field of private law, from simple trading rules to the development of the legal system of contract system and fine large [6-13], from the legal perspective, it can be said that the law to adjust and standardize the contract has reached the breadth and depth of hitherto unknown, in this sense, all risks due to the contract is the legal risk of contract. In addition to the generalized contract risk which we are talking about the risk, including debt risk, namely the contract signing and performing in the process of facing various risks.

The classification of the legal risks of the contract refers to the legal risks of the contract divided into different types according to certain standards. Through the classification of the legal risks of the contract, can grasp the concept and characteristics of better, grasp the law of its development, which helps to establish a scientific evaluation mechanism and prevention and control system. According to different standards, the legal risks of the contract can be classified as follows.

## 2. Dominant Contract Risk and Implicit Contract risk

According to the different expected negative value of the contract risk, the contract risk can be divided into explicit contract risk and implicit contract risk. 'explicit contract risk is people can easily contract risk cognition, namely the contract risks and adverse effects, do not need too much technical analysis can be predicted, and the method of prevention and control program recognition is relatively simple. The implicit contract risk is relative to the contract risk dominant, there are more subtle, need to identify through professional and technical analysis, the possible impact is difficult to accurately judge.

Explicit contract risk is generally prominent for the general contract subject, so it is often possible to take effective methods for prevention and control. Even if need professional intervention, just as the auxiliary contract risk prevention tools, such as the employer intends to contract a project, so he chose the Contractor's qualification, credit level for the results of engineering construction has a decisive influence, therefore, need to send someone to investigate other business background, so as to make choice.

Implicit contract is often hidden behind the risk due to the contract, not only difficult to find, it may bring adverse effects to the professionals through identification procedures and technical analysis to the complicated system of corresponding prevention and control strategies. For example, enter into a contract for construction project, it is a very complex process, from project approval, offer and acceptance, tendering and bidding, contract filing procedures and so on, not only to comply with the relevant provisions of the law, but also accord with the government management system, and the enterprise itself and so on multi objectives of the program, the natural risk implied contract it is not easy to find, it is difficult to control the overall situation, therefore, the implicit con-

tract risk often need as a key contract risk prevention and control.

However, one must pay attention to both the dominant and recessive contract risk contract risk contract risk is relatively opposite, burden of risk and risk control ability of the division standard also depends on the level of the contract itself.

### 3. Simple Contract Risk and Speculative Contract risk

From the perspective of the consequence of contract risk, the legal risk of contract can be divided into pure contract risk and speculative contract risk. The simple legal risk refers to the contract risk which can only produce legal liability, including civil law, criminal law, administrative law and other legal departments. Contract risk is the risk of speculation an opportunistic, based on the analysis of the legal risk is pointed out, the legal risk is a business risk, so the risk of the contract is also a risk of commercial speculation, favorable and unfavorable harvest is often the result of such as the same with twins and so the meaning of contract risk speculation has a certain degree of encouraging adventure.

The most typical manifestation of contract risk is illegal and breach of contract behavior. The negative evaluation of all violations will be subject to the law, which is no doubt, however, the contract between the parties as to the law ", for breach of contract due to liability for breach of contract, a form of evaluation of the law is the. In addition to taking behavior positive evaluation of the law to pursue, the most fundamental is the pursuit of economic interests of nature, therefore, may be a kind of simple contract risk, in a market economy, the risk is of a speculative nature, when business risk can be expected benefits far more than the illegal cost, it is more difficult to make a choice thus, the contract risk prevention and control become more complex. Therefore, the risk prevention and control of the contract should not only proceed from the legal point of view, but also from the perspective of market economy.

### 4. Contract Law Environment Risk and Contract Internal Risk

From the sources of contract risk factors, contract risk can be divided into contract environmental risk and contract internal risk. Contractual environmental risk refers to the legal risks caused by contractual legal environment, social environment and other factors. The internal risk of contract refers to the legal risk that may be caused by the factors such as contract subject, object, contract signing,

performance and so on. Contract environmental risk and contract internal risk are macro and micro relations from the perspective of contract risk contract .

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