
The Impact of Changing Economic Conditions on Compensation: A Comparative Study in the Egyptian and Emirati Laws

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Abstract

In deciding the amount of compensation, it is common knowledge that the judge should evaluate the extent of the injury at the time he issues his court order. Therefore, he must take into account any changes that may have happened between the time the damage occurred and the time he renders his decision. In many instances, the magnitude of the injury fluctuates over time, either growing or reducing due to anticipated or unanticipated occurrences. This is especially true in situations of bodily injury that is significantly influenced by any events that may contribute to its continuance, improvement, or worsening. A change in the harm would be attributable to external factors that have nothing to do with the nature of the harm or the nature of its components if the injury inflicted on the injured party and its components remain the same but its value changes due to economic or financial circumstances that may affect the purchasing power of money. The issue of how the victim's compensation may vary if the worth of their injuries changed is raised by this.

In order to answer this question, we need to know whether the change in damage happened before or after the final court ruling was announced.

Keywords: Harm - changing economic- compensation-Civil responsibility

Introduction

1. Damage is the essential foundation that divides civil responsibility from criminal liability. For civil culpability to exist, there must be some kind of damage. If there is no damage done, there can be no civil culpability since that is the foundation of civil liability: harm done by one person to another. However, criminal culpability stems from doing anything that's illegal within the Penal Code, thus there can't be any criminal liability if no crime has been committed.
2. While it's common knowledge that legal responsibility exists to prevent harm, is to remove the damage suffered by the injured party through compensation, which inevitably entails that compensation is equal to the damage without regard to the degree of fault of the person responsible for the damage, where compensation must always be equal to the damage that occurred so that it does not go over it if it was a serious error also does not fall short of it if it was a simple error, whereas the objective of criminal liability is to punish the offender. If the error is grave, the punishment is raised regardless of the degree of the harm, whether little or severe. If the amount of compensation is not specified in the contract or by a provision in the law, The law system will decide the matter. Losses and lost profits incurred by the creditor as a result of non-performance or delay in execution of the obligation should be covered by the compensation. Nevertheless, if the duty stems from the contract, the debtor who has not committed fraud or gross negligence is only obligated to pay for the harm that might have been reasonably anticipated at the time the contract was signed.
3. The fixed damage is easy to compensate, but the variable damage might be tricky if its extent changes between the time of the occurrence and the time of the judgment to compensate it., whether in terms of its size, increase or decrease, or in terms of its value, up or down, and it may slack and continue to occur for a period of time that may be longer or shorter after the judgment is issued.
4. This type of change is referred to as a subjective change in the amount of damage, as if the injury worsened from what it was at the time of its occurrence, as it leads to the final result of permanent disability or death of the injured, and the opposite if the injury improved. Completely, and then there is an improvement in his condition so that it does not leave behind only partial disability, and even the injured person may recover from his injury completely, or that there is a change in the means by which the damage is compensated, which is mostly money as its value changes up or down from what it was at

^{“1} Ibrahim Dessoky Abuel Lail –Civil Liability and enrichment without Cause –study of nonrevenue sources for obligations according to Kuwaiti civil law-Dar El kotob lel tebaa wa al nasher wa el tazweea(Dar el Kotob institution for printing , publication and distribution-Kuwait- first edition 1995”
the time of its occurrence or even at the time of the judgment, and the change is referred to here as a change in the value of the damages. The difference is not in the damage's individual parts, but rather in its nature.

This happens during periods of economic, financial, and monetary volatility caused by inflation or economic contraction, as well as the concomitant rise and fall in the value of money²

5. It is recognized that, when estimating compensation, the judge must consider the amount of damage at the time he issues his award, which requires him to account for any change that may have occurred in the amount of damage between the time it occurred and the time he issues his judgment. It is connected to its continuance or intensification, or conversely, its cessation or diminution³
6. But the damage caused to the injured may change, not in its amount, that is, in itself and its constituent elements, but in its value, that the amount of damage remains constant and its elements remain the same, but the value of this damage is the one that changes for reasons unrelated to the damage itself as a result of changing economic, financial, also other conditions, the following shift in the value of a unit of currency, in this case the change of damage is an extenuating circumstance. The answer to this issue depends on whether the change in the damage's worth happened before or after the final compensation award. Consequently, the solution to the above question necessitates separating this study into two sections:

The second topic: the effect of changing the amount of damage after the final judgment of compensation

The First Topic: The Effect of Changing the Value of the Damage before the Final Award of Compensation

In circumstances where the law demands an explanation to deserve compensation, the right to compensation is acknowledged to originate from the date of the warning rather than the time of the harm, and this is something that is shared by the legal systems of Egypt and the United Arab Emirates. The Egyptian Court of Cassation ruled, "The right to seek compensation arises from the moment of the occurrence of the damage on the basis that its source is the harmful act, but the trial judge must consider it when assessing the damage when issuing the award of compensation, there is a difference between the date of the right to compensation and the date that the trial judge must consider when assessing the value of compensation, there is a difference between the date of the right to compensation and the date that the trial judge must consider when." The UAE Supreme Court ruled: "The right to compensation emerges as soon as the injury occurs, even if the type, size, and value of the loss are not conclusively ascertained. Therefore, the statute of limitations starts to run from this date, and the injured person may waive his right to compensation after this date, i.e., after the right to compensation emerges. In general, a right may be relinquished after its occurrence. He may also take preventive actions to maintain his right prior to the issuing of the judgment, and he is entitled to legal delay benefits on the amount of compensation since the injury occurred, not only since the issuance of the judgment."⁴⁵⁶

It is also acknowledged that compensation is determined at the time of the court's decision, not when the entitlement to it emerges, i.e. at the time of the harm. If the damage varies between the time, it happened and the day the judgment is rendered, whether it grows or decreases, the matter should be determined by the state of affairs on the day the judgment is rendered. If, at the time of judgment, the judge is unable to decide the amount of compensation conclusively, he may retain the right to propose that the injured party seek a reevaluation of the previously granted compensation within a period to be established by him.⁷⁸

⁴² Asala Kiwan Kiwan – Variable Damage Compensation – Unpublished and undated, p. 552”

⁴³ Ibrahim Desouki Abu Alleil – Civil liability and unjustified enrichment – A study of involuntary sources of commitment according to the Kuwaiti term law – Dar Al Kutub Foundation for Printing, Publishing and Distribution – Kuwait – First edition 1995”

⁴⁴ See, for example: Mohsen Abdel Hamid Al-Bayh - General Commitment Platform – Sources of Commitment – Part II – Involuntary sources – Al Galaa Library – Al , Mansoura – Undated paragraph 216 pp. 183, 184 • Fathi Abdulrahim Abdullah – Explanation of the general theory of obligations – Book One – Sources of commitment – Third edition – Without Publisher 2000-2001 • Ahmed Shawky Abdulrahman – General theory of commitment – Involuntary sources of commitment - without publisher 1996 p. 142 Samir Tanago – Sources of Commitment – Knowledge Foundation 2005 paragraph 162 p. 271”

⁵ Civil Cassation on 27/10/2010 in Appeal No. 14687 of 76 BC 888

⁶ Samir Tanago – Ibid., paragraph 192, p. 271

⁴⁷ See, for example: Mohsen Abdel Hamid Albaih - Ibid Paragraph 216 pp. 183, 184 • Fathi Abdulrahim Abdullah – Explanation of the general theory of obligations – Book One – Sources of commitment – Third edition – Without Publisher 2000-2001 Paragraph 74 p. 509 Samir Tanago – Ibid., paragraph 164, p. 263 Mahmoud Gamal Aldin Zaki – Obligation theory in Egyptian civil law – Part I – In Sources of Commitment – Second edition - without publisher 1976 paragraph 276 p. 521”

⁸ Mohsen Al, Bey – Ibid., paragraph 216, p. 184

The date of determining compensation's worth is not always a date for its inception; the emergence of entitlement to compensation is distinct from the date of determining its value and scope. As soon as the injurious act has

occurred and the three elements of civil liability – fault, damage, and causation – are present, the right to compensation arises.

As for the valuation of compensation, it is determined at the time of judgment issuance - as we have previously explained -, the judgment issued for compensation is a revealing judgment or decision for the right to compensation and not its originator, and it has been ruled in application that: "9 The concept of equality of compensation with the harm mandated by the legislature demands that, while calculating compensation, the aggravation of the injury after its occurrence... until the date of the award of compensation be taken into consideration." 10 He also determined: "If the government's seizure of the property by force on behalf of its owner without following the legal procedures required by the expropriation law is deemed a usurpation that requires compensation and that it does not transfer ownership of the property to the usurper, then the property remains in the ownership of its owner and the owner retains the right to recover ownership until a decree is issued to expropriate the property. It shall be the responsibility of the owner, when claiming compensation, like the injured party from an unlawful act, to claim compensation for the damage, whether it existed at the time of the usurpation or the aggravation of the damage subsequent to the date of the judgment, because whenever the damage is variable, the judge must consider it, whether it existed at the time of the usurpation or the aggravation of the damage subsequent to the date of the judgment, because that was a variable damage. Aggravation of damage from the date of seizure to the date of issuance, it will have followed the correct law and ruled that: "Considered illegal is the government's seizure of a property on behalf of its owner without following the procedures required by the law of expropriation for the public benefit. 11 - ...and what has been done by the judgment of this court - as a usurpation that requires its responsibility, and the owner may seek compensation for the damage, whether it existed at the time of the usurpation or worsened after the usurpation to the date of the judgment, given that whenever the damage occurred, the owner is entitled to compensation. A variable that the court had to examine not as it existed at the time of the event, but as it existed at the time of the decision, which requires assessing the worth of the property at the time of filing the case and not at the time it was seized." 12 Accordingly, "whenever the damage is variable, the judge must consider it, not as it was when it occurred, but as it became when the judgment occurred, taking into account the change in the damage itself from an increase due to the official's fault or a deficiency in whatever caused it," and the justification for this is that this date is most consistent with the objective of compensation, which is reparation for the damage., 13 Inasmuch as the method of repairing the harm is the delivery of a final decision, it cannot be stated that compensation has served its customary purpose. Damages shall be assessed in accordance with the amount and value of the damage at the time of the issuance of a final judgment for compensation, as without such a judgment, the injured party's losses cannot be fully compensated. In addition, the assessment of compensation on this date has a significant practical advantage in that it reduces the number of claims for compensation filed after a final judgment has been issued to obtain additional compensation for contingent damages or for the aggravation of the damage itself if the date of occurrence is used. The detrimental act of estimating compensatory value. 14

As a result, the court must take into consideration the modification or aggravation of the damage in the amount of the damage, regardless of its manifestations, as long as it initially corresponds to the harmful conduct itself when calculating compensation.

On the other hand, he must account for any change in the worth of the damage due to the growth or decrease of prices, which has a significant impact on the cost of repair. This does not imply that the award of compensation has been determined, unlike most legal judgements, since it takes into account aspects that occur after the harm has happened, i.e., the period at which the injured party's entitlement to compensation emerges. It is necessary to identify the injured party's right to compensation - which truly emerged on the day of the occurrence of the detrimental conduct - also to assess its value at the time of the issuing of the compensation decision, just as it is

"9 Sanhoury – The mediator in explaining the new civil law - part 2 – Third edition – Al-Halabi Human Rights Publications – Beirut – Lebanon 200, Ahmed Shawky Abdulrahman – Ibid., p. 142 Samir Tanago – Ibid., paragraph 192, p. 271"

¹⁰ Civil cassation in 27/10/2010 890

¹¹ Egyptian civil cassation on 28/7/1993 – Technical Office Group – 44- 887

¹² Civil Cassation on 13/3/1997 in Appeal No. 1644 s 60 s ‘

¹³ Egyptian civil cassation on 17/4/1947 – Technical Office Group – 18 - p. 261 Egyptian Civil Cassation on 14/11/1957 in Appeal No. 62 of 23 S8 p. 783 referred to by Munir Kozman – Civil compensation in the light of jurisprudence and the judiciary – Dar Al-Fikr University 2005, p. 169, Egyptian Civil Cassation on 3/6/1986 in Appeal No. 205 of 35 BC – Referred to by Munir Kozman – Ibid. and previous position, Egyptian Civil Cassation on 23/12/1986 in Appeal No. 438, S. 56 referred to at Munir Quzman – Ibid., p. 175 Egyptian Civil Cassation on 28/7/1993 in Appeals Nos. 4798 and 4850 S. 61 – Technical Office Group Q44 P887

¹⁴ Mohamed Al , Mursi Zahra – PainInvoluntary issuance in the Civil Transactions Law of the United Arab Emirates (harmful act and beneficial act) – First edition – United Arab Emirates University Publications No. 64 in 2002 Paragraph 260, pp. 481, 482

with other court judgments. Determining the right to compensation is distinct from estimating its value, and the judge's assessment of compensation value as of the judgment does not preclude saying that the right itself had arisen prior to the issuance of the judgment, which merely recognized its value at that time.¹

"The assumption – so that compensation can be assessed at the time of the judgment – is that the injured party has not yet taken the initiative to repair the damage, either at his expense or at the expense of the official. But if the injured party has already repaired the damage, then he has no choice but to return what he paid in order to repair the damage, even if it is less than the value that the judge would have ruled at the time of the judgment if the damage remained unrepaired, the goal of compensation – ² as we have repeatedly mentioned - It is reparation for the damage, and what the injured person paid to repair the damage is quite sufficient to compensate him, and therefore it is not permissible for him to return more than what he paid under the guise of changing prices. The official is the one who is obligated - alone - to repair the damage and he should have taken the initiative to do so, if he is late in intervening to compensate for the damage, do not reproach the injured person if he waits until the official fulfills his obligation. If it is proved that the injured party was lax in claiming compensation in anticipation of the rise in prices, or intransigence in rejecting the acceptable settlement offered by the official to him, this must be taken into account when considering the compensation claim, as he may be considered arbitrary in Using the right to litigation with the intention of harming others (Article 5/A Egyptian civilian, 106/2 Emirati civil transactions).³

The amount of compensation is based on the level of harm. As established in Article 221/1 of the Egyptian civil code, damage refers to the loss sustained by the creditor and the loss of profit "If neither the contract nor the law specifies the amount of compensation, the court is responsible for assessing it. The compensation comprises of both the creditor's loss and the business's lost revenues."

The amount of compensation is based only on direct harm, not indirect damage. Article 222 of the Egyptian Civil Code and Article 292 of the UAE Civil Transactions Law specifically specify this.

The damage is deemed direct if it is a "natural result of the damaging conduct" (Article 292 of the UAE Civil Transactions), or "if it is a natural consequence of non-fulfillment or delay in completing the duty" (221/1 Egyptian civil). The harm is deemed to be a natural result if the creditor is unable to avert it via reasonable efforts" (222/1 Egyptian citizen).

Direct damage includes two essential elements: the loss suffered via the injured person also the loss of gain. These two elements are what the judge does with money. If a person damages a car owned by another, and the owner of the car buys it for a thousand and gets a promise from others to buy it from him for two hundred and a thousand, the thousand is the loss suffered by the owner of the car, and the two hundred is the gain that he missed, and both are direct damage

The damage must be foreseeable or unforeseeable. In tort, compensation includes any direct damage, whether foreseeable or unforeseeable, while in contractual liability, compensation is limited to the foreseeable damage without the unforeseen damage in cases other than fraud and gross negligence.¹⁸

The amount of any form of compensation – compensation in kind or consideration, monetary or non-monetary compensation, installment compensation, salary income or capital – is determined by the amount of direct damage caused by the error, regardless of whether the damage is material or moral, foreseen or unexpected, present or future, as long as it is realized and not merely probable.¹⁹

Consequently, if it is shown before the court given that the damage was sustained in a direct manner and include all losses sustained by the injured party, in accordance with the concept of complete restitution of the damage from the responsible party when calculating compensation. The compensation must be proportional to the direct damage caused by the error, regardless of its magnitude. Regardless of the severity of the mistake, compensation cannot cover the actual harm caused by this little error. Regardless of the gravity of the error, compensation cannot exceed this direct damage; this is a requirement of separating civil compensation from the criminal penalty. Civil compensation is an objective factor that only considers the damage, whereas the criminal penalty is a subjective factor that considers the gravity of the error. This is the origin, but the judiciary typically takes the gravity of the error into account when estimating compensation, and this is a natural feeling that seizes the judge; as long as the amount of compensation entrusted to him is estimated, he tends to increase it if the error is serious and to be fearful of committing the same mistake again.⁴ from it if the error is easy.⁵

¹ Mohamed Morsi Zahra - Previous reference paragraph 260 p. 482

² Egyptian civil cassation on April 17 - 1947 – Saeed Shula – No. 1, p. 85 referred to; – Ibid., p. 482, footnote no. (1).

³ Mohamed Al, Mursi Zahra – Ibid., paragraph 260, p. 482

¹⁸ Sanhoury –Ibid- Paragraph 647 pp. 1097, 1098”

¹⁹ Mohamed Al, Mursi Zahra – Ibid., paragraph 246, p. 448 “

⁴ Ibrahim Desouki Abu Alleil – Civil liability and unjustified enrichment – A study of involuntary sources of commitment according to the Kuwaiti Civil Code – Dar Al Kutub Foundation – Kuwait – First edition 1995 .

⁵ Sanhoury – Ibid., paragraph 648 p. 1101

Therefore, the judge is required to recompense the injured party for all components of damage, whether material or moral, and his evaluation must be accurate so that the compensation is proportional to the harm and not excessive. Alternatively, if the judge determines that the damage has not been proven, he must rule to deny compensation within the scope of his discretionary authority when it is based on permissible reasons. He may appoint an expert to verify the existence of the damage and its elements, and he may not expressly reject the expert's participation on the grounds that the expert does not wish to c. never for him – Also - awarding recompense for unquantified harm.

However, the damage may change in its amount or value from the time of its occurrence to the day of its judgment, and here the question arises whether the court hearing the appeal can take into account this change in its assessment of compensation or not?

It is agreed, at present, that in the event that the amount of damage increases with the increase of its constituent elements, the injured party has the right to claim supplementary compensation for this new increase in the amount of damage, for example, a person who was hit by a car by the fault of its driver, and suffered a fracture in his hand, and when he claimed compensation, the fracture had developed and became more serious than it was, and the issuance of the judgment was its seriousness had intensified and turned into a permanent disability. There is no doubt that the judge enters into his calculation when estimating compensation, the development of the injury from the day of its occurrence to the day of the judgment, so he estimates the damage considering that the fracture has turned into a permanent disability. Also, if the damage is reduced from the day of its occurrence to the day of the issuance of a judgment, and the fracture became less serious than it was the first time, according to the judge compensation, taking into account the danger of the fracture and then the improvement, then the lesson in estimating compensation on the day of the issuance of the judgment, the damage intensified or eased.⁶

Accordingly, if the physical damage worsens after a period of the accident, the judge must consider this aggravation when awarding compensation, but the consideration of the aggravation starts from the time when the aggravation is achieved, and if he suffers a partial disability of 50% and then the damage worsens after three years and becomes a total disability, the compensation is estimated on the basis of the percentage of disability, which is 50% within three years, and then 100% during the subsequent period.⁷

The situation is no different in the event that the damage is material or moral, if the house is damaged by some damage due to fire, and then demolished after that, the assessment of compensation is based on demolition and not on the basis of damage only, as well as in the event that the child was exposed to the impact of the accident to total disability, but died before the issuance of the judgment as a result of the aggravation of the injury, here is estimated compensation for the moral damage suffered by the parents as a result of pain and sadness resulting from death and not only from disability.²⁴

The advanced provisions are also taken into account in the event that the damage decreases completely during the period between its occurrence and the issuance of the judgment, the rule then takes into account this change when estimating compensation, as it is considered only as much as the damage actually achieved at the time of the pronouncement of the judgment not at the time of its occurrence, so the damage decreases and every improvement that occurs must be limited to the period subsequent to its occurrence, if the damage diminishes with the improvement of the condition of the injured person and the decline in the percentage of his permanent inability to work after a year, for example, from the day of the accident, it became 40% After a was 60% the judge estimated the compensation on the basis of a deficit of 40% within a year, then 40% afterwards, otherwise the plaintiff was awarded compensation for damage he did not suffer.⁸

But the damage caused to the injured may change not in its amount, that is, in the same and its constituent elements, but in its value, so the assumption here is that the amount of damage has not changed, but the value of this damage is the one that has changed to change the economic and financial conditions ... Etcetera. The question arises as to the effect of changing the value of the damage on judicial compensation? ²⁶ In answering this question, jurisprudence is divided into two directions:

The first trend: its supporters believe that compensation should be estimated at the value of the damage at the time of the damage (the first requirement), and the second direction: its owners believe that compensation should be estimated at the value of the damage at the time of awarding compensation (the second requirement).

⁶ Sanhoury – Ibid., paragraph 649, pp. 1102, 1103

⁷ Mohamed Hassayn Abdel Aal - Assessment of compensation for variable damage – Comparative analytical study - Dar Al-Nahda Al-Arabiya 200 p. 54 ²⁴ Mohamed Hussein Abd El Aal – Reference

⁸ Mohamed Hussein Abdel-Aal – Ibid., p. 53

First Requirement Assessment of Compensation by the Value of the Damage at the Time of The Damage

The proponents of this tendency think that the trial judge, when calculating compensation, must take into consideration the worth of the harm at the time of the occurrence of the damage also not at the time of awarding compensation. Consequently, in the event of a breach of the obligation to deliver goods, the determination of the

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value of the damage suffered by the creditor requires consideration of the value of the goods at the time specified for delivery, further if the obligation is denominated in a foreign currency, the damage shall be assessed at the exchange rate on the day the specified payment period expires. When calculating compensation in the event of damage to things, compensation must be equivalent to the amount necessary on the day the damage occurred to repair or replace the item. This trend's proponents have relied on the following arguments:⁹¹⁰¹¹¹²

- **First:** that the damage must be estimated according to its elements achieved at the time of the development of the claim to compensation also at the time of the harm, the illegal act is the source of the right to compensation also its originator by the jurisprudence and the judiciary, and the judgment of compensation is determined, or revealing the right to compensation, and not the creator of this right, and its role is limited to revealing the existence of a right that already exists since the occurrence of the damage, the award of compensation is tantamount to giving the legal description of the factual status approved by Don It must be the originator of it, and therefore it is not valid to consider the worth of the harm at the time the award of compensation was issued.
- **Second:** If the injured party dies prior to the issuance of the final judgment of compensation, it is determined that his heirs succeed him in his right to compensation, considering that this right has arisen since the occurrence of the damage, then is considered one of the elements of the estate, and this requires consideration of the value of the damage at the time of its occurrence, and at the same time prevents the value of the damage from being considered at the time of the issuance of the final judgment of compensation.
- **Third:** The rise in the worth of the harm as a consequence of a decline in the purchase power of money, for instance, is regarded as indirect damage, because it is not associated with the act of the official or the fault of a causal link, but its cause is in the change in prices and purchasing power, in addition to that the debtor who did not commit fraud or serious error, is only obligated to compensate for the damages that can usually be expected at the time of contracting, and thus the debtor is exempted from compensating for unexpected damages, whether These damages were unforeseeable in terms of their cause, or in terms of their amount, Consequently, the court must ignore these methods when determining compensation. This trend has been criticized from more than one side:

This statement stems from conflating the date of the right to compensation with the date of its assessment in money, which is the technical basis on which the prior trend relied. The right to compensation arises at the time of the realization of the damage.

If the claim to compensation arises at the moment of the injury, the statute of limitations begins to run at the time of the harm, this is in principle an indisputable fact because the source of the right to compensation is the wrongful act that resulted in the damage and not the award of compensation, but the right to compensation exists before the filing of the lawsuit and before the issuance of the judgment, it arises from the time the damage is realized.¹³

Second Requirement Estimation of Compensation by The Value of The Damage at The Time of The Award of Compensation

The Second Topic the Effect of Changing the Value of the Damage after the Final Award of Compensation

In the event that the amount of damage increases after a final award of compensation has been issued due to an increase in the amount of its constituent elements, the injured party is entitled to claim additional compensation

⁹ Look at the view of this trend – Mohamed Hassan Abd El Aal – Assessment of compensation for variable damage – Comparative analytical study – Dar Al-Nahda Al-Arabiya 2000 AD, p. 35, Faisal Zaki Abdul Wahed = The effect of changing the value of money on the estimation of compensation – Dar Al-Nahda Al-Arabiya ¹⁰, p. 13, Abdelhay Hegazy - The General Theory of Obligations in Egyptian Civil Law – Part II – Commitment Provisions – Unpublished 1963 p. 70

¹¹ Arabi Sayed Abdul salam Muhammad – Ibid., p. 208

¹² Look at the presentation of these arguments Arabic Sayed Abdulsalam – Ibid., p. 209

¹³ Arabi Sayed Abd El , Salam – Ibid., p. 211

³¹ Fathi Abdulrahim Abdullah – Ibid., paragraph 74, p. 509, Ahmed Shawky Abdel Rahman – Ibid., p. 142, Muhammad Labib Shanab – Lessons in Commitment Theory – Sources of Commitment – Dar Al-Nahda AlArabiya 1976 – 1977 Poverty 98 p. 432”

for this new increase in the amount of damage, in addition to the compensation previously determined by a final judgment, and the principle of truncation cannot be invoked in this case.²²²³ Since the injured party is not seeking a review of the final judgment of compensation for the old damage but rather a judgment for additional compensation for a new damage, the latter does not constitute a reconsideration of the final judgment of compensation since the latter was limited to the old damage alone. Since the claim for more compensation is, in essence, a claim for further damages, it must deal with a fresh injury that has not yet been identified in order to issue a decision for further compensation. Does the same provision apply if, following the final verdict of compensation, the value of the damage changes and a new lawsuit is brought based on a different harm?²⁴²⁵ To solve this problem, we must first make a distinction between two possible scenarios: one in which compensation is awarded as a one-time payment (the first condition), and another in which it is awarded as a recurring monthly amount (the second condition) (the second requirement).

The following descriptions will be given for both of these requirements:

First Requirement Awarding Compensation in The Form of a Lump Sum

The fuqaha' agreed that if the final judgment of compensation is given in the form of a lump sum paid to the injured person in one lump sum, it is not allowed to consider any change in the value of the damage that happens after this judgment, even if this causes the real value of the amount of compensation to go down from what it was at the time of the judgment, so that it is no longer enough to cover the damage, because to say otherwise would be wasteful.²⁶⁵⁷

In this case, the damage hasn't actually gotten worse, and its amount or parts haven't grown, so it's not a new damage. Instead, we stay in front of the damage, which is what set its final amount. Because its compensation was based on the power of the object adjudicated in it, this compensation cannot be changed, and there is no impact in principle that could make the dam more valuable. The value of the harm after a final judgment of compensation has been made has no effect on the value of the compensation when the person who was hurt asks for a review of the amount of compensation that a final judgment set for him. This can't be done based on a simple change in the value of the damage as a result of a higher quality of life and higher prices, because the damage itself didn't get worse. The amount of compensation that has already been decided based on the rules of justice and the worth of the item in question cannot be changed. Justice requires that a request to increase compensation to increase its value be denied, since doing so would put more of a burden on the person responsible for compensation than on its source. The person who was hurt must deal with the possibility that the value of cash will change without asking the official to do anything, since he can protect himself from price changes by investing the money he receives. As long as the compensation has been decided by a final ruling with *res judicata* effect, it can't be changed. The idea of *res judicata* says that the final decision about compensation is a statement of the truth, and saying that it isn't enough hurts its authority. When a final award of compensation is made, the person who was hurt becomes a creditor of a certain amount of money. This means that he cannot ask for a review of the amount of compensation when the nominal value of money principle causes the value of the money to change. The change in income due to changes in the economy after the final

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judgment of compensation goes against the principle of the nominal power of money, which says that the decrease in the purchasing power of cash shouldn't be taken into account so as not to waste the principle of the nominal value of money, and this principle says that the creditor should take the risk of decreasing cash, and the judge isn't required to break this rule even if his g Lastly, the stability and consistency of income is in line with the general rule that compensation is based on the value of the injury at the time it is paid.⁵⁸⁵⁹⁶⁰⁶¹⁶²⁶³⁶⁴ As they have already explained, the previous solution regarding the disregard of the change in the value of the damage that occurs after the final compensation judgment does not raise significant difficulties in the majority of cases where compensation is determined in the form of a total or frozen amount paid to the injured party in a single payment.

Since the repair work was done a long time after the injured party was awarded compensation or a settlement, the injured party cannot demand that the responsible third party or insurer pay him the increase in the cost of repair work for his own property, which has only been hurt by the loss of value of money, the rise in prices, and the cost of living. In the same way, a person whose condition would not have gotten worse on its own after receiving

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²³ See, for example, an Egyptian civil cassation on 17/6/1998 in appeal No. 11757 of 66 referred to by Nir Kozman – Ibid., p. 196

²⁴ Mohamed Al , Mursi Zahra – Ibid., paragraph 264, p. 488, Ibrahim El-Desouky Abu Al-Lail – Ibid., paragraph 253, p. 290

²⁵ Ibrahim Desouki Abu Alleil – Ibid and previous position

²⁶ Ibrahim Desouki Abu Alleil – Ibid., paragraph 270, p. 308, Ahmed Mohammed Al-Rifai – Ibid., p. 109, Arabi Sayed Abd al-Salam – Ibid., p. 378, Faisal Zaki Abdul Wahed – Ibid., p. 83, Muhammad Hussein Abdel-Aal – Ibid., p. 106, Ahmed Shawky Abdel Rahman – Ibid., pp. 26 ff.

compensation in the form of a lump sum cannot claim an increase in the costs of treating his condition if that increase would have happened only because the economy is getting worse, i.e., if this increase is because the economy is getting worse.⁶⁵

Nevertheless, the application of the preceding method necessitates a priori that the official has taken the initiative to pay the amount of compensation immediately after the judgment has been rendered, so there will be no real possibility to modify the worth of the harm.

But sometimes the compensation judgment isn't put into effect right away. Instead, it's put into effect after a certain amount of time has passed, during which the value of the damage may have changed due to changes in the economy and prices. This raises the question of whether the judge has re-estimated compensation to reflect the change in the value of the damage, in which case the amount of compensation is less.

The answer is determined by whether the change in the worth of the harm is a rise or a drop, and in the first instance, if the increase can be linked to the responsible party and his fault, or whether his position is faultless. If the delay in compensating the injured party is the official's fault, then the injured party has a right to additional compensation for the new damage caused by the inadequacy of the compensation decided for him to compensate for the damage suffered by him due to the high prices.⁶⁶

So, the judge can take into account the change in the value of the damage caused by the rise in the cost of the materials needed to fix it and the general rise in prices and standard of living, as well as the fall in the purchasing power of money, but only indirectly. He or she can do this by giving supplementary compensation, or new compensation, in addition to the old compensation, which has already been set at a known and specific amount. There will be no change in price, either up or down.

And because taking into account the increase in the value of the damage after the judgment of compensation through supplementary compensation depends on meeting the conditions for this compensation, which are the conditions of civil liability in general, and what concerns us here is the need for the official's fault, the increase in the value of the damage is not considered for the judgment, which does not equitably reflect the increase in the value of the damage. Supplemental compensation in this case, which occurs when the injured party neglects and repairs the damage suffered for a period of time, making it impossible to repair it with the same value as the compensation that was decided for him; in this instance, the injured party is responsible for his negligence. This solution is supported by the fact that some judgments have said that the amount of compensation must be based on the value of the damage at the time of actual payment of compensation. Also, courts tend to estimate compensation on the day the judgment is announced because the judge thinks that the amount awarded will be paid right away so that the damage can be fixed completely.^{67,68}

Notably, the injured party's ability to claim supplemental compensation does not restrict his right to claim the legal compensation specified in the event that the official delays in completing the amount of compensation, which is represented by the delayed interest (M 226 Egyptian civilian).

⁵⁸ Mohamed Al, Mursi Zahra – Ibid., paragraph 265, p. 489

⁵⁹ Mohamed Al, Mursi Zahra – Ibid – Paragraph 265 p. 489, Ahmed Mohammed Al-Rifai – Ibid., p. 109?

⁶⁰ Ahmed Muhammad Alrifai – Ibid., p. 122

⁶¹ Taha Abdel Mawla Ibrahim - Problems of Compensation for Bodily Injuries in Civil Law - First Edition – House of thought and law – Mansoura 2000, p. 123. ⁶² Arabi Sayed Abdulsalam – Ibid – p. 378 ⁶³ Taha Abd El, Mawla Ibrahim – Ibid p. 123.

⁶⁴ Ahmed Muhammad Alrifai – Ibid., pp. 122, 132

⁶⁵ Ahmed Muhammad Alrifai – Ibid., pp. 109, 110

⁶⁶ Saeed Abdul salam – Compensation for self-harm in positive law - Islamic jurisprudence and Arab countries – University Youth Foundation – Alexandria 1990 p. 123”

⁶⁷ For more details on that, Raha said: Mohamed Hussein Abdel-Aal – Ibid., p. 108”

⁶⁸ See in it: Ahmed Alsaeed Sharaf Aldin – Transfer of the right to compensation for bodily injury – Research published in the Law Journal – Q85 – Seventh and eighth issues May / June 978 p. 76

The concept of *res judicata* forbids a fresh review of the amount of compensation, and the official cannot gain anything by delaying the implementation of the court verdict of compensation, even if the worth of the harm goes down because of low prices.²⁷

Accordingly, we conclude that while the injured party may seek additional compensation for damages that occurred after the award of compensation (representing an increase in the value of the initial damage suffered), the official may not seek a reduction in compensation due to a decrease in the value of the initial damage suffered.

Second Requirement Awarding Compensation in The Form of Periodic Income

In circumstances where compensation is determined as a total or frozen sum given to the injured party in a single payment, a variety of factors make it difficult to account for any change in the worth of the harm that occurs after

²⁷ Hassan Abdul rahman Quddous – Right to compensation – Its absent requirements and manifestations of contemporary perspective in positivist systems – Dar Al Nahda Al Arabiya – Cairo 1995, p. 165.

the compensation decision is finalized. For example, the damaged party must take the initiative to rectify the harm and may invest the money to safeguard against the potential that the value may go down. The concept is that this income is set and assessed based on the worth of the harm at the time of the judgment. This is the finest strategy for compensating physical damage.²⁸

Herein lies the difficulty, as this income, while stable on the one hand and periodic on the other, will be subject to fluctuations in the value of money, also thus this income will be insufficient to compensate the injured in the event that the value of the damage increases as a result of a price increase after a ruling on it.⁷¹

To get around this problem and safeguard the injured party against inflation, some case law has proposed estimating the remuneration in terms of income or increased income, so that this revenue is not fixed in its amount but rather escalating, or variable so that it rises automatically.⁷²

In order to make the income arranged as compensation for damage compatible with the rate of inflation, it is linked to a measure that tracks changes in the value of money, such as the measure of living prices.

Because income is fixed and estimated based on the value of the damage at the time it was assessed, an award of income or periodic income may not be sufficient to compensate the party who was injured if the value of the damage increases after the award due to changes in economic, financial, or other circumstances. This is because income is estimated based on the value of the damage at the time it was assessed. It is assumed that the party who was injured is not responsible for and should not have to bear the cost of the increase in the worth of the damage. This is due to the fact that the increase in prices would not have affected the injured party in the same way if the official had not caused the initial damage to the party.²⁹

By linking the value of this income to another value that constitutes a measure that records changes in the value of money, rising or variable income seeks to avoid the risk of a decline in the value of money in order to provide appropriate protection for the injured in the event that he is awarded compensation in the form of periodic income.

If the judge does not take into account the change in damage caused by price fluctuations, some people see the possibility of changing the income granted to the injured person according to the change in the value of the damage. The solution that we arrive at is to compensate the person who was injured in full for the damages that were suffered.

We believe that this solution should be adopted in Egyptian and Emirati law regarding the extent to which the judge can rely on the change in the value of the damage following the final judgment of compensation in the form of revenue or periodic income. Considering that the rules of justice necessitate the recognition of the injured party's right to compensation for the increase in the value of the da, we believe that this solution should be adopted in Egyptian and Emirati law. However, the judge has the ability to choose the type of restitution, and if he decides that an award of income or variable income is appropriate, then prohibiting the judge from doing so would be an affront to his authority to award reparation. Last but not least, the force of *res judicata* is unaffected by the judge's intervention to reconsider the compensation at the request of the injured party and increase its amount due to the increase in the value of the damage caused by the decrease in the value of the money despite the judgment becoming final.³⁰³¹

Conclusion

After completing the research on "The influence of increasing the value of damages on judicial compensation," we discuss the most significant conclusions of this research:

1. Damages for which compensation is owed may be either fixed or variable. There is no problem in paying for fixed harm, i.e., damage whose magnitude and worth remain constant from the time it occurs until the final award is made. Occasionally, the magnitude of the harm is different at the time of the award of compensation than it was at the time of occurrence.
2. We call a shift of this kind a subjective shift. Or, the change of damage is an external change due to reasons far from the damage and its elements, and is thus referred to as an exogenous change. In the former case, the amount of damage and its elements remain constant, but the value of this damage is the one that changes for

²⁸ Hassan Abdulrahman Quddous – Ibid., p. 166

⁷¹ Hassan Abdulrahman Quddous – Ibid and previous position,”

⁷² Ibrahim Sayed Ahmed – Compensation in car accidents – Golden Book House 2001 p. 187”

²⁹ Ibrahim Desouki Abu Alleil – Ibid., paragraph 271, p. 309

³⁰ Ibrahim Desouki Abu Alleil – Compensation for damage in civil liability – An original analytical study for estimating compensation – Publications Kuwait University 1995, paragraph 152, p. 253. Faisal Zaki Abdul Wahed – Ibid., p. 91, Muhammad Hussein Abdel-Aal – Ibid., paragraph 114

³¹ Faisal Zaki Abdul Wahed – Ibid and the previous position Mohamed Hussein Abdel Aal – Ibid and the previous position.

reasons far from the damage itself as a result of changing economic, financial, and other conditions, and the subsequent change in the purchasing power of money.

3. When determining compensation, the judge must examine the amount of the harm at the time he issues his award for compensation, which requires him to account for any change in the amount of the damage between the time it happened and the time he issues his judgment. The compensation is determined at the moment of the court's ruling, not at the time of the harm, when the entitlement to it emerged. If the harm changes between the time it happened and the day the judgment is rendered, whether it grows or decreases, the matter should be determined by the state of affairs on the day the judgment is rendered. If, at the time of judgment, the judge is unable to decide clearly the amount of compensation, he may retain the right to propose that the injured party seek, within a period to be set, a review of the assessment of the previously granted compensation.
4. If, after the final award of compensation has been issued, the amount of damage increases as a result of an increase in the amount of its constituent elements, the injured party is entitled to additional compensation for this new increase in the amount of the damage, in addition to the compensation that was previously determined by a final judgment. The injured party in this case does not ask for a reconsideration of the final judgment of compensation for the old damage; rather, they ask for a judgment that awards additional compensation for a new damage. As a result, the judgment that awards additional compensation does not constitute a reconsideration of the final judgment of compensation because it was only applicable to the old damage. Regarding the judgment that was handed down for additional compensation, it is subject to a new damage that has not been adjudicated. This is because the claim for additional compensation is a new lawsuit based on a new damage, and its basis is not the damage that has already been adjudicated; rather, its basis is only the increased amount, which can be understood as the new damage.
5. The principle of full compensation requires that the compensation be equal to the value of the damage at the time of its judgment and not at the time of the damage, as is the case with a change in magnitude, and this requires taking into account the change in the value of the damage, whether it is an increase or a decrease due to the change in economic, financial, and other conditions. The principle of full compensation also requires that the compensation be equal to the value of the damage at the time of its judgment and not at the time of the damage.
6. Due to the fact that the principle of full compensation mandates that compensation be equivalent to the value of the damage at the time of its judgment and not at the time of the damage, as is the case when there is a change in magnitude, this necessitates taking into account the change in the value of the damage, whether it is an increase or a decrease due to the change in economic, financial, and other conditions. In addition, the principle of full compensation mandates that there be no disparity between the value of the damage.
7. If the final judgment of compensation is issued in the form of revenue or periodic income, whether for the injured person's lifetime or for a specific period, and this method is most appropriate for compensation for bodily injuries, the problem arises because this income is fixed and is estimated according to the value of the damage at the time of its judgment. And if the worth of the injury rises as a result of price inflation after the judgement, then this income will be insufficient to compensate the injured party. To get around this problem and adequately protect the injured against price fluctuations, Some legal precedent has ruled that compensation is calculated in the form of income or increasing income, and that this revenue is not set in its quantity but becomes escalating or variable to account for inflation. that the amount of damages awarded is dependent upon some variable, such as the cost of living, which rises and falls with the value of money. This solution must be adopted in Egyptian and Emirati law regarding the extent to which the judge can consider the change in the value of the damage following the final judgment of compensation in the form of revenue or periodic income because, on the one hand, it is consistent with the rules of justice that require the recognition of the injured party's right to compensation for the increase in the value of his damages. However, the judge has the ability to choose the type of restitution, and if he decides that an award of income or variable income is appropriate, then prohibiting the judge from doing so would be an affront to his authority to award reparation.