

# STANDARD FORM CONTRACTS IN CONSUMER TRANSACTIONS: A COMPARATIVE STUDY OF SELECTED ASIAN COUNTRIES

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## Abstract

*The use of standard form contract is extensively widespread in the era of globalisation. Although initially it was formed as an agent to facilitate market transactions, it is now seen as hindering the business process and increasing the cost of goods. Its practice in the daily consumer transaction has drawn attention due to its nature and characteristics. It is known as a contract which was prepared by one party without any negotiation between the parties and its formation is based on a 'take it or leave it basis.' Its contents often consist of unfair terms and exclusion clauses which often give benefits and advantage to the one who prepares the contract. In this new era, standard form contract reflects a new dimension of oppression of the consumers. The rise of this type of contract to deprive consumers of their rights have indeed inspired the laws in many countries to react against the increasing decline of the individual's capacity to make a free choice and bargain. Hence, adopting the content analysis method, this paper aims at*

*exploring comparatively the legal treatment on standard form contract in the context of consumer trade in selected Asian countries, namely Malaysia, Israel and Thailand.*

## Introduction

Consumer protection enters the new millennium with a more vigorous role in ensuring a fair marketplace and a just and equitable society. Achieving a fair balance between the needs of market providers and the consumers is indeed a major challenge to law makers. In the course of remedying market failure, thus ensuring fair trading environment, one of the most important developments in the area of consumer protection in trade is the increasing use of standard form contracts. Indeed, market requires a vehicle through which exchanges can be effectively made. The process of mass production and distribution has introduced the use of standard form contracts as a useful tool in expediting market exchanges and as

