

The Civil Law
Of
The Republic of Afghanistan

Kabul, Afghanistan

CIVIL LAW

Introductory title

Chapter One

Application of Law

Part One

The Law and Right

Topic One: Scope of application of law

Article 1:

1. In cases where the law has a provision, the practice of religious jurisprudence is not permitted.

Provisions of this law are applicable in letter and spirit.

2. In cases the law has no provision, the court shall issue a verdict in accordance with the fundamental principles of Hanafi jurisprudence of Islamic shariat to secure justice in the best possible way.

Article 2:

Where there is no provision in the law or in the fundamental principles of the Hanafi jurisprudence of Islamic shariat, the court issues a verdict in accordance with the public

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convention, provided the convention does not contradict the provisions of the law or principles of justice.

Article 3:

1. What is proved by time, until no reason to the contrary exists, shall be valid.

2. The provisions of law shall not be abrogated except by subsequent law expressly providing for its abrogations and amendment.

Topic two: Usage of right

Article 4:

A person who resorts to securing right before it is due, shall be sentenced to deprivation thereof.

Article 5:

State of emergency shall not cause annulment of right of others.

Article 6:

Damage shall not be repaired by reciprocal action.

Article 7:

Parrying of sedition precedes attraction of benefits.

Article 8:

Legal license negates surety; a person who makes use of his right, within the limits of the law, shall not be responsible for damages accruing from it.

Article 9:

1. Whenever a person transgresses his right, surety becomes incumbent upon him.
2. Right can be transgressed in the following cases:
 1. Actions in contravention of customs and tradition.
 2. Entertaining the intention to agress on other's right.
 3. Insignificance of personal interest to the damage sustained on other.
 4. Impermissibility of the expediency.

Part Two

Application of law from the viewpoint of time

Article 10:

1. Provisions of the law are applicable after publication.
2. Provisions of the law shall not be retroactive except under circumstances expressed in the law itself, or when its provisions are related to public order.

Article 11:

1. Provisions relating to capacity are applicable to all persons having qualifications stipulated in this law.
2. Where the respective person is recognised as of legal incapacity accordance with the provisions of

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the new law, this law shall not affect his previous possessions.

Article 12:

The new provisions relating to lapse of time shall be applicable as soon as they are promulgated. All cases in which the passage of time is not effected in accordance with the provisions of the previous law, shall be subject to provisions of the new law.

Article 13:

Where the provisions of the new law prescribe a shorter period, even though this period may have started before the promulgation of this law, it shall be subject to the provisions of the new law.

Article 14:

In regard of evidences brought earlier, provisions of the those laws shall be applied which were in force at the time of collection of evidence, or at the time when the evidence must have been collected.

Article 15:

Time is calculated in accordance with the Hejira solar calendar.

Part Three

Application of law from viewpoint of place

Article 16:

In case of ascertaining legal relations in which the laws are contradictory, provisions of the law of Afghanistan shall be applicable.

Article 17:

In determining the civil status and capacity of persons, the laws of states of which they are citizens shall be applicable; in financial contracts concluded in Afghanistan, in which pertinent effects have come to existence, in case one of the two parties is a foreign citizen, and is of legal incapacity, and the defectiveness of his capacity is due to minor cause, he shall however be considered as having full capacity.

Article 18:

As regards foreign legal persons such as companies, associations, institutions etc., the laws of the state in which their headoffices are located shall be applicable. In case major activities of these persons are concentrated in Afghanistan, the law of Afghanistan shall be enforced.

Article 19:

As regards subjective conditions of the validity of marriage, laws of the state of each spouse are applicable; and as regards conditions pertaining to the form of marriage, the law of the country shall be abided by in which the marriage takes place.

Article 20:

1. As regards effects of marriage including financial affairs, the laws of the state of which the husband is a citizen at the time of the marriage contract, shall be applicable.

2. In regard to divorce, the laws of the state of which the husband is a citizen at the time of the divorce, shall be applicable.

3. As regards separation, the law of the state of which the husband is a citizen while filing the suit, shall be applicable.

Article 21:

Under circumstances defined in Articles (19) and (20) of this law, if one of the spouses at the time of marriage contract is an Afghan citizen, except the condition of capacity, the provisions of the law of Afghanistan shall be applicable only.

Article 22:

In regard to questions such as paternity, guardianship,

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and other obligations that bind fathers and children, the provisions of the law of the state of which the father is a citizen shall be applicable.

Article 23:

In regard to persons of incapacity, or persons possessing defective capacity, and absent capacity, the laws of the state of which they are citizens shall be applicable.

In regard to appointment of administrator, executor of will, legal guardian etc. the provisions of the laws relating to these subjects and the provisions of other laws promulgated to protect these persons shall be applicable.

Article 24:

In regard to requirement of alimony, the law of the state of the person who is bound to pay alimony shall be applicable.

Article 25:

1. In regard to established provisions relating to inheritance, testament, and other actions effective after death, the laws of the state of which the bequeather, the executor of will, or the person who, while dying, effected the action, shall be applicable.
2. In regard to provisions relating to the form of the will, provisions of the law governing wills, or provisions of the law of the locality where the

will is completed shall be applicable. Similarly provisions regarding the actions to be effected after death are subject to this provision.

Article 26:

In regard to rights of possession and ownership, and other objective rights, the law of the locality shall be applicable where the property is located, and in regard to movables the laws of the locality shall be applicable where the right of possession or dispossessions is effected.

Article 27:

In regard to obligations arising from contracts, the law of the state where parties to the contract reside, shall be applicable. In case they do not reside in the same country, the law of the state where the contract is completed, shall be applicable provided the parties to the contract have not agreed on application of a specific law, or evidence do not point to the fact that the parties to the contract did not think of application of another law. In regard to contracts completed on immovable property, the law of locality on movable is applicable.

Article 28:

In regard to conditions relating to the form of contracts, provisions of the law of the state where the contract is completed shall be applicable.

Article 29:

1. In regard to non-contractual obligations, provisions of the law of the state where the incident creating them has occurred shall be applicable.
2. Where the obligation arising from an incident occurring outside Afghanistan, where the incident is recognised as illegal, but legal in Afghanistan, provision of clause one of this Article shall not be applied.

Article 30:

In regard to specialised regulations and all affairs pertaining to conduct of duties, provisions of the law of the state where the suit is filed, or where the suit has taken place, shall be applicable.

Article 31:

Provisions included in the foregoing article of this part are applicable in case there are no contravening provisions in specialised law or international treaty in force in Afghanistan.

Article 32:

In case there is no provision in the foregoing Articles of this law in regard to contradiction in laws, rules of private international law shall be applicable.

Article 33:

The choice of law to be applied in the case of stateless persons is within the Jurisdiction of the court.

Article 34:

In cases where the application of foreign law is stipulated, those provisions of the said law which are not part of the private international law shall be applied.

Where multiplicity of religion exists in the law of country which is applicable, provisions of the religion chosen by the law of the said country shall be enforced.

Article 35:

Provision of the foreign law in cases defined in this part shall be applied to the extent which is not repugnant to public order, or standards of decency in Afghanistan.

Chapter II
First Part
Real Person

First topic - General Provisions

Article 36:

1. Man's personality shall begin with his full birth, provided he is alive, and end with his death.
2. Foetus shall have the rights described by the law.

Article 37:

The birth and death dates are determined by the respective official books. Where there exist no documents to determine the birth or the death dates or where there appears an error in the registration, for proof of the birth and death dates use will be made of the instruments of verification in such a way as provided by the law.

Article 38:

Any person may choose a family name in addition with his own name. The family name shall be transferred to the children. If a person adopts the family name of another and the act causes a damage to the former, the injured, in addition to demanding the stoppage of offence may also demand compensation from the offender for the damage incurred.

Article 39:

The age of majority is 18 solar years. Person attaining majority age shall be recognized as having full legal personality in business transactions.

Article 40:

Person who does not understand the nature of transactions due to minority of age, mental retardation or insanity, cannot perform any legal transactions. Person not attaining the age of seven years shall be deemed as a person not understanding the nature of transactions.

Article 41:

A person who understands the nature of transaction, whether has attained the age of majority or not, but is foolish or neglectful, shall be deemed as person of incapacity.

Article 42:

Person of defective capacity and person lacking capacity shall be subject to the provisions of testament, guardianship, and executorship in according to the terms and rules predicted by this law.

Article 43:

No one may alter his legal capacity nor can he bring any amendment to the rights and obligations arising from it.

Article 44:

Freedom is the natural right of man. No one may undermine this right.

Article 45:

A person whose rights are encroached upon, may demand to stop the violation and can claim for compensation of the damage, if there is any.

Second topic

Civil Status

Article 46:

The civil status of person attaining the age of eighteen shall be recorded in the special registration books in accordance with the provisions of Articles 47, 48, 49 and 50 of this law.

Article 47:

1. A person's civil status shall be marked down in an identity card and shall be given to him upon his demand. The identity card shall contain the name, pen or family name, the birth date and the birth place, occupation, nationality, place of domicile, the name of the spouse, names of the children together with their dates and places of birth.

2. Any changes which take place in the above status such as death, change in the place of residence or occupation, shall be marked in the indenticy card.

Article 48:

Documents pertaining to marriage, divorce and the proof of parentage and succession, which may be prepared by the respective offices, shall be registered in the books provided under Article 46 of this law. The said offices are bound to inform in writing the departments concerned of any changes in the civil status so that they may be registered thereof.

Article 49:

The attorney can get information about the registration of person's indentification as provided under Article 46 of this law; in case he witnesses any violation of provisions of law or any fraud he may take legal measures.

Article 50: All information provided under Articles 46, 47, 48, 49 of this law and registered in the special books or indenticy cards shall be recognized as legal evidence against the second person. Objection to such documents is not permissible unless it is proved that the documents were based on forgery or dissimulation.

Topic Three

Residence

Article 51:

1. Residence is the place where a person is usually settled down, whether it is a permanent domicile or temporary.
2. A person may have more than one residence.

Article 52:

1. The residence of incapacitate, interdicted, missing and absent person shall be the residence of his legal successor or agent.
2. The incapacitate persons, who have been permitted to do business, may have special residence to do their business or house their legal possessions.

Article 53:

The place where a person can carry out his business or occupation shall be deemed his residence on the grounds that his affairs are administered there.

Article 54:

1. A person may have an optional residence for a specified legal activity.
2. The residence chosen for performing a specified

legal activity shall be valid for all affairs relating to the specified activity.

3. An optional residence may not be proved except with written documents.

Topic Four

Citizenship

Article 55:

Afghan citizenship shall be governed by a special law.

Topic Five

Family

Article 56:

A person's family consists of the relatives gathered by a common bond of origin.

Article 57:

Direct relation is the connection between the ancestor and descendant and indirect relation is the connection between persons of common origin without one being the descendant of other.

Article 58:

1. In determining the degree of direct relations

between the ancestor and descendant, each descendant is considered as one degree and the ancestor shall not be included in this calculation.

2. In determining the degrees of indirect relation between the descendant and the common origin and vice-versa, each descendant shall be considered as one degree and the common origin shall not be included in this calculation.

Article 59:

Relatives of the husband shall have the same degree of relationship to the wife as that of the wife to the husband.

Topic Sixth

Marriage

Article 60:

Marriage is a contract which legalizes intercourse between man and woman with the object to establish a family, and it creates rights and obligations for both parties.

Article 61:

1. Marriage contract shall be registered in the official marriage deed by the respective office and shall be prepared in three copies. The original shall be kept with the respective office and the two copies shall be supplied to the concluding parties. After having been

registered, the marriage deed shall be brought to the notice of the Identification Registration Office as provided under Article 46 of this law.

2. Where the registration of marriage contract is not possible in this way, it shall be effected by other way envisaged for registration of official documents.

Article 62:

Engagement shall be permissible with a woman who is not in the bond of marriage with another nor is she in her divorce period, Eddat⁺.

Article 63:

Extending request of a marriage overtly or covertly, to a divorcee who is passing her divorce period shall be impermissible, and it is impermissible to extend overtly such request to a woman who is passing the death period of her husband. ⁺⁺

⁺ Eddat is a period, usually three months or until the pregnant delivers her baby after divorce, during which a divorcee is not permitted by Sharia Jurisprudence to get married.

⁺⁺ Death Eddat is a period, four months or until the birth of the baby, during which the woman whose husband has died is not permitted to get married to another.

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Article 64:

Engagement is a promise for marriage and each of the two parties may give it up.

Article 65:

If a betrothed person has given a gift to his fiancee, he can demand the return of the same gift or its price at the prevailing rate in the market if the other party gives up the engagement. If the quit comes from the maker of gift or if the gift is destroyed or consumed he can demand the return of the gift whatsoever.

Article 66:

The contract of marriage is concluded in a separate meeting by clear offer and acceptance which would imply immediacy and continuity without limit of time.

Article 67:

Where a marriage is left pending and subject to unrealistic conditions or stipulated to a future time, the contract for such marriage may not be concluded.

Article 68:

Where a marriage is subject to a condition which is against the law or against the objectives of marriage, the contract may be valid but the condition shall be deemed null and void.

Article 69:

Where a person marries two women, each shall be entitled to a separate marriage portion.

Article 70:

Marriage shall not be considered adequate until the male completes the age of 18 and the female the age of 16.

Article 71:

1. Where the girl does not complete the age provided under Article 70 of this law, the marriage may be concluded only through her father or the competent court.
2. The marriage of a minor girl whose age is less than 15 shall never be permissible.

Article 72:

1. Employing a procurator for a marriage contract shall be permissible.
2. The procurator cannot enter into marriage with his principal except that it is described in the procuration deed.

Article 73:

In a marriage contract the procurator cannot employ another person as his deputy without the delegation of authority and permission by the principal.

Article 74:

The procurator shall not act out of the scope of his procuration. Any act committed outside of his jurisdiction shall be deemed as meddling and shall be subject

to the permission of his principal.

Article 75:

the procurator of deputy shall not be bound to hand over the bride to the groom and to get the marriage portion paid unless he has guaranteed against the payment of marriage portion. In this case the procurator cannot demand the paid marriage portion from the husband except that the guarantee by the procurator has been made with the permission of the husband.

Article 76:

Where the two parties to the marriage contract are legally under the guardianship of one person, the guardian on behalf of the two parties can make offer and acceptance provided the conditions of the marriage contract are observed.

Article 77:

For the proper contract of marriage the observance of the following terms are required:

1. Offer and acceptance should be effected correctly by the parties to the contract or by their guardians or deputies.
2. Presence of two witnesses
3. Non-existence of permanent or temporary legal prohibition between the man and the woman who resolve to get marry.

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Article 78:

The judge is the guardian of persons having no guardians.

Article 79:

The judge may not marry the one who is placed under his guardianship according to article 78 nor he is permitted to get her married to one of his ancestors or descendants.

Article 80:

When a wise girl attaining her majority age marries, her marriage shall be binding.

Article 81:

Marriage of a person to ancestors and his own descendants, to the descendants of father and mother and the first layer of descendants of forefathers is completely prohibited.

Article 82:

The marriage of a person to the widow of one of his ancestor and to the widow of his descendants shall be permanently prohibited. Similarly, the marriage of a person to progenitresses of his wife is absolutely forbidden and to the descendants of his wife is permanently prohibited.

Article 83:

The marriage of an adulterer to the progenitress and descendants of adulteress and similarly the marriage

of an adulteress to the ancestors and descendants of adulteror is prohibited. The marriage of ancestors and descendants of adulteress to the ancestors and descendants of adulteror is an exception.

Article 84:

Prohibition of marriage between fosters are the same as between the persons of parental relationship except the following:

1. The sister of a foster son
2. The mother of a foster sister or foster brother
3. The grandmother of a foster son or foster daughter
4. The sister of a foster brother

Article 85:

Temporary prohibition of marriage shall be effected in the following cases:

1. Two women when one is presumed a man
2. Three-time divorcee until she gets married to another person
3. Married woman or woman who is in her divorce period
4. Woman who has been accused of cursing until he refuses the accusation
5. Woman who is neither muslim, jew, nor christian (disbeliever of divine books)

Article 86:

Polygamy can take place after the following conditions are fulfilled:

1. When there is no fear of injustice between the wives
2. When the person has financial sufficiency to sustain the wives. That is, when he can provide food, clothes, suitable house, and medical treatment.
3. When there is legal expediency, that is when the first wife is childless or when she suffers from diseases which are hard to be treated.

Article 87:

The woman whose husband has married contrary to the provisions of Article 86 of this law, can demand divorce from the court in accordance with the provisions of Article 183 of this law on the grounds of separation caused by damage or loss.

Article 88:

During the conclusion of marriage the woman can make the marriage subject to a condition that if her spouse would marry another woman contrary to the provisions of Article (86) of this law, she would be authorized to get her divorce. This condition shall be valid when it is written down

in the marriage deed.

Article 89:

During marriage when a person conceals his previous marriage to more than one wife according to the provisions of Article (86) of this law, and when he has not secured the clear consent and agreement of the woman on the matter, the newly married wife, in case she would not agree to continue living with the husband, can demand divorce from the court in accordance with the provisions of Article (183) of this law.

Topic 7th

Evidences of marriage

Sub-topic I

General Provisions

Article 90:

A complete and binding marriage shall create all the rights and obligations for the spouses such as maintenance of wife, right to inheritance, obligation to prove blood lineage and to avoid prohibited acts.

Article 91:

With regard to the payment of full marriage portion, full

privacy between the couple shall imply copulation in the complete marriage though the husband may be impotent.

Similarly, with regard to the proof of lineage, alimony and prohibition of marrying the sister of the wife, the provision of full privacy shall exactly mean copulation (intercourse) in true marriage.

Article 92:

1. The marriage of a muslim woman to a non-muslim man shall be null.

A muslim man can marry a woman who believes in divine books. +

2. The marriage of a woman believing in heavenly books may take place through her guardian in the presence of two witnesses possessed with heavenly books. In cases relating to the provisions of this Article, children shall be subject to the religion of their father.

Article 93:

The marriage of a woman believing in divine books to a man married to a muslim wife and vice-versa is permissible.

Article 94:

Where in an incomplete marriage, separation takes place between husband and wife before copulation and its preparations, such state of affairs shall not prevent the spouses to marry with those prohibited by reason of marriage.

+ Such as Jews and Christians

Article 95:

In a null marriage no rights and obligations of a true marriage shall be created.

Article 96:

A marriage which has taken place with offer and acceptance but some of its conditions have not been fulfilled shall be incomplete and thus shall not be subject to any rights and obligations thereof.

Article 97:

An incomplete marriage prior to copulation shall be considered invalid.

2. If copulation takes place during incomplete marriage, payment of marriage portion, proof of lineage, prohibition of marriage to immediate female in-laws, passage of divorce period by the wife and providing of maintenance to the wife by the husband shall be effected.

Sub-topic II

Marriage portion

Article 98:

The payment of marriage portion shall become imperative with coition, full privacy between the couple and with the death of one of the spouses even though it may have taken place before the copulation or full privacy between the spouses.

Article 99:

the wife shall be entitled to specified marriage portion.
If the marriage portion is not determined during the
conclusion of marriage and/or it is negated, the payment of
accustomed to marriage portion shall become necessary.

Article 100:

Property whose ownership is transferable may be determined
as marriage portion.

Article 101:

1. During the marriage contract all or part of the
marriage portion may be determined to be paid
immediately or mediately.
2. If the marriage portion is not determined clearly,
the custom of the locality shall be resorted to.
In the event of separation or the death of the
husband, the payment of mediate marriage portion
shall be made in a shorter period of time unless
at the time of marriage contract an indication
was made to a definite period of time.

Article 102:

1. the husband may increase the amount of marriage
portion after the marriage is concluded.
2. Increases in the amount of marriage-portion shall
be subject to the following conditions:
 - 1- The amount increased should be known
 - 2- The wife or her guardian should accept
the increase

Article 103:

1. A mature woman who has attained legal marriage age can, by her own consent, waive all or part of the marriage-portion left unpaid by the husband.
2. The father of the wife who has not attained the age provided in Article (70) of this law, can in no way waive the marriage-portion payable by the husband.

Article 104:

Where a woman has given discretion to her husband to fix the marriage -portion and where the marriage-portion has not been specified, she can demand the husband to determine her marriage portion after or prior to the copulation.

The husband shall be obliged to fix her marriage-portion. In case of refusal, the wife can demand from the authoritative court to fix the marriage-portion.

Article 105:

If separation takes place before copulation of full privacy between the couple, the wife shall be entitled to half of the specified marriage-portion and in other cases she shall be entitled to half of the accustomed marriage-portion.

Article 106:

If separation takes place by the wife prior to copulation

or full privacy, her marriage-portion shall be completely abolished.

Article 107:

When separation takes place between the couple prior to copulation or full privacy, the wife shall be entitled to a usual clothing and the like. In determining the kind of clothes, the financial stance of the husband shall be taken into account and the cost shall in no way exceed half of the accustomed marriage-portion.

Article 108:

Where divorce takes place prior to copulation, when the marriage-portion has been specified, and the husband then dies, the wife shall not be entitled to get the clothes. If the divorce takes place after copulation, whether the marriage-portion is specified or not, the wife shall be entitled to get the clothes.

Article 109:

When a person gets married during a fatal sickness and fixes the marriage-portion of her wife more than the accustomed marriage-portion, the excess shall be subject to the provisions of the will.

Article 110:

Marriage-portion shall be considered the property of the wife. She can exercise any ownership power over her marriage-portion.

Article 111:

When the wife offers as a gift all or part of her marriage-portion to her husband before or after acquiring it, and then divorce occurs before copulation, the husband cannot demand half of the marriage-portion.

Article 112:

Where the marriage-portion is neither cash nor a popular thing, and the wife offers half or all of it to the husband as a gift and when divorce takes place prior to copulation, the husband cannot demand anything in the name of marriage-portion.

Article 113:

The father cannot give, totally or partially, his daughter's marriage-portion as gift.

Article 114:

The wife cannot be forced to place all or part of her marriage-portion at the disposal of the husband or any other person.

When the wife dies before acquiring all her marriage-portion, her heirs can demand from the husband the marriage-portion and in case of the death of the husband, they can demand it from his heirs.

Sub-topic Three

Residence

Article 115:

The husband shall provide a suitable residence for his wife.

Article 116:

If a person has more than one wife, he cannot force them against their consent, to reside in a single residence.

Sub-topic Four

Alimony (Maintenance)

Article 117:

1. With the conclusion of a true and binding marriage it becomes necessary for the husband to give alimony to his wife even though she might live in the residence of her relatives. If the wife refuses without any reason to reside in the residence of the husband, the husband shall not be liable to give the alimony.
2. The wife has the right to refuse to go to her husband's residence when a suitable residence, as provided in Articles 115 and 116 of this law, is not provided by the husband, or when her immediate marriage-portion has not been paid by the husband.

Article 118:

The alimony of the wife shall consist of food, clothes, residence and medical treatment in proportion to the financial power of the husband.

Article 119:

Where the husband refuses to give alimony or when his fault is proven in giving it, the authoritative court shall order the husband to give the alimony.

Article 120:

Imprisonment of the husband shall not discharge his responsibility to provide alimony to the wife though he may not afford it.

Article 121:

If the husband is absent, the alimony of the wife shall be fixed from that property of the husband which could be included in the alimony and be at her disposal. Otherwise, the alimony of the wife shall be given from the property and goods deposited with other person or lent to him.

Article 122:

The wife shall not be entitled to alimony ^{or} maintenance in the following cases:

1. When she gets out of the residence without the permission of the husband or when she goes out for illegal purposes.
2. When she does not submit to conjugal affairs.
3. When there is an obstacle for transfer of the wife to the residence of the husband.

Article 123:

The alimony of the wife shall be determined in accordance with the financial power of the husband provided it shall not be less than the minimum need of the wife.

Article 124:

Increase and decrease in alimony shall be subject to the change in the financial power of the husband and the change in the prices of the commodities available in the locality. Claim for increase or decrease in the ascertained alimony shall not be accepted before the lapse of six months from the date in which it is fixed.

Article 125:

If the husband refuses to give the rightful alimony he shall be compelled to give the alimony of the wife from the date of refusal.

Article 126:

Divorcee is entitled to alimony from the date of divorce

to the end of her divorce period (three months or until the infant is born, if she is pregnant).

Article 127:

If the claim of the divorcee for alimony of the divorce period is for more than one year from the date of the divorce, it shall not be heard.

Article 128:

The duty to give alimony shall not be discharged except so far as the maintenance of the husband is required.

Article 129:

Acquittal of alimony shall be null before it is determined, whether by consent or judicial order. Acquittal of alimony, after it is fixed, shall be valid provided the alimony belongs to the past days. Acquittal of alimony for the next day, week, month and year shall be valid when it is fixed daily, weekly, monthly and yearly respectively.

Article 130:

The liability of husband for payment of alimony to wife and liability of wife to pay her debt to husband may be jointly fulfilled if they demand so

Topic 3

Dissolution of marriage

Sub-topic One

General Provisions

Article 131:

Marriage contract shall be dissolved with annulment, divorce, deposition or separation according to the provisions of this law.

Sub-topic two

Annulment

Article 132:

Annulment is the breach of marriage contract due to occurrence of a disruption during the conclusion of marriage or after it in a way which would prevent the continuation of marriage.

Article 133:

Following are the cases which cause the annulment of marriage contract as mentioned in Article (132):

1. Disruption at the time of marriage may arise from the following causes:

- a- Lack of one of the conditions necessary for correct marriage
- b- insanity
- c- Deficiency in the amount of marriage-portion fixed for the wife.

2. After-the-marriage disruption, which may hinder continuation of marriage may arise from:

- a- Legally prohibited marriage
- b- cursing
- c- Refusal of the wife disbelieving in the heavenly books to become a muslim while her husband has become a muslim.

Article 134:

1. the annulment of the marriage contract in the two cases mentioned in Article (133) of this law, shall take place by the decision of the competent court.

2. the annulment arising from the causes mentioned in clause (2) of the said Article is permitted upon the consent of the couple without the verdict of the court.

Sub-topic three

Divorce

Article 135:

1. Divorce is the dissolution of marriage relationship in the present or in the future between husband and wife through words which could clearly express the occurrence of divorce.
2. Divorce shall be issued by husband or the authoritative court according to the provisions of this law.

Article 136:

Divorce shall be given only to the wife who is entered into complete marriage or is in the return-divorce period.

Article 137:

Divorce granted by a sane husband, attaining the majority age, shall be valid and binding even though the husband may be stupid or sick but not mentally retarded.

Article 138:

Divorce shall not take place under state of intoxication.

Article 139:

The husband can divorce her wife orally or in writing.

If he lacks these two means, divorce can take place by

usual signs clearly imparting the meaning of divorce.

2. Divorce may happen by utterance of words conventionally conveying the meaning of divorce even though it may not be intended.

Article 140:

An incapacitate wife shall not be divorced by husband or his father.

Article 141:

Granting of divorce by the following persons shall not be valid:

1. Insane, unless the divorce has been subjected to a condition prior to insanity, and the condition then exists during insanity.
2. Mentally retarded
3. One who is under duress
4. Sleeping mind
5. Person whose mind has been deranged as a result of old age and/or disease
6. Insensible person who has lost his power of discernment due to hurry or other factors, and cannot perceive his words.

Article 142:

Husband can divorce her wife through a legal deputy or through delegation of authority to the wife herself.

Article 143:

After granting authority of divorce to the wife, the husband cannot revoke it unless the wife does not accept the granted authority.

Article 144:

The husband has the authority to divorce the wife three times.

Article 145:

The divorce associated with number, whether happened with words or signs, shall be recognized one divorce.

Article 146:

In general, divorce is Talaqi-Rajyee (Return-Divorce) and in the following cases it is Talaqi-Bayen (Distinct-Divorce):

1. Third divorce
2. divorce granted prior to copulation
3. divorce given against substitution
4. divorce recognized as distinct divorce in this law.

Article 147:

The husband cannot marry again the three-times-divorced wife except that the three-times-divorcee enters into marriage with another person and after copulation in the second marriage she is divorced and completes the divorce period.

Article 148:

Any type of divorce given to the wife prior to copulation including one or two "Return-divorce" shall be called "Minor Distinct -divorce".

Article 149:

the rights and obligations arising from marriage and the authority of the husband shall not be diminished and shall remain the same with in one or two "Return-divorce" until the completion of divorce period.

Article 150:

Leaving the return pending for a future time or for some condition is not permitted. the presence of witnesses shall be a condition for the validity of the return.

Article 151:

The marriage bond in return-divorce shall be cut and the right of the husband to return shall be abrogated upon the third menstruation.

Article 152:

The Minor Distict -divorce shall dissolve the marriage contract and shall abrogate all rights and obligations of marriage. Once it happens it shall abolish the authority of the husband and all the conjugal bonds with the exception of divorce period.

Article 153:

1. The Minor Distinct-Divorce shall not prevent the divorcee to enter into marriage with the husband.

2. The husband can either marry the minor-distinct-divorcee during her divorce period or can newly enter into marriage with her provided the marriage takes place with the consent of the woman and with the conclusion of a new marriage contract and a new marriage -portion.

Article 154:

If the divorcee gets married to another person she can marry the first husband after copulation with the second husband. In this case the previous divorces shall be null and void and the husband shall again acquire the authority of three divorces.

Article 155:

If the husband grants his wife distinct-divorce while he is fatally sick, this divorce shall not block the right to inheritance of the wife whose divorce period is not terminated prior to the death of the husband, provided the divorcee is not deprived of the right to inheritance due to other reasons from the time of the divorce upto the time of the death of the husband.

Sub-topic Four

Deposal

Article 156:

1. Deposal is the dissolution of the marriage contract in return to the property that the wife may offer to the husband.

Deposal shall take place either by clear words or by other words which may impart the meaning of deposal.

Article 157:

Deposal shall truly take place when the husband has the authority to grant divorce.

Article 158:

The property which is accepted as the marriage-portion shall also be accepted as substitute for deposal.

Article 159:

The deposal of the wife who lacks legal capacity shall not be permissible. However, she shall not be forced to pay the substitute for deposal.

Article 160:

Deposal shall be considered as distinct-divorce and shall not be subject to the verdict of the court.

Article 161:

Either of the spouses may return prior to the acceptance of the other.

Article 162:

If deposit takes place in return to a definite property other than the marriage-portion, the wife shall be bound to pay it. Any other claim arising from the marriage rights such as marriage-portion or alimony left unpaid from the past shall not be heard at the time of deposit.

Article 163:

Where deposit takes place in return to the whole marriage-portion, and if the wife has received all or part of the marriage-portion, she shall be obliged to return the part she has received. Otherwise, marriage-portion shall be repealed, whether deposit takes place before or after copulation.

Article 164:

Where the substitute is not determined at the time of deposit, all marriage obligations shall be considered fulfilled by the husband and wife. The husband cannot revoke what his wife has received, neither can the wife demand what is left on husband.

Article 165:

Where the substitute for deposal has been negated during deposal, distinct - Divorce shall take place and this shall cause the conjugal rights of the spouses to be abolished.

Article 166:

If the wife receives illegally the substitute for deposal, and if the marriage is incomplete, deposal shall not be valid and the wife may also return the substitute to the husband.

Article 167:

Where the substitute for deposal is destroyed before its delivery to the husband, or it is taken away by reason of title, the wife shall be bound to return the like or pay its cost.

Article 168:

In deposal, the alimony for divorce period shall not be abolished unless the spouses at the moment of deposal would have clearly agreed to its abolishment.

Article 169:

Where the fosterage or custody charges of the child for the fosterage period, including alimony for a definite period, has been accepted by the deposed wife, she shall be bound to fulfill her obligations.

Article 170:

Where the wife, due to any reason including marriage to another person, escape, her own death, and the death of her child, do not completely discharge her obligations for fostering and protection of the child, the husband can demand the remaining money paid for the fosterage period, and the alimony left unless it is agreed during the desposal, that with the death of the child or the wife the charges would not be demanded.

Article 171:

Where prior to the birth, the fosterage charges of the baby are determined for desposal period and later it is proved that there has been no conception or there has been abortion or that the child dies prior to the completion of two-years fosterage period, the husband can demand the fosterage charges for the whole or the remaining part of the fosterage period.

Article 172:

The wife can fix the child-care period up to the age of majority provided the child born during desposal is a girl. If the wife during this period marries another person, the father of the girl can take his baby from the wife and can demand the equivalent charges of the care-period or the remaining period even though it

might have already been agreed that the child would remain with the mother.

Article 173:

- I. Where at the time of deposal, the deposal is subjected to a condition that the infant would be left with the husband during the fosterage period, the deposal contract shall be binding and the condition shall be null and void. The wife may keep the infant with her until the completion of fosterage period, provided this right may have not been repealed by some other reason.
2. The charges for fosterage and maintenance of the child shall be borne by the father when the child is poor.

Article 174:

the husband cannot exchange the expenses he has to pay for the care and protection of the child with the money his wife may owe him. If the expenses of the child for the deposal period are determined but the wife is unable to meet them, the husband shall be obliged to pay for the maintenance of the child. If the wife becomes well-off, the husband can demand the charges he had paid.

Article 175:

1. Where the wife is deposed by the husband during a period of sickness, the deposal shall be binding and consequently the district divorce (Talaq-i-Bayen) shall take effect.

In case the wife dies during the divorce period, the husband shall be entitled to get the substitute for the deposal or one third of the patrimony left to her at the time of her death, whichever is lesser. If she dies after the completion of the divorce period, the husband shall be entitled to less than the substitute or less than one third of the patrimony.

2. Where the wife recovers from the illness, the husband shall be entitled to the whole substitute for the deposal.

Sub-topic Five

SeparationFirst part - Separation due to a defectArticle 176:

The wife can demand separation when the husband is a victim of a disease whose recovery is impossible or requires a long time to get cured and when intercourse with him is completely harmful.

Article 177:

Where the wife was aware of the defect, mentioned in Article (176) of this law, during the marriage or prior to it, or where she expressed her consent, clearly or implicitly, to the possible occurrence of the defect after the conclusion of the marriage contract, she may not demand separation.

Article 178:

In determining the defect, mentioned in Article (176) of this law, use shall be made of the opinions of the experts.

Article 179:

If the defect (disease) is such that recovery would be impossible, the court shall pass a verdict on the separation of the couple without delay. If the disease is recoverable but long time would take to treat it, the court shall postpone the demand for separation for a period of not more than one year.

Article 180:

Separation due to defect, shall be considered distinct-divorce (Talaq-i-Bayen)

Article 181:

Separation arising from defect may not be permanent. The spouses can remarry each other after the defect is eliminated, whether during divorce period or after that.

Article 182:

If one of the spouses, separated due to any defect, dies, the other shall not be entitled to inheritance.

Part - Separation due to harm

Article 183:

Where the wife receives any harm from intercourse with the husband, and if this makes the continuation of intercourse between the couple impossible, she can demand from the court to grant her an order of separation.

Article 184:

1. If the harm claimed is not proved and the spouses do not get along well, the court shall order separation between them.
2. Separation is considered as a distinct -divorce (Talaq-i-Bayan)

Article 185:

If the harm claimed is not proved, and the wife insists on her claim, the court shall appoint two persons to act as mediators between the couple to solve their differences.

Article 186:

1. The mediators shall be just and one from the relatives of the husband and the other from the relatives of the wife. In the event when there are no relatives of the two sides, the mediators shall be appointed from those who would have sufficient information about the conducts of the couple and would be able to get the difference of the spouses resolved.

2. The mediator shall take oath in the court that he would discharge his duty justly and honestly.

Article 187:

Persons appointed as mediators shall find out the causes of differences between the spouses and then try to iron them out.

Article 188:

1. Where the mediator does not succeed in reconciliation between the couple and the source of difference is the husband or the couple, or it is indeed not known, the court shall decide on separation between them.

2. If the wife is the source of difference, the mediator shall take decision on separation against the payment of all or part of marriage -portion.

Article 189:

1. If there appears difference of opinion between the persons acting as mediators, they shall be ordered by the court to review the case.

2. In case the difference continues, the court shall appoint other persons as mediators in accordance with article (186) of this law.

Article 190:

the mediators shall present their decisions to the court and the court shall issue its verdict accordingly.

Part 3 - Separation due to non-payment of alimony:

Article 191:

Where the husband refuses to pay the alimony when he apparently owns no property and his inability to pay the alimony cannot be proven, the wife can demand separation.

Article 192:

Where the husband proves his inability to pay the alimony, the court shall give him a suitable time, not more than three months, to pay the alimony. If he is still not able to pay the alimony, the court shall order separation between the spouses.

Article 193:

Separation between the couple, resulting from non-payment of alimony and ordered by the court, shall be considered as return-divorce, and the husband can return to his wife within the definite divorce period, provided the husband would prove his financial power and his willingness to pay the alimony.

Part 4, Separation due to absence:

Article 194:

If the husband becomes absent, without any reasonable excuse, for a period of three years or more, and in case the wife suffers a loss as a result of his absence, she can demand separation from the court even though the husband may own such property from which the wife can provide her maintenance.

Article 195:

1. In the event of the absence of husband, the court after hearing the demand for separation from the wife, shall announce, in writing, to the absent husband, and shall fix a time so that during which he should return to the family's house or ask his wife to come to his residence.

2. Where the absent husband continues with his absence without any reasonable excuse in spite of the court announcement, or where the announcement would be impossible to reach the husband, the court, in such cases, shall order separation between the couple.

Article 196:

If the husband is condemned to 10 years imprisonment or more by the order of the court, the wife can demand separation after a period of five years.

Article 197:

1. Separation due to absence is considered as return-divorce.

2. Where the absent husband returns to the family or where imprisoned husband is released, he may return to his wife prior to the expiration of the divorce period.

Topic 9

Manifestations of the dissolution of marriage

Sub-topic one

Haddat (Period)

Article 198:

Haddat is a definite period with the expiration of which all the conjugal bonds shall be eliminated.

Article 199:

1. No one is permitted to get married to a wife before she completes her divorce period.

2. Passage of divorce period shall become binding in the following cases:

1- When separation takes place between the spouses in complete or incomplete marriage after copulation or after complete privacy, or incomplete privacy or incomplete copulation in complete marriage, whether the separation is due to Return-divorce, Minor Dissinct-divorce or Major Dissinct-divorce.

2- When separation is due to cursing, deficiency of marriage-portion, option of maturity, or option of sobriety, or doubtful copulation.

Article 200:

Where the husband who is entered into complete marriage with the wife dies prior or after copulation, passage of divorce period shall become binding on the wife.

Article 201:

1. In divorce and all types of annulment occurring after complete marriage, the period in which the copulated but non-pregnant wife should wait before she marries another shall be three full menses.

2. Where divorce or separation occurs during menstrual period, the period shall not be counted in the divorce period.

Article 202:

In a divorce or annulment the divorce period of an infertile or the wed who has attained her majority age but is not menstruating shall be three full months.

Article 203:

Where a young wife of minor age and an infertile wife start their divorce period on monthly basis and then get menstruating before completion of three full menses their divorce period shall be three full menses.

Article 204:

The divorce period of a wife who is usually having

menstruation after long period of time shall be complete one year provided she is not menstruating during that period. In the event of menstruation in the first year the divorce period shall be completed with the completion of the second year provided she does not menstruate during the period.

2. If she undergoes menstruation in the second year, the divorce period shall be completed in the third year with discharge of blood or at the end of the third year even though no blood is seen.

Article 205:

The divorce period of the wife habitual to long menses and that who has forgotten her mensural cycle shall be complete seven months after the divorce or annulment.

Article 206:

The divorce period of a pregnant divorcee shall be completed with the delivery of the child, provided the formation of the organs of the baby is noticed wholly or partially.

Article 207:

The period of a wife whose husband dies shall be four months and ten days unless she is pregnant. In case of pregnancy the provision of Article 206 of this law shall be applied.

Article 208:

Where the husband dies prior to the completion of divorce period of his wife, the divorce period shall be null and the wife shall have to pass the death period of husband according to the provision of Article (207) of this law whether the divorce would occur during the health or during the fatal illness of the husband.

Article 209:

Where the husband during a fatal illness, grants his wife a distinct-divorce without her consent and then dies during the divorce period, the wife shall be entitled to inheritance and shall have to complete either the divorce period or the death period, whichever is longer.

Article 210:

When the husband remarries his divorced wife during Minor Distinct -divorce period, and then divorces her again, the wife shall be entitled to full marriage-Portion and shall have to complete the new divorce period even though the divorce might have occurred prior to copulation.

Article 210:

The period shall start right after divorce, death of the husband, annulment, separation or abandonment.

Second Sub-topic

Alimony of the Period

Article 212:

Any kind of separations by the husband, whether divorce and/or annulment, shall not cause the alimony of the period to be abolished although the husband might not have any fault. The husband shall be responsible to pay the alimony of the following wives who are passing through their periods:

1. When she is granted return-divorce, minor-distinct-divorce or major -distinct -divorce, whether the divorcee is pregnant or not.
2. When she is deposed by reason of cursing, or deposal unless she has given up her right to alimony.
3. When her separation takes place by reason of her husband's refusal to accept Islam.
4. When her husband nullifies the marriage contract by reason of option of maturity, and option of sobriety.
5. When her separation is caused by reason of her husband's apostasy or by reason of commitment of any action which causes marriage prohibition.

Article 213:

The alimony of a divorcee who has nullified the marriage

contract by reason of option of maturity, deficiency of marriage-portion or defectiveness of the husband, shall not be abolished provided the divorcee should not have any fault in the above cases.

Article 214:

Any separation caused by reason of the fault or demand of the wife, shall not cause the alimony to be abolished. In the above case the divorcee shall not be entitled to alimony even though the reason for separation may be eliminated prior to the completion of the period.

Article 215:

In the event of the death of husband, the wife shall not be entitled to alimony, regardless of being pregnant or not.

Article 216:

When the alimony of wife is not fixed and she does not demand it until the end of the divorce period, the alimony of the period shall be abolished.

Topic 10

Children's Rights

Subtopic 1

Parentage

Part I :

proof of Parentage in complete marriage:

Article 217:

The minimum period of child delivery is six months and the maximum period is one year.

Article 218:

Any child born as a result of a marriage belongs to the husband provided that the least period of pregnancy during the marriage contract expires and that intercourse and full privacy between the parties are proved.

Article 219:

Where the wife delivers the child before the expiration of the minimum period of pregnancy since the marriage, the child shall not be attributed to the husband unless the husband claim that the offspring is born not out of adultery and that the child is of him.

Part 2- Proof of Parentage after separation and/or
husband's Death

Article 220:

If a divorcee or a widow gives birth to a child after more than one year since her divorce or the death of her husband, her claim for attributing the child to the husband shall not be heard unless the husband after granting divorce, or the heirs of the husband after his death, claim the parentage.

Article 221:

If the divorcee or the widow confesses to the completion of the period after the death of husband, the lineage of the child to the husband shall be proved when the child delivery takes place in a period of less than six months since her confession and/or less than one year since the divorce or the death of the husband.

Part 3- Proof of parentage in spoiled marriage and
doubtful copulation

Article 222:

1. The child born in a ^{incomplete} marriage shall be attributed to the husband when he/she is born at least six months after the date of copulation.

2. In the event of abandonment or separation the

child shall be attributed to the husband when he/she is born after a maximum period of one year since the separation.

Article 223:

In case the parentage of the child, born either in complete marriage or doubtful coition, is proved, the established parental obligations such as payment of alimony, inheritance, and the like shall also be proved thereto.

Part 4- parentage acknowledgment

Article 224:

Parentage is proved through admission by a confessor even he is fatally sick, under the following terms:

1. When the confessor is in such an age by which the child could be attributed to him.
2. When the child has no known parentage.
3. When the child certifies the claim made by the claimant.

Article 225:

Parentage through acknowledgment of the wife or divorcee shall be proved when the husband certifies the confession of the wife and when positive reason has been advanced by the wife.

Article 226:

The parentage of a person whose lineage is unknown shall be proved under the following terms by his own acknowledgment:

1. The confessor should be in such an age by which he could be considered the offspring of the one he acknowledges to be his father.

2. The confession made should be certified by the other party. In this case the rights and obligations of both parties shall be proved.

Article 227:

Profession to the parentage lineage of other person shall not have any effect unless it is certified.

Article 228:

When the lineage of a person is known but he has been adopted as a foster son, he shall not be subject to rights and obligations such as maintenance and fosterage charges, inheritance, prohibition of marriage with relatives of adopter and with divorcee.

2nd Subtopic- Fosterage

Article 229:

Child fosterage charges shall be paid by the person responsible for the child support benefit. This fee shall be paid for feeding the child.

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Article 230:

The mother shall be entitled to fostering the infant as long as she is in the bond of marriage with her husband or in the return-divorce period.

Article 231:

If the mother gives her milk to the child during the Distinct -divorce period or after the completion of the period, she shall be entitled to fosterage charges.

Article 232:

Mother shall not be entitled to receive fosterage charges for more than two years.

Article 233:

If another woman is prepared to foster the child with no charges or less than charges demanded by the mother, the mother shall not be entitled to get fosterage charges.

Article 234:

The charges fixed for fostering the child shall not be cut by reason of the death of the child's father and shall be paid, as other dues, from the patrimony of the deceased.

Subtopic three

Child Care

Article 236:

1. Child care is the protection and raising of a child during a period when he/she is in need of a woman's protection and care.

2. Child care is the right of those who are entitled by this law.

Article 237:

The mother shall have the priority right to the protection and care of the child during marriage and separation provided she should have qualifications required for child care.

Article 238:

The woman who takes care of the child should be wise, mature and honest so that there would be no fear of the loss of the child. She should have the ability to protect and take care of the child.

Article 239:

Women, who shall have the right to care of the child, are in the following order:

- 1- Mother, grandmother and great grand mother
- 2- Father's mother
- 3- Sister
- 4- half-sister (from the same mother but different father)
- 5- half-sister (from the same father but different mother)
- 6- Nephew
- 7- daughter of half-sister
- 8- Niece
- 9- aunt (sister of mother)
- 10-half aunt (of the same mother and different father)
- 11-half aunt (of the same father and different mother)
- 12-Father's aunt (sister of the mother of the father)
- 13-Father's half aunt
- 14-Father's half aunt (of the same father and different mother)
- 15-Mother's aunt
- 16-Father's aunt

Article 240:

Where the persons described in Article (239) of this law are not present or lack the qualifications required for child care, the right to child care shall be transferred to the relatives of the father of the child in order of inheritance they are entitled to.

Article 241:

Where the persons described under Articles (239) and (240) of this law are not present or lack the qualifications required for child care, the child shall be given to the care of the closest relatives of the following persons in order of the degree of relationship:

- 1- Mother's father
- 2- Half brother
- 3- Half brother's son
- 4- Half uncle (of the same mother and different father)
- 5- Uncle (Mother's brother)
- 6- Half uncle (of the same father and different mother)
- 7- Half uncle (of the same mother and different father)

Cousins (daughters of uncle and aunt), niece, in case the child is a boy, and likewise the uncle's son, aunt's son, the son of uncle (son of the brother of mother), son of the brother of mother, and son of the sister or mother, in case the infant is a girl, shall not have the right to child care.

Article 242:

Where more than one person has the right to the care of the child, the court may select any of the two who is more in the interest of the child.

Article 243:

Where the right to child care is abolished by a legal reason, it shall be restored when the reason is eliminated.

Article 244:

The child care charges are different from the fosterage charges and alimony, and the child's father is bound to pay them. Where the child owns personal property, the charges of child care shall be paid from the child's property unless the father would pay them by charity.

Article 245:

1. Where the mother of the child is in the marriage of the husband or where she is in the return-divorce period, she shall not be entitled to child care charges.

2. Where she is in the distinct-divorce period or where she has got married to a relative of the child or where she is passing the divorce-period of the second husband, she shall be obliged to pay the child care charges.

Article 246:

Where the person who is bound to pay the child care charges is poor and one of the close relatives takes care of the child by charity, the care taker of the child has the option to either take care of the child free of charge or leave the child to the care of the donor of charity.

Article 247:

Where the person responsible for paying the child care charges is a solvent and where the child also owns personal property, the child shall be delivered to the mother against charges which is accustomed in the locality, even though the charges are paid from the property of the minor.

Article 248:

Where the wife does not cohabit with her husband and where the age of the child is more than five years, the court may give the child to the care of one of the spouses who is more in the interest of the child.

Article 249:

The care period of a male child shall be ended when he attains the age of seven, and the care period of a female child shall be ended when she reaches the age of nine.

Article 250:

The court can extend the fosterage period of the child described in Article (249) of this law provided the extension period does not exceed two years.

Article 251:

Where it is proved that the person taking care of the child is not in the interest of the child even though he may be the father of the child, the court can give the child to the care of the second person who is entitled to the

care of the child.

Article 252:

As long as the mother is in the bond of marriage with her husband, she cannot take the child on Journey without the permission of the father.

Article 253:

The care taker other than mother may not take the infant along with herself on a journey.

Article 254:

The father of the child may not take the child with him on a journey without the permission of the care taker.

Article 255:

A woman who has no husband and cannot make her living, shall be maintained by a near relative, to whom her marriage is legally forbidden, until she lives in his residence.

Sub-topic Four

(Maintenance)

Part One

Children's Maintenance

Article 256:

The father shall provide maintenance to the minor son until

he acquires the power to work and to the minor daughter until she gets married

Article 257:

The father shall be bound to pay for the maintenance of his son who is attaining majority age but is poor and has not ability to work. He shall also provide for the maintenance of his daughter, who has attained the age of majority but is poor, until she gets married.

Article 258:

1. The maintenance of a son or daughter, who are employed, shall be provided from their own earnings, and in case their earnings do not suffice their living expenses the remaining part shall be borne by the father.

2. If the employment income of the children is more than their living expenses, the surplus shall be saved by their father and shall be returned to them after they reach the legal age

Article 259:

Where the father is not able to pay for the maintenance of his children, and if he is not able to work, the responsibility for providing maintenance to the children shall be transferred to the guardian next to the father.

Article 260:

Where the father is insolvent but not unable to work, his responsibility for providing maintenance to his children shall not be discharged. In such case, the guardian next to the father shall be bound to pay for the expenses, and he shall demand the charges at the time of father's opulence.

Article 261:

If a child has lost his father and has no specified property, and where his/her relatives would include ascendants and branches, his/her expenses shall be borne as follows:

1. If there are ascendants and branches who would be entitled to become the heirs of the child, the ascendants shall pay the expenses of the child.

2. In case the ascendants and branches of the child are jointly the heirs of the child, the expenses shall be shared in proportion to their inheritance shares.

Article 262:

Father shall not be responsible for providing maintenance to his daughter-in-law unless he has promised to do so. In this case the father shall demand the charges from the son during his opulence.

Article 263:

The spouses can make compromise as to the payment for maintenance of their children. Where the compromise results in a decision to pay a sum less than required, the father shall be bound to pay it and in case the compromise ends up with an agreement to pay a sum larger than the required maintenance and the difference is large, the father shall not be made obliged to pay the excess.

Part Two

Parents' and relatives' maintenance

Article 264:

Maintenance of the poor parents, grandfather, and other ascendants, whether or not able to work, shall be provided by the opulent offspring, whether he is a son or a daughter of minority or majority age.

Article 265:

The maintenance of a poor person, who cannot work by reason of physical, mental or nervous diseases, shall be provided by the opulent relatives in proportion to the shares of patrimony they get.

Article 266:

With the exception of the maintenance of ancestors and

descendants, the right to get maintenance shall be abrogated when there is a difference of religion.

Article 267:

Provision of maintenance for relatives shall be binding from the date it is demanded.

Part 5

Administration of property

Article 268:

1. The guardianship of the property of the children of defective capacity shall, in the first place, rest with the father and in the second place with the grandfather provided no executor of will has been appointed by the father.

2. In this case the guardian and the executor of will cannot withdraw, without the permission of the authoritative court, from taking care of the property of the children.

Article 269:

The guardian can make use of the rights to guardianship when he is fully qualified to use the same rights in respect of his own property.

Article 270:

For the purpose of administering and taking care of the property of persons who are under his guardianship the guardian can bring changes in the conditions of the property according to the provisions of this law.

Article 271:

When some property is offered as a charity to persons of defective capacity with a condition that the property would not be placed under the guardianship of the guardian such property shall be excluded from the guardianship of the guardian.

Article 272:

The guardian cannot offer as charity the property of those who are under his guardianship without the permission of the competent court.

Article 273:

1. The guardian, without the permission of the court, may not make any deal with the real estate of the persons under his guardianship which would result in his own benefit, the benefit of his wife or his relatives.

2. Similarly the guardian may not lease the real estate of the persons under his guardianship against the money he is liable to pay.

Article 274:

Without the authorization of the authoritative court, father cannot make any deal, with the real estate, business firm and valuable financial documents, costing more than twenty thousand Afghanis, of the persons under his guardianship. In such cases the court shall refrain from issuing a verdict to permit the dealing when it thinks that the dealing of the father with the property of the persons under his guardianship will cause a loss of more than one fifth of the price of the property.

Article 275:

If the testator or a person of defective capacity has issued his will to the effect that no dealing should be made by the guardian in the property inherited, the guardian may not make any deal without the permission of the authoritative court.

Article 276:

The guardian may not make the following dealings in the property of persons under his guardianship without the permission of the competent court.

1. Giving loan and taking loan
2. Leasing for a period which would exceed the majority age of the heir.
3. Continuing with a business which would belong to

person of defective capacity.

4. Acceptance of a gift or a will which would be encumbered with definite commitments.

Article 277:

1. If the minor child attains the age of sixteen, the guardian may, with the permission of the authoritative court, place some amount at his disposal for business.

2. The permissions given for carrying on business, whether absolute or conditional, shall not be withheld on the death or dismissal of the guardian.

Article 278:

Deals made by a permitted minor child in his property to the extent authorized by the authoritative court, shall be deemed as dealings made by a person who has reached the majority age.

Article 279:

The father may conclude a contract with another person in the name of his ward by his own account unless otherwise provided by the law.

Article 280:

The grandfather may not, without the permission of the competent court, make any dealings or loss-laden compromise

in the property of the person under his guardianship. He cannot waive the securities of his ward's property nor can he cut them short.

Article 281:

The guardian is bound to prepare a complete list of the properties belonging to the person under his guardianship in two months beginning from the start of his guardianship or the time when the person under guardianship has become the owner of the property. He is bound to submit the list to the respective office of the competent court.

Article 282:

The guardian may provide his own maintenance and that of another person from the property of the person under his guardianship provided their maintenance is allowed by the law to be provided from the ward's property.

Article 283:

Where the person under guardianship attains the age of sixteen, the guardianship of the guardian shall end unless the authoritative court would decide to be continued by one or another reason.

Article 284:

Where any loss is incurred to the property of the ward

by reason of mal-management, the court may cease the guardianship of the guardian or limit his authority.

Article 285:

Where the guardian is deemed absent or condemned to more than one year imprisonment, court shall decide on the suspension of the guardianship.

Article 286:

Where the guardianship of the guardian is ceased, limited or suspended according to the articles (284) and (285) of this law, the right to the guardianship shall be restored by the decision of the court after the causes are eliminated.

Article 287:

Father shall be responsible for the damages incurred to the property of the person under guardianship as a result of his gross default. In this case the responsibility of grandfather shall be the same as that of the executor of will.

Article 288:

The guardian or his heir shall be obliged to hand over the property of the ward when he attains the majority age. In case guardian takes possession of the property,

he shall be bound to pay the cost of it according to the prevailing market price.

part 2nd

Testament

First- Appointment of Executor

Article 289:

The executor shall be a just and qualified man with complete competence and should have the same religion as that of the person under his executorship.

Article 290:

The following persons shall not be appointed as executor:

1. a person who has been sentenced, by the verdict of the court, for committing a crime violating the standards of public decency.
2. a person who has bad reputation or has no legal source of income for his living.
3. a person who has been declared bankrupt by the decision of the court and his status has not been restored.

4. a person who has already been dismissed by the order of the court from the guardianship or executorship of another person.
5. a person who has been deprived, in writing, of the right to executorship by his father or grandfather.
6. a person who or one of his ascendants and descendants, or his wife, has a judicial dispute with a person of defective capacity, or when there is such a family dispute that it would undermine the interest of the person of defective capacity.

Second - Optional

Executor of will

Article 231:

1. Father can appoint an executor for the children of defective capacity or for the unborn baby. Similarly, the donor of charity can adopt an executor under the provision provided in Article (271) of this law.
2. The appointment of executor in such cases shall take place through official or conventional testament letter signed and written by the father or the donor of charity, or when their signatures and thumbprints have been certified on such documents.

Article 292:

Father and the donor of charity can revoke their decision in respect of the appointment of executor.

Article 293:

Person who has accepted the executorship during the life of testator cannot give it up unless he has already made it conditional to his own will.

Article 294:

The executorship may be turned down during the life of the testator, and this should be brought to his notice.

Article 295:

Person who has turned down the executorship in accordance with the provisions of Article 294 of this law, may not accept it after the death of the testator.

Article 296:

The authority of executor of will shall be in force when it is confirmed by the authoritative court.

Third Part

Judicial executor

Article 297:
When there is no judicial executor for the person defective of capacity, or for unborn baby, the court shall appoint an executor. The executorship for the unborn baby shall also be binding after his delivery, unless the court appoints a new executor.

Article 298:
1. The court can appoint, when necessary, more than one executor for the person defective of capacity. In the event of multiplicity of executor, the executors may make any deal individually with the property of the person under their executorship unless such dealing is completely in the interest of the person of defective capacity.

2. Where there arises any difference of opinion between the executors, any decision which may be taken by the court shall be binding.

Article 292:

The court shall appoint a special and temporary executor under the following cases:

1. When the interest of the person of defective capacity clashes with the interest of the executor, his wife, or one of his ascendants or descendants.
2. Where a property is given in charity to the person of defective capacity with a condition that the property would not be placed under the guardianship of the guardian.
3. Where testament requires such special qualification that the permanent executor is lacking.

Article 300:

The court shall appoint temporary executor in the following cases:

1. Where the court puts an end to the guardianship of the guardian, and where person of defective capacity has no other guardian.
2. Where executorship has been halted on the request of the executor himself.
3. Where temporary factors prevent the administration of executorship.

Article 301:

The court may appoint an executor for the settlement of

the claims of person of defective capacity, even though he may not own any property.

Article 302:

In all cases where the executor is authorized to administer executorship, he can appoint another person to act as his deputy. The deputy shall be deemed dismissed upon the death of the executor or person who is under his executorship.

Article 303:

The duties of persons appointed as executors as mentioned in Article (299,300 and 301) of this law shall end when the objective of executorship is achieved and /or when the time set for executorship expires.

Part Four

Obligations of executor of will

Article 304:

Without the permission of the competent court the executor may not make the following dealings in respect of the property of person under his executorship:

1. Selling and buying, exchanging, partnership, mortgaging, lending or any other deals which may lead to

transfer of ownership or proof of right of acquisition of property.

2. Transferring the debt of person of defective capacity to another, and accepting the transfer of other debt to the person of defective competence.

3. Placing the property at the disposal of other for the purpose of making profit, and clearing the respective accounts, and borrowing in the name of the person of defective capacity.

4. Leasing of the real estate of person of defective capacity for a period of over three years when it is agricultural land, and for a period of one year when it is a building.

5. Leasing of the immovables of person of defective capacity for a period of more than one year after attaining the age of majority.

6. Accepting or rejecting of charitables stipulated by some condition.

7. Providing maintenance for persons whom a person of defective capacity is responsible for unless the maintenance is proved by order of the court.

8. Compromise and arbitration

9. Fulfilling the commitments of the heirs or person of defective capacity unless a decisive order of the court is issued in this connection.

10. Filing claims unless a damage to the rights of
of defective capacity is envisaged by delaying
claims.

11. Forfeiting the right to appeal or accepting
verdicts of the court which would be subject to
objections, or giving up such objections after
they are raised, and raising extra-ordinary objections
against verdicts of the court.

12. Waiver of securities or allowing them to be
lost which would result in any loss for the person
of defective competence.

13. Leasing the property of person of defective
capacity to himself, his wife or one of their relatives or
to a person of whom the executor is a procurator.

14. Paying the marriage expenses of the person of
defective capacity.

15. Paying the educational expenses or payment of
such expenses required for the person of defective cap-
acity to perform a definite task.

Article 305:

1. Executor shall be bound to deposit all the cash
income of the person under his executorship, after
deducting the living and other expenses determined by
the court, in his name at the saving account of the court

or the bank indicated by the court.

2. Likewise, the executor shall also deposit all the valuables including bonds and securities, jewellery, and the like, according to the decision of the court. This shall be done by the executor in 15 days after he receives the said income and valuables.

3. Without the permission of the court, the executor may not take out anything he has deposited in the bank.

Article 306:

The executor shall be bound to bring to the notice of the court all the claims made against the person of defective capacity plus the respective measures adopted and to follow the orders issued by the court.

Article 307:

The executor shall be bound to present to the court the annual financial statement together with the respective documents, before the start of the new year.

Article 308:

Where the property of the person under executorship is not more than ten thousand Afghanis, the court may excuse the executor from preparing financial statements and presenting it to the court.

Article 309:

When a replacement is appointed, the executor shall be required to present the financial statement of the property under his executorship to the court in 30 days after the termination of the date of executorship.

Article 310:

Termination of executorship shall be without any fees. The court may exceptionally order payment of fee or award for a definite action on the demand of the executor. However, the payment of fee for the period prior to the demand shall in no way be permissible.

Termination of executorship

Article 311:

The duty of executor shall terminate in the following cases:

1. Where the person of defective capacity dies
2. Where the person of defective capacity attains the age of eighteen unless the person of defective capacity is mentally retarded or is insane upon reaching the said age.
3. Where the guardianship of the guardian is renewed
4. Where the duty of the executor who has been appointed to perform a special task has ended.

5. Where the executor is dismissed or his resignation is accepted.

6. Where the executor is legally incompetent, absent or dies.

Article 312:

The executor shall be dismissed in the following cases:

1. Where there emerges any factor which would disqualify him for executorship as provided in Articles (289-290) of this law.

2. Where he mishandles or abuses the property of the person of defective capacity or when his interest is endangered.

Article 313:

The executor shall be bound to return the property and goods under his executorship together with the financial statement and the respective documents to the locum tenens or to the person of defective capacity attaining the age of majority, and in the event of his death, to his heirs and then to inform the court of the return of the property and goods along with the financial statement of goods returned.

Article 314:

Where the executor dies or is condemned by the court or

deemed absent, the heir or locum tenens shall be bound to return the goods and present the financial statement.

Article 315:

The court can permit, on the request of the executor, the delivery of all or part of the property and goods, placed under guardianship, to person of defective capacity who attaining the age of sixteen. Where the request is rejected, the executor may not renew his request prior to the lapse of one year since the issuance of verdict by the court.

Article 316:

The pledge or acquittal of person of defective capacity, attaining the age of majority, to the benefit of the executor shall be valid when he has already prepared and presented the final financial statement of the property.

Article 317:

1. Person of defective capacity permitted to take the administration of his property, shall be bound to present annually the financial statement of the property to the respective court.
2. The court can also order to deposit the annual net income of the person at the account of the court or others.

In this case the person permitted to administer the property cannot make use of the income without the permission of the court.

Article 318:

Where a person permitted to administer the property acts contrary to the provisions of Article (317) of this law or abuses his discretion to administer the property, or when there arise such circumstances in which his administration would result in a loss of the property under his administration, the court may, by its own discretion or on the demand of the attorney or one of the interested persons, limit or cancel, after hearing his arguments, the permission already granted to him.

Part Three

Denial

Article 319:

1. Person reaching the age of puberty shall be denied the right to administer property by reasons of insanity, mental retardation, idiocy, and the denial shall continue until the court decides to put an end to denial.

2. The court shall appoint an administrator for the administration of the property of person denied the right to exercise administration.

Article 320:

The expenses required for administering the property, shall have priority over other expenses.

Article 321:

1. Where the court has condemned a person to denial of his right to exercise the administration of the properties, by reason of idiocy or negligence, it may permit him to administer a part of the property.

2. In the above case, the provisions of law relating to the person of defective capacity, who is permitted to administer the property, shall be applied.

Article 322:

The provisions of Articles (289) and (290) of this law with regard to the administrator shall be valid and other provisions pertaining to the executor shall also be applied to the administrator.

Part Four

Absent and Missing

Article 323:

Where person of legal capacity is absent for a period of one year or more, and consequently, his interests are affected, the court shall appoint a deputy for him under

the following cases:

1. When he is missing or when it is not known when he is dead or alive.

2. When his domicile outside Afghanistan is not known, and the administration of the respective affairs or supervision over the activities of the lucdm tenes impossible by the absentee.

Article 324:

Where the absentee has already appointed a deputy for himself and where the deputy has all the qualifications required for executorship, the court shall either confirm the deputation, or appoint another person as a deputy.

Article 325:

All provisions of law relating to executor shall be applicable to the deputy of the absentee.

Article 326:

1. Where a person is missing for a period of more than four years, and is believed to be dead, he will be deemed dead by order of the court and in other cases the ascertainment of the period in which the missing person would be considered dead shall be entrusted to the court.

2. The court shall make use of various means in finding out whether the missing person is dead or alive.

Article 327:

When the missing person is declared dead according to the provisions of Article (326) of this law, his wife is bound to pass her divorce period and all patrimony of absentee shall be distributed among his heirs, upon the declaration of his death.

Article 328:

The state of absence shall terminate at a time when its causes are eliminated or when the absentee dies or is considered dead by the order of the competent court.

Part Fifth

Judicial Favour

Article 329:

Where a person is deaf and dumb or blind and deaf or blind and dumb, and cannot properly express his will, the court in such cases may appoint a judicial counsellor to help the person in handling the affairs described in Article (304) of this law.

Article 330:

The provisions of Article (303) of this law shall be applied to the judicial counsellor.

Part Six

Supervision

Article 331:

1. For the purpose of supervising the activities of the executor, guardian and deputy of the absentee, the court may appoint a person as supervisor. The supervisor shall be bound to inform the court or the respective attorney of the current affairs if he thinks it is expedient.

2. The deputy shall be bound to answer the question which may be asked by the supervisor in respect of the administration of property.

3. Where no deputy or advocate is present, the supervisor may ask the respective court to appoint a new deputy or advocate.

4. Until the appointment of the deputy or the advocate, the supervisor shall embark on administering those affairs whose delay might result in any loss.

Article 332:

The provisions relating to the deputy shall be applicable to the appointment, dismissal, resignation, fees and responsibility of supervisor.

Article 333:

When the causes of supervision are eliminated, the court will put an end to the duty of the supervisor.

Part Seventh

Sanctions

Article 334:

1. Where the executor commits a fault in performing the duties assigned to him according to the provisions of the law, or neglects the execution of decisions issued by the court, the court may condemn him to a fine not exceeding ten thousand afghanis or deprive him of all or part of his fees, or dismiss him, with due consideration of the sentences anticipated by the Penal Law.

2. Where the executor compensates his negligence in performing the duties assigned to him, without inflicting any loss to the person of defective capacity, or where he presents a satisfactory excuse to the court, the court may order his acquittal or commute the sentence given to him under the provision of this article.

Article 335:

Where the deputy does not perform properly the duties he is bound to perform and where a loss is consequently

inflicted on the person of defective capacity, the responsibility of the deputy for compensating the loss shall be subject to the dimension of the responsibility of the paid advocate.

Section two

Legal persons

Topic I

General Provisions

Article 337:

Legal person is the one who has legal capacity and may be in the form of institute, company or society by reason of having definite objectives.

Article 338:

Legal person is of two kinds:

1. public legal person which consists of state organs, other respective departments, and public institutions.

2. Special legal person which arises from the will of special individuals and emerges in the form of societies, foundations, agencies, civil or commercial firms and the like unless the law has made these personalities common.

Article 339:

Group of persons having the qualifications required
legal person shall be deemed by law as legal person.

Article 340:

Every legal person shall have a principal who will represent
of the legal person.

Article 341:

Every legal person shall be entitled to all rights determined
law except the rights which are confined to the real

Article 342:

I- Every legal person shall have the following character-

1. independent financial rights and duties
2. legal capacity which is limited by its constitution
and is permitted by the law.
3. the right to file a claim and the right to
object to the claim made
4. independent residence in which the headquarters
would be located.

II- Companies whose original headquarters are outside
the country but have been permitted to open branches in
Afghanistan according to law, shall have their offices in
Afghanistan in places where they carry out their activities
according to law.

Topic Two

Foundation (Endowment)

Article 343:

Foundation is to retain the exercise of the right of ownership of a property and to dedicate the profits accruing from it to charitable purposes.

Article 344:

Foundation has legal personality which is determined by its constitution (charter).

Article 345:

To handle the affairs of foundation, there exists a state department in the name of Auqaf which administers and supervises the income and expenditure of the Foundation in accordance with the conditions provided in its constitution, except special laws provides otherwise.

Article 346:

Foundation shall have independent financial rights and duties and shall be bound to meet the expenses spent in accordance with the conditions set in its constitution.

Article 347:

Recourse from donation and any change in the expenses and the required conditions, or exchange of the property endowed by the donar, shall have validity when they have been registered in the respective books.

Article 348:

Performances mentioned in Article (347) of this law shall be registered in special books opened in the Document Registration Office for this purpose.

Article 349:

Where the registrar finds any doubt in the validity of foundation documents, the issue shall be referred to the respective court for solution and taking decision.

Article 350:

Where endowment is not made in accordance with the provisions of this law, it would not be deemed valid.

Article 351:

Deprivation of the right to endowment or recourse from endowment shall take place in the respective court. In this case, persons intended to be deprived of the rights to endowment shall be notified so that they could advance their argument to the court.

Article 352:

Where the endowment deed contains a possession which is legally forbidden or invalid or the donar lacks legal capacity, the Documents Registration Office, in such cases, shall not proceed to register the endowment.

Article 353:

Where endowment is subject to a false condition, the endowment shall be correct and the condition shall be deemed null and void.

Article 354:

1. Endowment shall be permitted either permanently or temporarily.
2. Endowment for mosque or public institutions may not be made temporarily.
3. Special endowment is temporary and shall not be permitted for two generations of the donar.

Article 355:

Endowment is permitted for charity affairs when it is deemed, from the point of view of teachings of Islam and national interest, a welfare action.

Article 356:

1. Endowment of moveable and immovable property

is permitted.

2. Endowment of part of a jointly owned immovable property is not permitted unless it is definite and specified.

Article 357:

The bonds of companies carrying out permissible activities can be accepted as endowment.

Article 358:

The statements made by the endower about the property endowed shall be valid in letter as well as spirit.

Article 359:

1. Endower may not revoke all or part of the property he dedicated to the public, but may suggest terms, within the scope of the provisions of this law, for spending and consumption of what is endowed.

2. The endower cannot make any deals in the property and goods endowed to the mosque and public institutions.

Article 360:

Change may be clearly made in the terms of spendings of public endowment in accordance with the provisions of this law.

Article 361:

During registration the endower can, within the framework of the provisions of this law, make the endowment subject to the exercise of the following rights:

- 1- the right to endow and to deprive
- 2- the right to increase or decrease the endowment
- 3- the right to change
- 4- the right to exchange

Article 362:

The property given in exchange of an endowed property shall be registered in the respective books after the approval of Auqaf Department.

Article 363:

The confession of endower and others as to the lineage of a person, while there are evidences against the truth of profession, shall not have any effect upon those endowed with.

Subsistic One

Rights in endowments

Article 364:

Where the purpose of endowment to relatives is not specified, and the purposes for which the endowment should be utilized is not known, or where the proceeds from endowment exceed the need or the amount of circumspection, all or the remaining proceeds may be spent, with the permission of

the court, on children, parents and needy relatives of the endower.

Article 365:

1. The endower may not endow more than one third of his property to persons other than his heirs or to some of the heirs or to charitable purposes.

2. One third of the property of endower shall be calculated during his death in proportion to the person's property.

Article 366:

1. The endower may endow all his property to all his heirs.

2. Where the endower has no heir during his death, he can dedicate all his property to whatever welfare affairs he may want.

Article 367:

1. At the death of the endower, his children, husband or wife and parent shall be entitled to one-third of the property endowed provided their inheritance rights would not be repealed by any reason. Their rights shall be distributed according to the provisions of inheritance law; and in the event of their death, their rights shall be transferred to their heirs.

2. Where one of the deserving persons has already taken from the endower without any substitution a part of the property equal to his share, his right to the endowed property shall be repealed. Where he has taken some property less than what he is entitled to, he shall be entitled to the difference with due consideration to the provisions of Article (368) of this law.

Article 368:

The endower can deliver, at his life time, his said share in the endowment, to the descendants of the donor in accordance with the provisions of Article (367) of this law provided the descendants would be alive prior to the death of the endower.

Article 369:

The person who is entitled to the endowed property according to the provisions of Article (367) of this law, shall not be deprived of all or part of the endowed property he is entitled to, nor shall he be made subject to such coration which would deprive him of his right except according to the provisions of this law.

Article 370:

The murder which deprives the heirs of inheritance shall also deprive him of his right to the endowed property.

Article 371:

1. Where the endower deprives a person, who is lawfully established a right to the endowed property in accordance with the provisions of this law, of his right, the deprived shall be given his established share and the rest shall be distributed to persons not deprived in proportion to their shares.

2. The claim for established share shall be valid for one year after the death of endower.

Article 372:

Person entitled to endowed property shall not be permitted to waive his right nor shall he transfer all or part of the endowed property to somebody else.

Article 373:

Where the endower sets a condition which would be against the national interest, or the interest of the endowment or the deserving persons, the endowment he makes shall be valid but the condition set shall become null and void.

Article 374:

A building which is endowed for residing purposes, can be permitted to be used for profit-making or purposes other than residing. Similarly, the building endowed for profit-making other than residing purposes can be permitted to be used for residing purposes provided the court

would not order otherwise.

Article 375:

1. Where descendants are entitled to endowed property the father shall not allow the descendants of other than himself to receive any share in the property endowed. At the event of the death of the father, the title shall be transferred to his descendant.

2. Distribution of the income from endowments shall not be altered by elimination of a family stratum. In this case, shares of one stratum shall be transferred to another in accordance with the provisions of clause (1) of this article unless lack of change causes one of the deserving persons to be deprived of the endowed property.

Article 376:

1. Where the right to the endowment is established according to family stratum and where no entitled person exists in the first stratum, the right to endowed property shall be transferred to the next stratum in accordance with the provisions of this law.

2. Where in the first stratum an entitled person emerges later, his right shall be restored.

Sub-topic two

Distribution of endowment

Article 377:

1. The endower should fix and determine, in the endowment deed, the shares of those who are entitled to endowment. Where the share of the endower belongs to a number of persons entitled according to the conditions set by the endower, they can demand to have their shares determined.

2. Where the property endowed is not divisible and/or a total loss is envisaged in its division, the sale and distribution of its cost, proportion to the share of each person entitled, can be demanded.

Article 378:

The supervisor of public endowment can demand distribution of endowment and determination of the share of public endowment.

Article 379:

Division and distribution of property endowed shall take place on the basis of a petition presented to the court. What is divided or distributed shall not be cancelable.

Sub-chapter Three

Administration of Endowment

Article 330:

The endower shall appoint, in the endowment deed, a person as supervisor and operate the property endowed and shall divide the profits as those who have a right to the endowment in proportion to their shares indicated in the endowment deed. He shall also outline the authority of the supervisor and determine his replacement.

Article 331:

The supervisor shall not draw loan from the endowment without the permission of the court. Normal pledges for the administration of the endowment and running it shall be an exception.

Article 332:

Where the court divides the endowed property or where the shares of the entitled are already determined, each of the entitled shall be appointed by the court as supervisor of his own share provided he enjoys legal capacity.

Article 383:

provision of public endowments in the duty of the Mayor
(Public Works Department). This Department shall organize
and regulate the affairs of the endowed property according
to its constitution.

Article 384:

The court shall not appoint more than one supervisor for
administration of the property endowed unless there
should be any expediency in their plurality. In this case
the court shall determine the authority of each of the
supervisors and shall assign a part of the endowment to
each of them. Each supervisor shall be independent in
administering his own part.

Article 385:

Where one of the deserving persons has the competence to
superintend the endowment, no other person may be appointed
as supervisor. In case there exists a legally competent
person among those entitled to the endowed property, the
court shall declare the termination of the guardianship
of the supervisor previously appointed.

Article 386:

Supervisor shall be honest to the property endowed and
shall be considered as the deputy of those entitled to
the endowment.

Article 387:

The supervisor shall be bound to determine all expenses of the foundation in accordance with the procedures set by the court unless the prevailing custom would be against them.

Article 388:

1. Where a loss is inflicted to the property endowed or to its returns as a result of a major fault of the supervisor, he shall compensate it.

2. Where the loss incurred to the endowment is the result of a minor fault of the supervisor, he shall be responsible for compensation when he performs the duty of a supervisor against a fee.

Article 389:

1. Where any claim relating to the endowment accounts is raised in the court or the supervisor is made bound to present to the court the respective documents and where the supervisor could not present the accounts, based on documents, on due time or where he does not obey the order of the court to clear the accounts, the court shall condemn him to payment of fine not more than five thousand Afghanis.

2. Depriving the supervisor of all or part of supervision fee shall also be permissible.

Article 390:

Where the supervisor presents reasonable excuse for the delay of the accounts, the court can acquit him or commute his punishment in accordance with Article (389) of this law.

Article 391:

Where during handling the claims, relating to the endowment, there arises causes for the dismissal of the supervisor, the court may order his dismissal from supervision.

Article 392:

The court may appoint temporarily another person as supervisor until it issues order on the claim filed in respect of endowment.

Article 393:

The profession of a supervisor to the supervision of another person, shall not be valid.

Article 394:

With the permission of the court, the supervisor can deposit annually two percent of the income of the endowment for the purpose of meeting the expenses of the endowment, or can spend it according to the decision of the court.

Article 395:

Where the supervisor, or those entitled, do not consider useful the deposit of two percent of the income of endowment as provided by Article (394) of this law, they can ask the court to either amend it or cancel it.

Article 396:

Where for the construction and repair of the property of endowment greater amount of money is needed than the sum provided in Article (394) of this law, the supervisor shall ask the court to increase the above amount.

Article 397:

For the purpose of constructing and repairing of the endowment property, the court can sell a part of the property endowed as it thinks it necessary.

Sub-topic Four

Termination of endowment

Article 398:

The temporary endowment shall be terminated after the expiration of the period set or after the elimination of all to whom the endowment is made.

Article 399:

Each share of the endowment shall terminate with the passing away of one who is entitled to it even though it may happen prior to the completion of the set period of time or prior to the passing away of the deserving persons of the layer with whose elimination the endowment will terminate, provided that the endower did not clarify the transfer of the share of the endowment to the remaining persons entitled to the endowment shares. In this case, endowment shall terminate with the death of all the deserving persons of the mentioned layer or with the completion of the set period.

Article 400:

Where in the life time of the endower the endowment terminates in fixed shares, the ownership of the property endowed shall belong to the endower; otherwise it shall be transferred to those entitled. In case there is no one entitled, the ownership of the property endowed shall belong to those considered heirs during the death of the endower.

Article 401:

Where the endowment terminates in non-fixed shares, the ownership of the property endowed shall belong to the endower himself when he is alive; during his death it

shall be transferred to those considered his heirs. In case there is no heir, the ownership of the property endowed shall belong to the state.

Article 402:

1. Where the property endowed is destructed in such a way that its reconstruction or its transformation would not be possible or useful, the endowment shall be terminated.

2. Termination of endowment shall take place on the request of persons interested and the decision of the court. The ownership of the terminated endowment shall be transferred to the endower himself in his life time; otherwise it shall be transferred to one considered as being entitled at the time of termination.

Third- Topic

Associations

Article 403:

1. Association is a group of real and legal persons organized for a definite or indefinite period of time with the object to achieve charity, public welfare, scientific, literary and artistic objectives (not-profit-making) in accordance with the provision of this law.

2. Granting of permission for the establishment of associations mentioned in clause (1) of this Article, shall be made by state competent authorities. These authorities shall see that the activities of the associations are carried out in accordance with the laws, regulations and charters formulated.

Article 404:

Associations which act against the provisions of law, or public standards of decency or take actions contrary to the national interest and the targets for which they are established, shall be deemed null and repealed.

Article 405:

1. Association shall have a constitution which would organize its activities. The constitution shall be approved by its founding members.

2. The constitution of association shall include the following:

- 1- Title, policy, purpose of its establishment and the headquarters.
- 2- Complete indentities of its founding members
- 3- Capital of the association and the activities it carries out.
- 4- A board which would represent the association members, and their duties, and the

- procedure by which they are dismissed.
- 5- Rights and duties of the founding members.
 - 6- The way by which the property of the association is supervised.
 - 7- Methods for amending the constitution of the association, merger and division and the establishment of branches.
 - 8- Dissolution, liquidation of financial affairs of the association, and the source to which the property and goods shall be transferred after dissolution.

Article 406:

1. The members of association cannot include such points in the constitution of the association which would permit the transfer of goods to them, to their families or heirs upon dissolution of the association.

2. The bonds of cooperative associations, donation fund, exchange fund and pension fund shall be an exception.

Article 407:

Quitting the membership, whether intended by the person or the association, shall cause the member to be deprived of the property of the association unless otherwise is provided by the law.

Article 408:

Association own immovable property unless such ownership is considered necessary for the execution of the basic duties of the association. Educational and charity associations are exceptions.

Article 409:

The legal personality of an association shall be proved when the constitution of the association is drawn up according to the provisions of this law.

Article 410:

The proclamation of the constitution of the association shall be completed after the payment of due taxes, and registration of the association in the respective books and its print in the official gazette.

Article 411:

The competent authority shall proclaim the constitution of association in 60 days since it is requested. Otherwise, with the completion of 60 days the association shall be considered as being legally proclaimed. The competent authority on the request of people interested shall be bound to proclaim or reject the constitution of the association according to the provisions of this law.

Article 412:

The amendments made to the constitution of the association shall be binding after their announcement, with due consideration to Articles (409- 410- 411) of this law.

Article 413:

The association shall observe the following formalities:

1. Maintaining records and documents relating to the association at its headquarters.
2. Registering the name, father name, family name, age, No. of Identity Card, profession, and address of each member with his membership date, in the special books and the changes which may take place thereafter.
3. Registering the events and resolutions of the general assembly, and administrative meetings in the special books. Each member may be informed of the decisions taken.
4. Registering in detail the expenses, income, gifts and their sources in special books. The competent authority may be informed of the contents of the documents and the decisions of the meetings.
5. Foreigners can obtain in special cases the membership of the cultural associations upon the permission of the authority concerned.

Article 414:

1. Association shall be bound to deposit the cash of the association in the name of the association at a bank or other places upon the permission of the authority concerned.

2. Association shall inform the authority concerned of the change of address and the deposit made in a week commencing from the date when the change takes place.

Article 415:

Properties belonging to the association shall be used for achieving the definite aims set. The remaining part can be invested in safe areas provided it would not affect its original activities.

Article 416:

Association shall have an annual budget which would be approved by its general assembly. The budget of the association shall be brought to the notice of the authority concerned.

Article 417:

The association shall not carry out any activity which is not mentioned in its constitution.

Article 418:

Association may not carry on any financial business.

Article 419:

1. The name of association, the number of provinces and the scope of its activities shall be embodied in its books, records and publications.

2. No association shall choose any name which may belong to other association though the scope of their activities may be the same.

Article 420:

1. Without the permission of the competent authority no association shall have any connection with, join or exchange with any association, group or club outside the country.

2. No association shall get any goods from a party, association, group or club outside Afghanistan unless it is permitted by the competent authority.

3. No association shall send anything to foreign or foreign institutions without the permission of the competent authority.

Article 421:

Gifts and donations can be collected only in the name and account of the association in accordance with the regulations enacted by the government.

competent authority shall set special conditions with
regard to the gifts and donations of each association.

Article 422:

1. The association shall inform the competent authority
of the meeting and agenda of the meeting of general assembly
at least 15 days in advance. The competent authority
shall send its representative to the meeting of the
general assembly of the association.

2. The association shall report the discussions of
the meetings of the general assembly to the competent
authority 15 days after the date when it is opened.

Article 423:

1. The association may establish branches.

2. The branch shall acquire independent legal
personality status.

The branch cannot amend its charter with regard to its
obligations towards the association, set procedures,
and general policy of the association without the agreement
of the association.

Sub-topic two

Board of Directors

Article 424:

1. The association shall have a Board of Directors. The appointment, of the members of the Board of Directors, their duties and the termination of the membership of the members shall be described in the constitution of the association.

2. The Board of Directors shall be composed of three or more members and their tenure shall not be more than three years.

3. Renewal of membership may take place according to the provisions of the constitution of the association.

Article 425:

Person who is appointed as member of the Board of Directors shall not be deprived of political and civil rights by the order of the court.

Article 426:

1. The Board of Directors shall execute the respective tasks of the association within the scope of the authority prescribed in the constitution.

2. The Board of Directors shall meet at least twice a month.

Article 427:

The Board of Directors shall appoint one person, from its members or other members of the association, as president.

Article 428:

The person appointed as president by the Board of Directors shall perform the respective duties by making proposals, appointing employees, enforcing disciplinary punishments, checking expenditure documents and supervising the enforcement of resolutions made by the General Assembly and the Board of Directors, provided it would not be contrary to what is provided in the constitution.

Sub-topic three

General Assembly

Article 429:

1. The General Assembly shall be composed of all members who have fulfilled their obligations according to the constitution of the association.

2. Resolutions of the General Assembly shall not be valid if they are made on subjects not included in the agenda.

Article 430:

Resolutions of the General Assembly shall be made by a majority of votes of the members present after two-third of the members complete the forum.

The resolutions of the General Assembly on the amendment of the constitution of the association may be taken by absolute majority, and on dissolution of the association, dismissal of the members of the Board of Directors, and or merger with other association, by two-third of the members unless otherwise is provided in the constitution of association.

Article 431:

In the meetings of the General Assembly the members shall personally participate or appoint, in writing, other members as their representatives.

Article 432:

The General Assembly shall ordinarily meet during the first three months after the end of the fiscal year and shall discuss, and review the budget, the yearly accounts, the annual report of the Board of Directors and the annual financial report of the association. Extraordinary meetings of the General Assembly shall also be held when necessary. The meetings of the General Assembly shall be held at the invitation of the Board of Directors.

Article 433:

Where the Board of Directors convenes no extraordinary meeting of the General Assembly 15 days after receiving the written request of at least 10 members of the General Assembly in which the purpose of the meeting would be explained, the applicants shall directly invite the members of the General Assembly to meet.

Article 434:

The member of the association shall not be entitled to voting on matters in which his own interest would be involved. Voting in election of the Board of Directors shall be an exception.

Article 435:

1. Where the General Assembly or the Board of Directors or the President of the association takes such resolutions which would be against the provisions of law or constitution of the association, demand shall be made to repeal the resolutions made.

The demand for repealing the resolutions shall be presented in three months after the issuance of resolutions, by the attorney or one of the members of the association, to the court within whose jurisdiction lies the headquarters of the association.

2. The nullity of such resolutions shall not have effect on the acquired rights of those to which they are entitled on the basis of good will.

Article 436:

1. The competent authority concerned shall stop the implementation of resolutions taken by the General Assembly or Board of Directors or president of the association if they are contrary to the law, public decency standards and manners.

2. The competent authority concerned shall present its claim to the competent court for repealing the resolutions taken in 30 days since the date of the stoppage.

Sub-topic Four

Dissolution and Liquidation of Association

Article 437:

- (1). Association shall be dissolved when it:
- 1- cannot meet its obligations
 - 2- allows its properties and profits to aims not provided in its constitution.
 - 3- violates the provisions of its constitution or acts against the law, objectives of its establishment and public decency standards and manners.

(2). The demand for dissolution of the association shall be presented by each member of association, person interested, and/or attorney to the competent court in whose jurisdiction lies the headquarters of the association.

Article 438:

Where the court orders the dissolution of the association, it shall appoint one or several persons to clear up its accounts and distribute the property of association with due consideration to the provisions of the respective constitution. Where there is no provision in the constitution of the association about the distribution of the property of the dissolved association, the court may transfer such property to another association or institution which would have common aims.

Article 439:

Where the court orders against the demand for dissolution of the association, it can also order the obrogation of the disputable possession.

Fourth - Topic

Public welfare associations (utilities)

Article 440:

1. Public welfare association is an association which shall be established for meeting public interests.

2. Granting of title to an association to act as public welfare association shall be made by the state decree. Repealing of title granted, shall also be permitted by the state decree.

Article 441:

The public welfare association shall not be restricted to observe the capacity conditions relating to the transfer of the ownership of movables and immovables.

Article 442:

The limits of the use of public authority by public welfare association over matters such as non-permission to withhold all or part of the properties of the association, non-effect of lapse of time on ownership of the properties of the association, and permission of property acquisition to meet the objectives of the association shall be regulated by separate regulations.

Article 443:

The public welfare association shall operate under the supervision of a competent authority. The activities of the association shall be inspected and checked by the same competent authority to comply with its constitution, laws and the resolutions of the General Assembly.

An investigation team shall be appointed by the competent authority which would present its report to the competent authority at the end of its activity.

Article 444:

1. The competent authority may approve the merger of several public welfare associations having common goals. Similarly, it may take decisions to coordinate the activities of these associations or amend the aims of various associations to cope with the requirement of time or to establish harmony between the services rendered by them or to encourage factors which may be deemed useful for achieving the aims of such associations.

2. The said competent authority in its decisions shall explain the cause of and the procedures for merger and delivery of goods, documents and records to the new board.

Article 445:

1. the competent authority cannot grant permission to persons who voluntarily seek membership of the Functionary Board.
2. the competent authority can appoint one of the volunteers to supervise the elections of the members of the Functionary Board.
3. Where elections take place against the provision of the constitution of association, the competent authority can declare the elections null in 15 days after the elections, provided it has reason for that.

Article 446:

1. The competent authority can appoint a temporary president and Board of Directors for carrying out the tasks provided in the constitution of the association.
2. The temporary president or Board of Directors is appointed at a time when the performance of the president and Board of Directors of association are indicative of such violations that their continuation with the assigned duties would be deemed not in the interest of the association and that they did not take any measures to stop the violation, and in spite of the warning given to them by the association, they would not take any measures to recover the violation after 15 days since the date of warning.

Article 447:

1. The members of the Board of Directors and other staffs of the association shall be bound to place all the goods documents and books of the association at the disposal of the Temporary Board of Directors.

2. The legal responsibility of the members of Board of Directors and other staffs of the association shall end up with their delivery of goods, documents and books to the Temporary Board of Directors.

Article 448:

The temporary president or the Board of Directors shall be bound to convene the meeting of the General Assembly within the period decided upon, and present the meeting with the report of the activities of the association. The General Assembly after hearing the report shall elect the new Board of Directors according to its constitution and the provisions of this law.

Article 449:

The association shall be bound to implement the resolutions made by the temporary chairman or the Board of Directors within the definite period of time and the scope of authority as provided by the constitution of the association.

Article 450:

The competent authority shall deprive the former member of Board of Directors whose responsibility is proven for violating the constitution, of volunteering the membership of the Board of Directors for the second time before the lapse of a period which would not exceed three years.

Fifth Topic

Charity Association

Article 451:

1. The charity association is an association organized by the members or by other persons for the purpose of achieving charitable goals or insuring social welfare.

2. The members of the Board of Directors shall not engage within the association in any other occupation against payment of any premium.

Article 452:

1. The Board of Directors of the charitable association shall be bound to prepare an annual report on the activities carried out by the association.

2. The Board of Directors shall be bound to present

annual budget of the association, along with its
income and sources, to the competent authority and to
provide the information needed by the same authority.

Topic Six

Cultural Association

Article 453:
Cultural Association is an organization whose objective
is to develop scientific, technical, literary and artistic
works.

Article 454:
The Board of Directors of cultural association shall be
obliged to present the annual report of the activities of
the association to the competent authority. With regard
to the presentation of necessary documents and information
the association shall be subject to the provisions of
the law pertaining to other associations.

Topic - Seven

Institutes

Article 454:

Institute is a legal personality established for purposes humanitarian, religious, scientific, technical and physical educational services for an indefinite period of time and shall operate on non-profit-making basis.

Article 456:

1. The institute shall be established on the basis of an official document.

2. The official document shall have the status of constitution of the institute and would include the following information:

- 1- The title of the institute and its headquarters. The headquarters of the institute shall not be outside Afghanistan.
- 2- The aim and objective of its establishment.
- 3- Name and complete identity of the founder or founders.
- 4- Details of the property or assets appropriated to the institute.

- 5- Administrative structure of the institute and the name of its president.
- 6- Method of supervising and inspecting the financial affairs of the institute.
- 7- Methods of amending the constitution, merger and liquidation of the institute and establishment of its branches along with the explanation of how the institute should be liquidated and the name of the source to which the property of the institute should belong.

Article 457:

Where a founding member have creditors or heirs, the establishments of the institute in respect of their rights shall have the force of a will or a gift. In case the establishment of the institute damages the rights of creditors or heirs, they can file a claim according to the provisions of the law of testament and gift.

Article 458:

The founder of an association, established by official document, can give up the establishment prior to its proclamation through another official document.

Article 459:

The legal personality of the association shall be determined with the establishment of the association is proclaimed according to the provisions of this law.

Article 460:

The proclamation of the establishment of the association shall be made on the request of its founder, or the president or the competent authority in accordance with the provisions of this law relating to proclamation of association.

Article 461:

The competent authority can bring amendments with regard to the establishment, administrative policy, and the constitution of the association with the purpose to reach the objectives of its establishment.

Article 462:

The institute shall be administered and represented by its president.

Article 463:

The president shall present the annual budget and accounts of the institute to the competent authority and shall provide the information needed by the authority.

Article 464:

The institute cannot, without the permission of the competent authority, accept any testament or gift.

Article 465:

In filing claim, the competent authority can demand from the respective court the dismissal of those employees who have neglected their assigned duties or acted against the law or the constitution of the institute or spent the property of the institute contrary to the aims of its establishments or the will of its founder or committed a gross fault.

Article 466:

For the purpose of realizing the objectives of the institute or maintaining its property, the competent authority can ask the respective court to curtail all or part of the duties or conditions provided in the constitution of the institute.

Article 467:

Where the president of the institute acts against law, public order, or outside the scope of authority given to him, the competent authority shall stop his actions and shall ask the respective court to declare his non-lawful actions null and void.

Article 468:

1. The demand for nullity, provided in Article (467) of this law, shall be presented to the court at a maximum period of one year since the date of the action.

2. Cancellation of such actions shall not affect the established rights of persons who acquired them on good will basis.

Article 469:

Provision relating to the establishment, merger, dissolution, opening of branches, election of temporary president, liquidation and transformation of associations and also provision of Article (418) of this law, shall also be applicable to all institutes.

Article 470:

The provisions of this law relating to the institutes shall not be exceptionally applied to the institute which may be established in the form of foundation.

Article 471:

Measures taken against the employees of associations and institutes for their wrong actions, as provided by this law, shall not prevent the application of punishment provided by the penal law.

CHAPTER THREE

GoodsArticle 472:

Goods is a thing or right which is of material value to people.

Article 473:

Things which are traded by reason of their nature or by the provision of law shall have financial rights.

Article 474:

Things which cannot be traded by reason of their nature are those which are not specially possessed by any.

Article 475:

Things which cannot be traded by provisions of law are those to which no right shall be attached.

Article 476:

1. Identical things are those whose parts or elements are similar to each other and can be used in substitution without any considerable difference.

Article 477:

1. Consumer things are those whose exploitation impossible without consumption.
2. Useable things are those whose originality remain the same with its repeated exploitation.

Article 478:

Immovable things are that which have fixed base and transportation would be impossible without destroying them. Things which are not of this characteristic are deemed as movables.

Article 479:

Movables appropriated by the owner for use in the immovable property shall be deemed as immovables.

Article 480:

The right to immovable property and the claim for it shall only relate to the immovable and of other financial rights shall relate to movables.

Article 481:

Goods owned by individuals, private goods and goods not owned by the individuals but are appropriated for the public welfare and public interest, shall be deemed public properties.

Public properties are as follows:

- 1- state owned movable and immovable properties
- 2- Movable and immovable goods of legal persons.
- 3- Movable and immovable goods appropriated for the public welfare and public interest
- 4- Movable and immovable goods recognized as public properties by the order of the law.

No dealing, no transfer of ownership and no lease is permitted in the public property as a result of time.

Public property shall be deemed non-public when period of its use in the public interest expires.

This period shall expire by the order of the law, lapse of time or by realization of the objective for which the property is allotted in the public interest.

Book One

Right

Title One

General Provisions

Article 484:

Financial rights are divided into objective and private rights.

Article 485:

1. Objective right constitutes direct command of the person over the actual goods which is granted by law.
2. Objective rights are either principal or derived.

Article 486:

Objective rights are rights of possession and utilisation of goods, which entail the following rights:

1. Right of ownership of area and profits of the goods
2. the right of ownership of profit of the goods without ownership of the area of the goods.
3. Easement rights.

Article 487:

Objective rights include rights accruing from goods
surety against debt which entails the following rights:

1. Rights of official mortgaging
2. Right of possessory mortgaging
3. Right of retaining the good
4. Right of specificization
5. Right of precedence.

Article 488:

Personal right or commitment constitutes the relation
between the right of creditor and the liability of debtor
on the basis of which the creditor can demand from the
debtor the goods, executing of action, or denial thereof.

Article 489:

1. Commitment to debt is that the subject of which
shall be cash, or goods in kind.
2. Commitment on the part of the committer is created
by contract or surety.

Article 490:

Commitment to goods is that the subject of which is specified
goods, for bequeathing of the goods, or their profit and
for delivery or protection of the goods.

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Article 491:

Spiritual right which becomes incumbent on non-material object is subject to provisions of the special law.

Title two

Sources of Right

Chapter one

General Provisions

Article 492:

The sources of right are legal factors which create right and shall consist of legal transactions and legal phenomena

Article 493:

Legal transaction by words, emanating from conclusive intention of person is made for creation of certain legal effect in accordance with the provisions of the law.

Article 494:

Legal transaction in contracts is completed with concurrence of the intention of the two contracting parties, and as a result obligation is incurred to one of the two parties.

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Article 495:
Transaction which makes obligation incumbent on one of
two parties is completed only with consent of the
other committed.

Article 496:
Every phenomenon constitutes practical transaction which
occurs with or without option of a person and the law
imposes certain rights and obligations.

Chapter two

Legal transactions

Part One

Contracts

Topic One

General Provisions

Article 497:

1. Contract constitutes the agreement of two wills
on creation, amendment, transfer, or elimination of right
within the limits of the law.

2. As a result of the contract the obligations of each
of the two contracting parties shall be ascertained.

Article 498:

Contract on acquisition of movable or immovable goods
be valid with or without compensation.

Article 499:

Contract for keeping of goods in trust, or for its
utilization through utilization in the form of loan or payment
compensation is permissible.

Article 500:

Contract on the profits of goods for utilization with
utilization in the form of lease, or without subutilization
in the form of trust, and returning of goods to the owner
is permissible.

Article 501:

Contract for performing a specified action or service
is correct.

Article 502:

(1) the condition for conclusion of contract is the
consent of the two contracting parties, special words of
contract, and the subject on which the contract is concluded.

(2) the condition for the correctness of contract
constitutes the legal capacity of the two contracting

... the eligibility of the subject of contract for
... provision of the contract, its usefulness, and
... contradiction to public order and decency.

Article 503:

... the person who has the right to permit and enforce
... contract is not present, while the contract is made,
... contract shall be considered as void.

Article 504:

... general rules regarding contract are applicable to all
... contracts and special rules of each contract shall be
... regulated by provisions related to them.

Topic Two

Fundamentals of Contract

Sub-Topic One

Consent

Article 505:

... the validity of a contract is subject to consent of the
... contracting parties without coercion or intimidation.

Article 506:

1. Contract is concluded with the offer and acceptance of the two parties.

2. Offer and acceptance constitutes the words used customarily in authoring contract.

Article 507:

Offer and acceptance shall be in past tense; and is also permitted in participle or imperative sense provided that the present tense is intended.

Article 508:

Contract is concluded in future tense when the contracting parties have intended the authoring of the contract in that tense.

Article 509:

Expression of will takes place through words, writing, or signs customarily used. Will can also be expressed through transaction which clearly connote the conclusion of a contract.

Article 510:

Expression of will may take place implicitly except when the law or the contracting parties make its explicitness a condition.

Article 511:

Expression of will affects action when the opposite side is informed of it. The communication of the expression of will to the opposite side is considered as knowing, except when a reason to the contrary exists.

Article 512:

Expression of will during unconsciousness, or mental aberration which undermines the power of judgment, even though the aberration be temporary, shall be void.

Article 513:

The will which is expressed contrary to one's consciousness shall not be considered void except when the opposite side is aware of the difference in the will expressed, or of the intention of the person.

Article 514:

Every person shall be liable for his offer except that he has pointed out to his non-liability or when the outward ramifications of the transaction, or the nature of the transaction, show that there was no intention of any obligation in the offer made.

Article 515:

Where the person, who has either offered or accepted, dies, or loses his capacity before his offer or acceptance

becomes effective, and when the opposite side becomes aware of the offer or acceptance, the contract is correct and will entail the results desired provided the expression of will or the nature of the transaction does not connote otherwise.

Article 516:

1. Where a period is fixed for acceptance, the person who makes the offer can not withdraw his offer before said period is expired.

2. In case of nonspecification of the period, acceptance can be construed from the outward ramification or the nature of the transaction.

Article 517:

The contractors after offer can either accept or reject until the end of the contract session. If the person who makes the offer withdraws before the acceptance of the opposite side, or word or action of one of the contractors connotes giving up of acceptance, such an offer is void and its acceptance thereafter shall not be valid either.

Article 518:

Whenever the offer is repeated before acceptance, the last offer shall be valid.

Article 519:

The person to whom the offer is directed can reject it. In case the offer is made at his own request, he can not reject it except when he has pertinent reasons for its rejection.

Article 520:

In case acceptance brings increase, criticism, or change in offer, such acceptance is considered as rejection of offer, and is taken as a new offer.

Article 521:

Uniformity between the offer and acceptance is achieved when the two parties agree on all basic questions in regard to the contract. Agreement on some of these questions does not suffice for binding the two sides.

Article 522:

1. Where the two parties agree on basic questions of the contract, and postpone details of the questions for the future, the contract shall be considered complete except when the completion of the act is made pending an agreement on details of the questions.

2. In case the parties have dispute over the questions not previously agreed upon and file suit, the courts in such a condition issue an order in accordance with the nature of the transaction in the light of provisions of the law, convention, and justice.

Article 523:

1. Contract between the two parties who are absent is considered complete when and where the person who makes the offer is informed of the acceptance of the other party provided the parties or provisions of the law are not provided contrary to it.

2. As soon as acceptance reaches to the person who makes the offer, it is surmised that he has known it.

Article 524:

Contract through telephone or like means, from the viewpoint of time, is considered as contract between two present parties, and from the viewpoint of place, as contract between two absent parties.

Article 525:

No words shall be attributed to the person who keeps silent. Silence, in case when statement is needed, is considered as acceptance.

Article 526:

Silence is considered acceptance when it has a precedence between the two contracting parties, and offer was made in accordance with this convention, or the offer is solely in the benefit of the opposite party.

Article 527:

When a contract is completed with the last tender. The tender is considered void when a higher bid is made, although this bidding may be void, or the bidding is suspended without having been won by a person.

Article 528:

Collective contract acceptance is effected by consent of the majority and the minority is considered as its guarantee.

Article 529:

Acceptance in acknowledgement contracts, on delivery under the conditions defined by the person who makes the offer, is realised. These conditions are incontestable.

Article 530:

1. Where in a contract the two contracting parties or one of them make a commitment to confirm a certain contract in the future, the contract shall be completed when all basic questions stipulated and the period within which confirmation of the contract shall take place, are defined.

2. In case the law has made the completion of the contract conditional on abidance to certain forms, existence of such forms in the preliminary agreement

which includes promise for the confirmation of this is also considered essential.

Article 531:

1. Payment of earnest money shall be considered reason for conclusiveness of the contract unless other may be agreed upon by the two parties or custom.

2. In case the payer of earnest money declines confirmation of the contract he can not retrieve it. Declining of receiver of earnest money calls for rep of actual earnest money plus its equivalent.

Article 532:

Where the commitment, as a result of which earnest money is paid, becomes effective, earnest money is reduced from the actual price.

Article 533:

Whenever effecting of contract is rendered impossible via causes which are fault of neither of the contracting parties, or the contract is nullified by fault or agreement of the parties, earnest money is returned.

Part Two

Procuration in Contract

Article 534:

Contract is permissible by person or procurator except when the law provides otherwise.

Article 535:

A person who concludes a contract in person, his rights and obligations become personally incumbent on him.

Article 536:

1. Procuration in contract may take place by agreement of the two sides, or by rule of law.
2. Limits of authority of the procurator in case of agreement of the two parties, shall be defined by principal, and in legal procuration by law.

Article 537:

Observations relating to defects in will, or impacts of unawareness of certain special facts, or the imperativeness of such awareness related to the procurator, not his principal.

Article 538:

In case the procurator, within the limits of his authority,

concludes a contract in the name of his principal, and obligations thereof shall relate to the principal.

Article 539:

In case the attribution of procuration is not stated during conclusion of the contract, results thereof shall relate to the procurator, except when the opposite side of the contract is aware of his procuration.

Article 540:

Where the procurator and the opposite side of the contract are unaware of the expiration of the period of procuration while concluding the contract, results thereof shall relate to the principal or his locum tenes.

Article 541:

The procurator can not conclude a contract for himself or in the name of his principal unless the principal has empowered him to do so, or confirms it afterwards. Conditions which have been stipulated otherwise in the or trade regulations, are excepted from this provision.

Sub-Topic three

Validity of consent in contract

Part One

Capacity in Contract

Article 542:

Every person has the capacity to conclude contract except where his capacity is withdrawn or limited by law.

Article 543:

Contract by undiscriminating minor is considered null even with the permission of his guardian.

Article 544:

Contract by discriminating minor, when totally in his benefit, is permissible even when not permitted by his guardian.

Where the contract is totally to his loss it is considered null even if permitted by his guardian.

2. Contract entailing profit and loss with the permission of the guardian, within the limits of his authority, is valid with the permission of a person of defective capacity, provided that upon attaining majority age is suspended.

Article 545:

1. Contract of insane and mentally retarded shall become null after registering the ruling regarding prevention.

2. Contract concluded before the registration of the ruling in regard to its prevention is void except when the condition of insanity or mental retardation was public knowledge, or the opposite party knew of

Article 546:

1. Contract of ignorant or neglectful, after registration of ruling in regard to its prevention, is subject to provisions regarding actions of discrimination.

2. Contract made before the registration of ruling in regard to prevention is valid, and can not be revoked except when it is concluded as a result of exploitation or intrigue.

Article 547:

Testament or endowment of person who by virtue of ignorance or negligence is denied authority is valid when the court grants a permission to the effect.

Article 548:

Contract of a person who by virtue of ignorance is barred

transacting is permitted, within the limits of the
administration of goods delivered to him by the

Article 549:

When a judicial counsellor is appointed for a person,
or registration of the decision over the appointment
of the counsel, every kind of his contract, without the
participation of the legal counsel, is void.

Article 550:

A person of defective capacity can demand the cancellation
of a contract. In case he has intrigued to conceal the
defect in his capacity, this can bar payment of compen-
sation on his part.

Part Two

Defects of Consent in contract

One: Aversion

Article 551:

Aversion constitutes intimidation of a person, unreasonably
for executing an action without consent whether it may be
material or spiritual.

Article 552:

Aversion is of two kinds: complete and incomplete.

Article 553:

Complete aversion constitutes threat of grave physical or financial danger. Threat of unsubstantial danger constitutes incomplete aversion.

Article 554:

Complete aversion eliminates consent, and invalidates option. Incomplete aversion eliminates consent, does not affect option.

Article 555:

Threat of damage to parents, spouse or family of person or threat against personal prestige is considered aversion. The court may assess the threat with due consideration to its ramifications, and circumstances.

Article 556:

Aversion differs from the viewpoint of persons, age, social condition, attributions and the measure of the effects in as much as intensity and mildness of the threat is concerned.

Article 557:

The aversion which eliminates consent is valid when

Person making the threat is capable of the act of threat, and the threatened persons in all certainty believe in the existence of aversion in case of non-execution of the subject of threat.

Article 558:

Where any kind of aversion is proved in the affirmation of contract, the contract shall not be valid.

Article 559:

When aversion has taken place in regard to a revokable contract, the threatened person, after alleviation of the threat, can nullify the contract. This right is not abrogated with the death of the person who made the threat or with the death of both sides to the contract; the survivors of the deceased are recognised as his legal heirs.

Article 560:

The contract of the person who makes the threat shall be concluded in incomplete form. In case, after alleviation of the threat the threatened person permits it, explicitly or implicitly, the contract becomes complete.

Article 561:

Validity of contracts of a threatened person does not pass on his permission after the removal of the threat;

obtaining of the object sold denotes incomplete contract.
In such condition every irrevocable contract shall be
and the person threatened can demand either the price
the day of delivery, or that of the day of possession.

Two: Mistake

Article 562:

Where a mistake occurs in the subject of contract,
subject of the contract is named and pointed to, the
following provisions shall be applied:

1. In case of difference in quality, the contract
shall relate to the named object, the contract shall be
considered void. When the goods named do not exist.
2. In case the goods are of the same nature, but
different in quality, the contract relates to what was
meant, and is completed when the object meant exists.
In such condition the contractor, due to lack of existence
of quality can either cancel or affirm the contract.

Article 563:

The person who has made a basic mistake can ask for the
cancellation of the contract when the opposite side has
made the same mistake; or was informed of the mistake,
or could easily become aware of the mistake.

Article 564:

When the mistake is so grave, that the contractor, if apprised of it, would refuse to affirm the contract, such mistake is considered a basic one.

Article 565:

When the mistake is in person, or in one of the qualifications of the contractor, in a manner that the identity and qualifications of the contractor was the cause of the conclusion of the contract, such mistake is considered a basic one.

Article 566:

A contract due to existence of mistake in the law is considered void when the conditions of mistake are realized. The events related to the contract unless the law provides otherwise.

Article 567:

Accounting or financial mistake has no effect on the validity of the contract, and its correction is imperative.

Article 568:

The person who has made the mistake may not resort to it in any way which may undermine good will. If the opposite side shows willingness for the enforcement of the contract, he is considered liable with affirmation of the contract.

Article 569:

Provisions of mistake are applicable in regard to
or every means which pass on the will of one side
other in a distorted manner.

Sub-topic three

Swindling and Fraud

Article 570:

Fraud constitutes using oral or practical means of
which would encourage the opposite party to conclude
contract, in a manner that, if these means were not
he would not be willing to the conclusion of the contract.

Article 571:

1. Whenever, as a result of cheating of one side
the contract, gross fraud is directed against the other
side, the person deceived can demand the repeal of the
contract.

2. Fraud is said to be gross when the difference
between the real value of the goods, and their sale
price amounts to 15 per cent or more.

Article 572:

A person who has been deceived in contracts of deposit

and demand the repeal of the contract when he proves the receipt and fraud of the opposite party.

Article 573:

Cheating fraud takes place as truth is concealed. This fraud amounts to concealment of fault of goods.

Article 574:

In case of deceit by the third party to the contract, the person deceived can demand the repeal of the contract when he proves the awareness of the opposite party of the cheating of third party at the time of conclusion of the contract, or his ability to secure such information.

Article 575:

1. Gross fraud causes repeal of the contract.
2. If the person cheated was aware of the cheating at the time of conclusion of the contract, and has expressed his consent to it, he may not repeal the contract unless his consent was based on false information, concealment of truth, or deceit by the opposite side.
3. Gross fraud with regard to state property, endowment and property of persons deprived of the right to conclude contracts, in any form it may be, causes the repeal of the contract.

Article 576:

In contracts which are concluded through open bids objections can not be raised pertaining incidence fraud.

Article 577:

Where mistake is made of the need, inexperience, or mindedness of one of the contractors, as a result gross fraud occurs in the contract, the person who can, within one year from the date of conclusion of contract, demand the repeal of the contract, or let his obligation at reasonable extent.

Article 578:

Where, for removal of fraud payment of what has been by the judge is considered sufficient, the opposite party can drop the suit for repeal of the contract exchange contracts.

Sub-Topic Four

The subject of Contract

Article 579:

For every kind of obligation arising from contract the existence of the subject to which the contract is re

... for conclusion of contract, is imperative.
... interest, or other financial rights can be
... of contract. Similarly execution or refra-
... execution of an act can become subject of

Article 530:

... of obligation accruing from the contract must
... definite, definable and permissible; otherwise
... is considered void.

Article 531:

1. Where the subject of obligation is impossible by its
... the contract is considered void.

2. In case the subject of obligation is not naturally
... and is considered impossible only with regard
... person, the contract shall be binding, and
... debtor, for lack of fulfilling his obligation, is
... to pay compensation.

Article 532:

... subject of obligation must be defined in such a way
... it would prevent profound ignorance of it. In case
... in regard to the subject causes dispute, the
... is considered incomplete.

Article 583:

1. The subject of obligation is defined by description of the quality and specifications, or its quantity. In case the subject exists in the contract meeting, it is described by pointing to it, and otherwise, through definition of place; and statement of all what eliminates profound ignorance of the subject, is imperative.

2. Stating the quality of the subject, without mentioning its quantity or descriptions, is not considered sufficient for definition of the subject.

Article 584:

In case the subject of obligation is constituted by an action, the said action must be defined, or must be definable.

Article 585:

Where the defining of the subject of obligation is assigned to one of the two contracting parties, or a third person in case of delay in definition, or its being unjust, the court shall define the subject of obligation.

Article 586:

Where the definition of the subject of obligation is assigned to a third person, in case the said person is unable to define it, or does not have the intention to do so, or it is not defined justly or within a reasonable period, the contract is considered void.

Article 587:

The subject of obligation can be dealt with in a manner that is not repugnant to the real objective to which the contract is specified.

Article 588:

Whenever the subject of obligation is cash, the debtor is bound to pay the amount mentioned in the contract. Rise or fall in price rates does not affect repayment of debt except when it is defined otherwise in the law, or in the agreement of the two parties.

Article 589:

1. Where the existence of the subject of obligation materializes in the future, the contract is permitted even if the time is not unspecified, no ignorance or damage is inherent in it.

2. Dealing on the patrimony of a living person is permitted although the owner agrees to it unless the law provides otherwise.

Article 590:

If once the subject of obligation is repugnant to the public order and standards of decency it is considered void.

Sub-topic Five

Cause

Article 591:

Cause constitutes the real objective for the attainment of which contract is a legal means.

Article 592:

Whenever the cause of obligation is repugnant to public order and standards of decency, or it does not actually exist, the contract is considered void.

Article 593:

The existence of legal cause in every obligation is considered essential unless there is a reason to the contrary.

Article 594:

The cause which is specified in the contract, is considered the actual cause except when it is proved otherwise.

Topic Three

Conditions of Contract

Sub-topic One

General Provisions

Article 595:

1. Condition constitutes a commitment for future in cases pertaining to future which takes place in special cases.

2. Suspension constitutes pending of a future action or realization of another action in the future through one of the conditional prepositions.

Article 596:

Whenever the contract is not conditional, and not pending a future date, such contract is considered concluded, and comes into force immediately.

Article 597:

The contract pending on the known condition is considered concluded and enforceable, when the condition has materialized.

Article 598:

The contract pending on an existing action, is concluded immediately. Pending on impossible condition, or condition contrary to public order and standards of decency is void.

Article 599:

The contract which is pending on a repealing condition is considered in force and not imperative. When the condition materialises the contract is repealed. In this case the debtor is obliged to return what he has taken, and when impossible, to pay surety. If the condition does not materialise, the contract becomes imperative.

Article 600:

With the realisation of a condition in a pending contract, the contract is considered in force since the time of conclusion unless the intention of the contracting parties or the nature of the contract shows that fulfilment or non-fulfilment of the obligation is linked with the time of realisation of the condition.

Article 601:

Whenever the execution of the contract, before the realisation of the condition, due to an outside cause, without interference of the debtor, is rendered impossible, it can not be binding retroactively.

Article 602:

A contract pending on a future is a contract the execution of which is linked with a future. Such a contract is concluded immediately, but comes into effect after the lapse of a definite period of time.

Article 603:

Deferment in contract is considered to be in the interest of the debtor except when the contract, the provision of law, or circumstances show that deferment has taken place in the interest of the creditor, or both of the contracting parties.

Article 604:

The person in whose interest the deferment is made, may revoke the deferment at his own will,

Article 605:

Whenever the order of dispossession of the property of the person in whose interest the deferment has taken place, is issued due to his bankruptcy, or when guarantee of the debtor is reduced, or is not actually paid, the right of deferment is abolished.

Article 606:

Deferment is abolished with the death of the debtor except when he has sureties in kind, or the creditor has caused the death of the debtor, or it is so agreed that deferment shall remain valid in case of the death of the debtor. The death of creditor does not affect deferment of the debt.

Sub-topic TWO

Provision of condition

First Part

General Provisions

Article 607:

A condition suitable with the contract, or a condition required by the contract, or a condition which reaffirms the provision of the contract, similarly, a condition compatible with current convention, or not repugnant to the requirements of the contract, is considered valid.

Article 608:

Condition which does not entail the interest of the two contracting parties is null and the contract associated shall remain binding.

Article 609:

Where an element or a condition of a contract is absent, it is considered void.

Article 610:

Condition unsuitable to the contract, or a condition not required by the contract, or when it does not affirm its

provisions, similarly the condition which is not compatible with the current convention, or is fraudulent, is not considered a valid condition.

Article 611:

The contract in which full authority for action, or a specific related action is waived, is deemed suspended contract.

Article 612:

Whenever the contract entails a condition that connects revocation of the contract, the contract is deemed unnecessary.

Part Two

Invalid Contract

Article 613:

An invalid contract is one that is illegal by nature and by definition.

Article 614:

Actually invalid contracts can not be concluded, and can not be binding in any way even though acquisition has taken place.

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Article 615:

Whenever an invalid contract is enforced, the return of things exchanged and reinstating of the original state are imperative. In case the return of things exchanged is not possible, the court issues just verdict.

Article 616:

Permission for conclusion of invalid contract lacks legal bearing; persons concerned can resort to abrogation of contract.

Article 617:

Whenever a part of the contract is invalidated, the remaining portion of the contract is deemed valid except where the contract is indivisible.

Article 618:

Where in an invalid contract valid elements of another contract are present, the said contract shall be considered as valid by virtue of the second contract provided the contracting parties intend so.

Article 619:

Invalid contract does not generate effects of a legal act but as an ordinary phenomenon requires surety.

Sub-topic Three

Viciated Contract

Article 620:

Viciated contract is a contract which is principally legal and by definition is illegal. In principle it is valid, and its elements and subject is free of defect, but is viciated because of some outward characteristics.

Article 621:

Viciated contract does not signify the ownership of subject of contract, unless acquisition has taken place by virtue of consent of its owner.

Article 622:

In contracts of exchange, pending and association of a contract with a viciated condition shall not be permissible and as a result the contract shall be considered incomplete.

Article 623:

In case of association of non-exchange contract with a viciated condition, the contract shall be correct but the condition shall be repealed. Pending of a contract on a viciated condition shall cause the nullity of the contract.

Article 624:

Contracts which are deemed as abolishment of right, their pending on suitable or unsuitable condition, be concluded, and their association with viciated condition is considered valid. Condition in this case nullified.

Article 625:

Pending of contracts of release on suitable or viciated condition is valid; viciated condition shall be deemed null.

Article 626:

Each of the two contracting parties or their heirs shall nullify viciated contract unless the cause of viciation is eliminated.

Article 627:

Permission regarding conclusion of viciated contract shall not have legal effect, and desisting the use of the right of cancellation is not permitted.

Article 628:

If the defect exists in the essence of the contract, both sides can revoke the contract before and after acquisition.

Article 629:

Whenever defect is created by condition set, both sides

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revoke the contract before acquisition except when
vitiating condition is removed with the consent of
parties. Similarly both sides of the contract can,
if the proposer of condition does not rescind it,
revoke the contract after acquisition.

Article 630:

The person who has proposed vitiating condition, relying
on the valid part of the contract, can drop the condition
and demand from the opposite party, the effecting of the
proposal. The opposite party can not demand the annulment
of the contract after dropping of the condition. The
valid part of the contract shall appear when it becomes
an independent contract.

Article 631:

Acquisition in vitiating contract, connotes revokable
possession, and the possessor is required to pay the
price, or in kind not the named goods; this contract
connotes possession of the goods acquired not their
exploitation.

Article 632:

Whenever the acquirer in the vitiating contract, contracts
the acquired goods with a third person, the right of
annulment is revoked. In this case the real owner can
demand the goods under contract from the third person.

Similarly the third person can demand the price of kind of goods under contract from the acquirer.

Article 633:

Change in goods acquired in the form of attachment does not prevent annulment of the contract. In the returning of the acquired goods along with increase incumbent.

Article 634:

Whenever change occurs in the goods acquired in the of damage, the owner of the goods can demand the goods along with compensation for the loss, except when the damage is caused by the action of owner.

Article 635:

Where the acquired goods change in form, repeal is indicated, and the price of the goods at the time of acquisition of goods shall become payable.

Article 636:

Vitiating contract does not produce the effects of legal contract; but it can serve as surety as an ordinary phenomenon.

Part Four

Suspended Contract

Article 637: Non-binding suspended contract lacks legal effect, shall not be a proof of ownership except with the permission of the person who exercises authority over the object of the contract, and his permission entails all conditions.

Contract of the following persons is deemed suspended:

- 1- Intruder
- 2- The seller who sells the same goods to a person other than the buyer.
- 3- usurper
- 4- procurator or deputy procurator who has transgressed from the limits of procuration.
- 5- the owner of mortgaged property
- 6- the owner of leased land, while the land is sown by the farmer, except when a special law provides otherwise.
- 7- sufferer of fatal illness who sells to his heir.
- 8- Free executor of will who sells to his heir.
- 9- The heir who sells to bequeather suffering from fatal disease.

- 10- The heir who sells patrimony claimed debts.
- 11- Discerning minor
- 12- Discerning mentally retarded.
- 13- Fool
- 14- Negligent

Article 638:

A person, who without deputation or procuration concludes a contract on behalf of another person, is deemed intruder.

Article 639:

Possession of intruder is valid, but pending on the permission of the owner. In case no permission is secured the contract is deemed as void.

Article 640:

If the legal possessor affirms the dealing of the intruder by word or action, such affirmation is deemed as procuration and the intruder like procurator is bound to return what he has taken possession of.

Article 641:

Whenever the intruder submits the goods which are the subject of possession to the opposite side of the contract and the goods perish before permission, the owner can demand their price from the intruder or the opposite side of the contract.

Article 642:

Whenever the intruder submits the goods which are subject of possession to the other side of the contract, and the recipient contracts them with another person, the owner may permit one of these two contracts.

Article 643:

The intruder and the other side of the contract can nullify the contract prior to the permission of the owner.

Article 644:

Whenever several intruders participate in a single contract, they shall be responsible collectively.

Article 645:

1. In case of death of intruder, the obligation of his heirs shall be like that of heirs of procurator:

2. In case of the death of the owner, the intruder has the same obligation to the owner's heirs as to himself.

Article 646:

For the validity of the permission of possession by the intruder the presence of the intruder, and the opposite side of the owner of the goods, or its equivalent, while the permission is granted, is a condition. Similarly the presence of the issuer of permission while necessary rights are exercised is essential.

Article 647:

Permission for suspended contract is issued by the person so authorised explicitly or implicitly. The person who is authorised to grant permission can pose his demand in regard to the contract in the course of a maximum period of one year from the date of awareness as to possession, removal of the defect in capacity, or the removal of the cause for suspension of the contract.

Article 648:

In suspended possession the permission relates to the materialisation of possession not issuance of permit.

Article 649:

In suspended possession, the possessor can not forfeit the property which is subject of contract after he obtains possessory rights.

Part Five

Unnecessary binding Contract

Article 650:

Whenever the contract, by nature, does not bind one or both sides of the contract, or in which the option of abrogation is given to one of the two contracting parties, the contract is deemed unnecessary binding contract.

Article 651:

Whenever one of the two parties, not bound by the contract, withdraws his commitment, the contract is null from the date of withdrawal, and remains effective upto the time of withdrawal.

Sub-topic three

Options that defer binding of the Contract

Part One

Option of Condition

Article 652:

1. The two contracting parties can in all contracts, either during or after the contract, make the option of cancellation or continuation of contract a condition for three days.

2. The period of option of condition in the case of endowment, giving of bail and receiver of debt, transfer drafts, exceptionally, is permissible for more than three days.

If the condition is laid during conclusion of the contract, the period of option begins from the time of conclusion of the contract, and if laid after the contract, from the time of materialisation of the condition.

Article 653:

the condition of option in the required contract, but is possible to be annulled, is considered valid, and in marriage, divorce, exchange, reconciliation, confession, procuration, gift, and testament contracts is deemed incorrect.

Article 654:

Granting of the right to lay option condition is permitted for both contracting parties, or other than them.

Article 655:

1. Whenever in exchange of goods the condition of option is granted to both parties to the contract, the goods given in exchange shall not be excluded from the ownership of any of them.

2. In case the option condition is offered to one of the two parties to the contract, the goods belonging to the one holding the option shall be deemed in his possession, and he can not be considered the owner of the goods of the other party.

Article 656:

the contraction whose abrogation is made conditional on option, is annulled when the holder of option revokes within the defined time by word or action. In oral annulment, the awareness of the opposite party of the

of the contract, within the defined period of time
option.

Article 657:

... of the holder of option, in word or action
the defined time period, which connotes his consent
... the contract, renders the contract, annulment
... conditional to option, complete and binding
... the opposite is uninformed of this.

Article 658:

Whenever the condition of option is granted to
... of the contract, only the option of the
... which permits is drops, and that of the other
... effective until expiration of the option period.
In case one of the two parties annuls the contract
the permission of the other side is not credible.

Article 659:

Whenever the option period expires without annulment,
the contract is deemed binding and complete.

Article 660:

1. Whenever the holder of option dies before the
expiration of the option period without annulling or
... the contract, the contract shall become
... and the heirs may exercise the right of option
... unless otherwise expressed.

2. In case the condition of option is granted to sides of the contract and one of them dies, the contract becomes binding on the deceased and the option of the other side shall remain until the expiration of the period.

Article 661:

The contract becomes effective after its issuance.

Part two

Option of Choice

Article 662:

1. Placing one of specified things as subject of contract is permitted, and both parties to the contract can use the option of choice.

2. In case the option of choice is definitively mentioned, the possessor is deemed as the holder of option, unless the law provides otherwise, or the two sides have agreed otherwise.

Article 663:

Objects which are chosen as subject of option of choice can not be more than three.

Article 664:

The period of option of choice shall not exceed three days beginning from the time of agreement

Article 665:

Contract remains unbinding until the option remains in effect; when the option is used explicitly or implicitly, the contract in regard to which the option was held, shall be deemed binding.

Article 666:

Choice of option takes place at the time of conclusion of the contract.

Article 667:

Whenever the option of choice is granted to the possessor, the ownership regarding one of the objects shall be deemed established; other objects in his possession are considered to be in trust.

Article 668:

Whenever the possessor exercises the right of possession on one of the objects of option before the expiration of the option period, such possession shall be pending on the permission of the owner.

2. In case the object of ^{possession} is chosen by the owner, it shall be binding from the time of conclusion of the contract, and exercise of possessory right on the part of the possessor shall be abrogated.

Article 669:

In case one of the objects of option of choice is destroyed before it is acquired, the possessor can use the option on the rest.

In case all the said objects are destroyed, the contract is considered null.

Article 670:

1. In case one of the objects of option of choice is destroyed, acquisition of the object destroyed shall be considered as subject of contract and the possessor is obliged to pay its cost. In such instance the remaining objects shall be considered as in trust, and shall be returnable. In case all the said objects are destroyed after acquisition, in case ^{are destroyed} they one after the other, the first object shall be considered as the subject of contract, and the remaining objects as in trust.

2. In case all the objects are destroyed simultaneously, the possessor is obliged to pay the cost of one; the rest of the objects shall be considered as in trust.

Article 671:

1. In case the option is granted to the possessor, the objects of option of choice, until the choice is made, shall remain in his ownership, and the object chosen, shall be the subject of contract.

2. If the possessor has made use of one of the objects, his possession shall be permissible.

Article 672:

1. The possessor who is granted the option of choice, can annul or affirm the contract. His use of object of option of choice is permissible but his possession is deemed as abrogation of the contract.

2. In case the possessor obliges the owner to accept one of them, he is thus bound.

Article 673:

Whenever all the objects of option of choice are destroyed before acquisition, the possessor shall be held accountable for them, and possession is rendered void.

In case of the elimination of some of the objects, the possessor's option shall remain; he can oblige the owner to accept the remaining objects, or annul the contract.

Article 674:

Where one of the objects of option of choice perishes before acquisition, the perished object shall be reckoned as in trust with the possessor. He can oblige the owner to accept one of the remaining objects, or annul the contract.

If all the said objects perish one after another, the first shall be reckoned as in trust with the possessor and the owner is held accountable for the rest.

2. In case of simultaneous destruction, one is reckoned as in trust with the possessor and the other as being the liability of the owner.

Article 675:

The option of choice is transferable to the heir.

Part Three

Option of Sight

Article 676:

The right to annulment of contract through option of sight is proved, without pre-condition, in the following cases:

1. Purchase of goods the choice of which is not seen and are not part of the proved incurred debts.
2. lease of goods.
3. Division of unidentical goods
4. Compromise on goods not seen.

Article 677:

Option of sight in contracts which are not liable to annulment is not established.

Article 678:

To establish the option of sight the object of contract can not be chosen, and the possessor must have not seen it at the time of conclusion of the contract.

Article 679:

The right of option of sight shall remain until the object is seen within the time limit agreed upon by the two sides of the contract, or until a cause for dropping of the option is found.

Article 680:

The option of sight is rescinded with the viewing of the subject of option, explicit or implicit consent of the holder of option, death of the holder of option, destruction of whole or part of the object by the holder of option, use of the subject of option in such a way that it eliminates the possibility of annulment, or when the subject of other belongs to it.

Article 681:

Annulment of contract in option of sight is considered complete with explicit or implicit word or action; it is not pending on the order of court or the consent of the other side.

Part Four

Option of Defect

Article 682:

The right of annulment of contract with option of defect shall be established without prior condition.

Article 683:

The option of defect is established in contracts which are not revocable.

Article 684:

Defect shall become cause for option when it exists at the time of the contract, and is effective in the price of sale of the object, and also when the possessor is unaware of it and the owner has not made elimination of defect at the time of the condition.

Article 685:

Where defect entails conditions included in article 684 of this law, the contract shall not become binding on the buyer; he may break the contract, at his own will, before acquisition and inform the owner of the same.

2. Breach of contract, as a result of defect, shall not take place after requisition without the consent of both parties to the contract, or the order of a competent court.

Article 686:

In case the buyer breaches a contract on option of defect the contract shall become null; return of the goods acquired, and demand of price when paid is essential.

Article 687:

The possessor may not demand the loss of price if he has

the defective object except when the return of object is rendered impossible with his interference, and he has not received its equivalent.

Article 688:

The option of defect is dropped with the destruction of the subject of option, increase or decrease thereof, termination of option by the holder, or his acceptance of the defect after becoming aware of it, or his use of the object before becoming aware of its defect.

Article 689:

The option of defect shall not be repealed with the death of the buyer, his heirs shall become his locum tenens.

Topic Four

Effects of Contract

Sub-Topic One

Effects of Contract regarding the
and parties to the contract

Article 690:

Valid contract with the conclusion of which rights and obligations are created, is a contract which is permissible by nature and character; and it is free of default and condition that invalidate the contract.

Article 691:

Effect of contract relates to parties to it, and their heirs; effect of contract, with due consideration of inheritance procedures, relate to parties to it, and their common heirs, unless the contract, the nature of the transaction, or letter of the law bar relation of the contract to heirs.

Article 692:

Where personal obligations and rights arising from a contract relate to the goods which will be transferred later to particular heirs, the said obligations and rights can be transferred with the transfer of the goods provided they are entitled to them, and they know this when the goods were transferred.

Article 693:

Where a contract on exchange of goods entails all conditions of validity, each one of the contractors is required to prove his ownership, and to submit the goods to the other.

Article 694:

Whenever a contract, based on exchange of benefits of goods, entails all conditions of validity, the owner of the goods is required to submit the goods to the user, and the user is required to pay compensation to the owner.

695:

debt, obligating of a person to act, authenticifi-
of debt, apart from transfer of property, and
of benefit thereof, are of implications of

696:

Contract is binding after conclusion; recourse
contract, and its amendment is permissible with the
of both parties or the provision of the law.

In case of exceptional events or natural calamity
unforeseeable happening which would threaten the debtor
grave losses, even though fulfilling the commitment
from the contract is not impossible, the court
after assessment of the interests of both sides,
the commitment of the debtor to a just measure.
kind of agreement repugnant to this provision shall

697:

shall come in force regarding ^{it} what entails,
shall require goodwill. Similarly, apart from binding
two parties to implications of the contract, the
entails all that the nature of the obligation
in accordance with the provision of the law,
convention, and justice.

Article 698:

1. Where the contract is concluded in the form of submission and under unjust conditions, the court may amend the said conditions or order the acquittal of one or both sides as justice may require, unless the conditions of submission are formulated by the state.

2. Conditions inscribed in contract forms involving the races in contracts, acknowledgment of private institutions by authoritative state organizations shall be approved and supervised.

Part Two

Implications of contract with regards to third parties

Article 699:

1. In case the parties to the contract have concluded a contract based on wagering, intimidation or just, contracting creditors and their particular heirs can, in good faith, resort to the apparent contract. Similarly they can prove the form of the contract as a result of which they have sustained losses, and resort to the non-apparent contract.

2. In case the interests of the concerned persons in such contract clash, some shall resort to the conspicuous and some to the non-conspicuous contracts; and shall give preference to the conspicuous contract.

Article 700:

When a contract shall be considered binding on the parties to the contract and their common interest, the conspicuous contract shall have no bearing. In case, the parties to the contract conceal the intention with the conspicuous one, the real act, bearing all the conditions of validity, shall be in effect.

Article 701:

When a person promises commitment of a third person, the third person shall not be held responsible; in case of rejection of the promise by the third person, the maker of the promise is required to recompense. Even if the maker of promise fulfills his obligation, inflicting loss on the creditor, he shall not be allowed to change the promise.

Article 702:

In case the third person affirms the promise, it shall be binding on him from the time of affirmation, unless the affirmation is, explicitly or implicitly, limited to the day of promise.

Article 703:

A person can conclude a contract in his own name based on the commitments in which the interests of a third person are made conditional provided the execution of this contract entails his own personal material or spiritual interest.

the third person by virtue of this condition acquires the right of overseer as regards the fulfilment of the condition unless it is agreed otherwise.

2. The committed person can resort to such defence as would suit the contract in regard to utilisation of the right to oversee by the third person. The person by the condition can demand the materialisation of the interest of the third person except when the contract connotes otherwise.

Article 703:

1. The conditioner can, before the third person communicates his agreement to avail himself of the condition to the person committed or the conditioner, waive the condition he has laid, except when the contract requires otherwise. Creditors or the heirs of the conditioner can not enjoy this right.

2. Laying of condition does not connote the annulment of the person committed vs the conditioner, except when explicitly or implicitly an agreement is reached to the contrary. The conditioner can change the third person, or take his place.

Article 704:

In laying condition for the benefit of other it is permissible that the benefiter be an independent person or an independent party.

Similarly the person or the party who is not identified at the time of conclusion of the contract, can take the

place of third person provided he can be identified when the contract comes into effect.

Sub-Topic three

Interpretation of Contract

Article 705:

The principal in contract is the consent of the two contracting parties, and the results of what they take upon themselves through the contract.

Article 706:

In contracts, abiding by the conspicuous will of the parties to the contract, credence shall be given to objectives and meaning rather than words and letters.

Article 707:

Principal in speaking shall be the real not the figurative meaning. Whenever possible willing of figurative meanings is not permitted, unless the expression of real meanings is excused.

Article 708:

Imputation shall not be credible against clarity; in case the meanings of the two are contradictory, the clarity shall be given preference.

Article 709:

In inward matters, the reason of a thing shall be considered as its locum senes.

Article 710:

In case the impediment and the exigency are contradictory, the impediment shall be given preference.

Article 711:

Use of language is preferred to its neglect.
So long as a meaning can be expressed by language, its neglect is impermissible except when its use is excused.

Article 712:

Mentioning of some of what is indivisible is like mentioning the whole.

Article 713:

Absolute shall remain so until the reason for its change, explicitly or implicitly, is created.

Article 714:

Definition is non-credible in presence, and credible in absence.

Article 715:

Question certified implicitly in the answer of person addressed, shall be considered restored.

Article 716:

is subjected to several conditions, shall be negated by the negation of one condition.

Article 717:

shall be interpreted in the interest of debtor.

Article 718:

shall exist with cause, and terminates with the elimination of the cause.

Article 719:

is proved contrary to the speculation, shall not become the subject of another speculation.

Article 720:

is common in gradation, is as if it were a condition.

Article 721:

habit, whether it is common or special, shall be considered by law.

Article 722:

Habit is credible when it is universal or prevalent.

Credence shall be given to the widespread prevalence, not restricted prevalence.

Article 723:

is customarily, ^{impossible} is considered as actually impossible.

Article 724:

Realis may be dispensed by virtue of habit.

Article 725:

Derivative, shall have the authority of principal.

Article 726:

Dependent, shall not be subject to different authority.

Article 727:

A person who becomes the owner of something, shall become the owner of its accessories.

Article 728:

With the fall of the principal the derivative also fall and in case of annulment, ramifications shall also be void.

Article 729:

Laying of condition is required on whatever whose disposal is permitted on certain condition.

Sub-topic Four

Effects of contract in the context of surety

Article 730:

In case the person committed can not fulfil his obligation or postpone its fulfilment beyond the time prescribed, the

can order him to stand surety, unless it is proved nonfulfilment of the obligation, or the postponement of its fulfilment is due to causes not in any way related to him.

Article 731:

The parties can determine the amount of compensation which is to be paid in case of nonfulfilment, or postponement of fulfilment of obligation while concluding the contract, and thereafter.

Article 732:

In case the debtor proves that the prescribed surety is excessive, and is not proportional to the damage accruing from nonfulfilment, the creditor shall not be entitled to demand it.

Article 733:

When the damage accruing is more than surety provided, the creditor can not demand the difference from the debtor except when he proves that the debtor has committed fraud, or gross mistake.

Article 734:

The court can, in case the amount of surety is not agreed upon, or it is not specified in the law, fix its measure with due consideration to the losses incurred by the creditor and the fall in his income.

Article 735:

1. Where the debtor delays repayment of a debt which is in cash, and whose amount is specified when demanded, the creditor can demand from the debtor recompense for delayed repayment which in civil cases amounts to three per cent a year.

2. Where the date for paying recompense for delayed repayment of debt is not specified in the agreement and it can not be defined through tradition, it shall be fixed from the date of legal demand.

Article 736:

The two parties to the contract can, on the basis of their agreement, fix the amount of recompense provided for in Article (735) of this law to more than three per cent a year, provided it does not exceed seven per cent per year. Agreement contrary to this is not binding, and the creditor is required to return the excess amount.

Article 737:

Any action and benefit, surpassing that provided for in Article 735 of this law, and made a condition by the creditor, shall be considered as invisible benefit, and shall be lowered to the level specified in the said article.

Article 738:

Where it is proved that the creditor, while demanding a right, has caused the prolongation of the dispute, the court can reduce the amount of legally required or agreed upon recompense; or does not rule for recompensing the period which has been unduly prolonged.

Sub-topic Five

Effects in annulment of Contract

First Part

Cancellation

Article 739:

In case one of the two contracting parties, in contracts which impose obligations on both sides, does not fulfill his obligation, the other party can demand the cancellation of the contract, and when necessary, with compensation for losses.

Contracts which are naturally non-binding, or subjected to an option which has ended in cancellation, are not subject to this provision.

Article 740:

While declaring the cancellation of the contract, the court may award a deferment to the debtor in fulfilling his obligation.

Article 741:

Whatever the debtor has paid is trivial in the face of the commitment, the court can reject the demand for cancellation.

Article 742:

Agreement by the two contracting parties pertaining to the cancellation of the contract without the order of the court in case of nonfulfilment of obligation arising from the contract, is permissible. This agreement does not rule out the announcement of the cancellation unless the two parties have a written agreement to the effect.

Article 743:

1. Whenever an exchange contract pertaining to financial property is cancelled, obligations accruing from it are waived. In such case payment of the compensation fixed by the contract is not required.

2. If the compensation is paid previously, its return, and when this is impossible, the return of its surety, is ruled.

Article 744:

Whenever in financial exchanges the subject of contract, while in possession of the owner, is destroyed the contract is cancelled; and if the compensation has been delivered, its return to the other party is imperative whether this destruction has taken place by action of the owner, or beyond his will.

Article 745:

The fulfillment of mutual obligation in exchange contracts take place one after another, one side can refrain from meeting obligation until other side takes action.

Article 746:

When both contracting parties in exchange contracts are to fulfill their obligations simultaneously, they can deliver up each other the subject of contract at the same time, or leave it with a honest person so that every one can acquire his right at the same time.

Part two

Rescission

Article 747:

Both parties to the contract can, by their own consent, rescind the contract after its conclusion. Rescission causes the repeal of the contract.

Article 748:

Exchange of goods shall represent offer and acceptance, and rescission therewith shall be considered effective.

Article 749:

Proof and existence of the subject of contract at the time of rescission is imperative. In case the subject of

contract is destroyed before rescission, rescission shall be void. In case a part of the subject is destroyed, rescission remains and is considered effective.

Article 750:

Rescission in as much as the two contracting parties are concerned, is considered as annullant, and in case of the person, is recognized as a new contract.

Section Two

Individual Will

Article 751:

Individual will is subject to all provisions relating to contract except when the concurrence of the will of the two sides is considered imperative for the creation of commitment.

Article 752:

The incogitor of individual will, is considered liable in accordance with the provisions of the law.

Article 753:

Individual will can sometime become cause for creation of commitment, or promise, and sometime for acquiring or disposing property, permission for exercising possessory rights, and some time use of any of options.

Article 754:

Promise is an obligation which is created by a person for himself, in future time, and does not connote immediate commitment. Promise may relate to a contract or to an action.

Article 755:

A person who has made a promise shall remain bound to it until he lives, or is not bankrupted.

Article 756:

A person who has promised a reward for execution of a specified action, is obliged to pay the promised reward to the person who has accomplished the action even though the action was performed with no consideration to the reward.

Article 757:

If person who has made the promise has not fixed a time limit for the performance of the action, he can withdraw his promise before the person has performed the action.

Demand for payment of the promised reward three months after the withdrawal of the promise shall not be heard.

Chapter Three

Legal

Section One

Harmful Act

Topic First

Action occurring on Property

Sub-Topic One

Damage

Article 758:

A person who damages property of others, is obliged to stand surety for it.

Article 759:

A person who destroys property of others whether in his possession or put in trust with him, intentionally or unintentionally, is obliged to stand surety for the loss occurring from his action.

Article 760:

The creation of the cause of destruction requires standing surety, failure in providing possible means to take necessary precautions also necessitates surety.

Article 761:

In case of full destruction, surety for the property as a whole, and in case of destruction in part, surety for the loss incurred, becomes the liability of the destroyer.

Article 762:

In case of an undiscerning or discerning minor, or a person who is subject to the provisions regarding undiscerning minor, who destroys property of others, he should stand surety with his own property. In case he does not possess property, he shall be granted a deferment until he does so. But the executor and the guardian are not required to stand surety for the destroyed property except when the court requires them to do so. In such case their right of recourse to the person of destroyer shall remain reserved.

Article 763:

In case of association of agent and perpetrator, the person who caused the destruction, or the property was in trust with him, shall stand surety. In case of involvement of both, they are required to stand surety together.

Article 764:

The person who causes loss is obliged to stand surety if his action has produced the damage.

Sub-Topic Two

Usurpation

Article 765:

1. The usurper is obliged to return what he has received.

2. Where a damage is caused by usurpation, the creator apart from being obliged to return the same property in the locality of usurpation, is also obliged to pay compensation for the damage.

Article 766:

Where the usurped property is consumed by the usurper or the whole or part of it is destroyed while in his possession, or is dissipated, by force, he is obliged to pay compensation for the usurped property.

Article 767:

Where the usurped property is changed while in possession of the usurper, the owner of the property can demand from the usurper the usurped property with recuperation for damage, or for his standing surety.

Article 768:

... if the usurped property shall belong to the owner.
... where the accessories are destroyed or consumed
... the usurper, the usurper shall be obliged to pay compen-

Article 769:

1. Where the usurped asset is immovable property, the
usurper is obliged to return it to the owner, or commensurate
compensation.

2. Where the usurper has constructed a building or
planted trees on the usurped property, the owner may
demolish the building, cut off the trees, and in case of
refusal of the usurper, pay the cost of materials
to cut the trees off.

3. Where the immovable is eliminated ^{or} damaged, the
usurper, even though he may not be aggressor, is obliged
to pay compensation.

Article 770:

... and who usurps from the usurper is the same before the
law. Where the usurped goods are dissipated while in his
possession, or is destroyed, both usurpers are obliged
to pay compensation.

Article 772:

... where the usurper exchanges, or gives usurped property

as a gift, and as a result the whole or part of the said property is destroyed, the usurper and the recipient both are responsible, and the owner can demand from either to pay compensation.

Article 773:

Whatever is in par with usurpation in taking property out of one's possession, is considered as usurpation.

Topic Two

Bodily Offenses

Article 774:

A person who commits a harmful act such as murder, injury, beating, etc. or other damages to body, is obliged to compensate the damages received.

Article 775:

Whenever a person murders another person for the damage or injury he received from him, he shall be bound to pay alimony for the persons dependent on the deceased person.

Topic Three

Common Provisions

Article 776:

Where as a result of a mistake or failure damage is inflicted on other, the perpetrator is obliged to pay compensation.

Article 777:

Every aggression that cause damage to other than those defined in above articles, the perpetrator is obliged to pay compensation.

Article 778:

1. Compensation shall also include estimation of spiritual damage.
2. Where as a result of the death of the person aggressed spiritual damage is incurred on his spouse or relatives, the court may order compensation for the spouse and immediate and next to immediate relatives.
3. Compensation for damage arising from spiritual damage is not transferable to others, except when its amount is fixed by virtue of agreement of the two parties, or final verdict of the courts.

Article 779:

the court fixes the amount of compensation in proportion to the damage incurred provided the said damage is directly attributable to the action of the perpetrator.

Article 780:

Where the court does not find it possible to ascertain the amount of compensation, it can reserve the right to demand the revising of the amount of compensation fixed, within a reasonable period of time.

Article 781:

the method of paying compensation, with due consideration to circumstances, shall be decided by the court. Compensation may be paid in instalments. In such instances it is permissible to oblige the debtor to offer guarantees.

Article 782:

Where the person incurring damage, due to his own error has caused the increase or decrease in the damage suffered, the court can reduce the amount of compensation, or refrain from ordering it.

Article 783:

Where any person proves that the damage was due to external cause without any interference on his part, or from an unexpected phenomenon, or from force majeure, or from an

on the part of the person incurring damage, or of
 he shall not be required to pay compensation
 the law or the agreement of the two parties provide
 otherwise.

Article 784:

1. Need is determined as necessary.

2. A person who in rightful defence of his body or
 property, or body or property of other causes damage,
 shall not be held responsible, provided that he has
 committed excess in defence otherwise he shall be
 required to pay just compensation.

Article 785:

Compensation shall be annulled by minor damage. A person
 for his own protection incurs a greater damage than
 sustained on himself, shall be condemned to payment of
 compensation deemed just by the court.

Article 786:

Specific damage, is sustained to fend off general damage.

Article 787:

1. Action shall relate to the actor, not the commander,
 except when the actor is intimidated. In actions, only
 complete aversion shall be recognised as credible force
 majeure.

2. The public servant shall not be held responsible

for an action incurring damage on other when he has taken this action by the order of the commander loyalty is a must, or he believes so.

Similarly he should prove his belief in regard to the said action, based on reasonable causes, and due precautions.

Article 788:

Incurring of damage, and fighting damage with damage is not permissible; damage is not removed with its

Article 789:

Where there are more than one person responsible of damaging act, they have equal responsibility in compensation the damage, unless the judge fixes every one's share compensation.

Topic Four

Responsibility

Article 790:

The father and the grandfather, in this order, is responsible for the damage caused by the minor, except he proves that he had not failed in exercising all care or that the damage would have occurred despite every precaution.

Article 791:

A person who, by order of law or through agreement, is obligated to supervise another person, is considered responsible for the damaging actions of the person under supervision, such as minor or income.

The employer shall be responsible for damage caused by the negligent action of his employee while discharging his duties, or if he becomes the cause of such action under the law or the agreement stipulates otherwise.

Article 792:

A person responsible for the action of other, can demand compensation he has made from the perpetrator.

Article 793:

Animal action caused by animal shall not create any responsibility. The owner shall be responsible to pay compensation when it is proved that the necessary precautions for prevention of the incident were not taken.

Article 794:

Where the owner sees the animal inflicting a damage on the property of other and does not prevent it, or if he is aware of the defect in the animal and does not watch or keep it, he shall be held responsible.

Article 735:

When a person enters an animal into the property of other without permission, he is obliged to pay compensation.

Article 740:

1. The guard of a building, even though he may not be the owner, is responsible for the damage caused by destruction even though it may be minor, except when it is proved that the destruction was not due to failure in protection, and was due to the oldness or defect of the building.

2. A person who has in his possession technical equipment or goods that alleviating damage caused by them requires special attention, he shall be held responsible for the equipment or goods causing any damage, unless he proves that he has exercised sufficient care to alleviate damage. Special rules that shall be promulgated later, shall also be abided by.

Article 737:

Person who has in possession technical instruments or other things which require special attention for preventing danger, he shall be deemed responsible for the damage which may be generated from the said things and instruments unless he could prove that he had exercised sufficient care in preventing the damage. The special provisions which will be formulated in the future shall also be observe.

798:

compensations for damages caused by damaging shall not be heard three years after the person the damage became aware of it, and of its perpetration in all circumstances, after 15 years since the occurrence of the damaging action.

799:

person, eventhough he may be non-discerning, and a profit without permissible cause as a result of damage to another person, he shall be to recompense the person sustaining damage proportionate to the undue profit he has acquired.

Section two

Useful Action

Topic One

Payment without right

Article 800:

A person who delivers something to another person, thinking that he is obliged to do so, and it is proved afterwards that he was not obliged to do so, can demand its return.

Article 801:

1. Where a person defective of capacity takes delivery of something to which he is not entitled, he is obliged to return it.

2. Where the contract of a person of defective capacity annulled, he is obliged to return what he has acquired by virtue of that contract.

Article 802:

Where the ill will of the person taking delivery, but not entitled to it, is proved while the delivery is being made or afterwards, he is obliged to, apart from returning the goods, pay profits accruing from it, from the time of delivery, and compensation for damages emanating from his exercising the right of ownership.

Article 803:

What is delivered by virtue of a contract the cause for which is not realized, or after realization has been waived, can be demanded back.

Article 804:

Where the debtor fulfills his obligation before the time is due, without knowing it, he can demand the return of what he has paid.

The creditor can reply only with the profit accruing from early payment of the debt, recompense the loss incurred by the

debtor from the early payment of the debt. Where the subject of obligation which is exercised before its time is such, the creditor is required to reimburse the losses incurred by the creditor in accordance with Article 735 of this law, or by virtue of the two parties' agreement.

Article 305:

1. Where the debtor pays the debt to another person who assumes the position of the original creditor, and may demand repayment from the debtor.

2. Where the debtor pays the debt before the person he has delegated to do so, he can demand repayment of the debt from the debtor, or the original creditor.

Article 306:

Where a person pays the debt of another person without having been delegated, the debtor is relieved of his obligation. Acceptance or non acceptance of debtor is not valid. The person who pays the debt is recognized as donor, and can not demand repayment from debtor except when it is established that the payment of debt was in the interest of the payer, or that he did not have the intention to donate.

Article 307:

In case a person makes use of property of another person without permission, he is obliged to repay its profits,

Unless the property is movable, and the user

Article 808:

Where the property of one person is so joined
property of another person that separation is
without damage, the property which is of lesser
after payment of cost, is subject to the property
is of greater cost.

Article 809:

Where a person who does not understand the nature
transaction, acquires a profit, without legal cause,
the loss of another person, he shall be obliged
recompence the person sustaining the loss to the
of the damage incurred, eventhough acquiring of profit
is discontinued.

Article 810:

Claims pertaining to acquisition in the past without
is not heard after the lapse of three years from the
the creditor knew of his right to claim, and the lapse
of 15 years from the establishment of the right to claim.

Topic 170

Officious Contract

Article 811:

1. Where the action of the officious person has been performed, and performed due to emergency, agency, or called by circumstances, the officious person, is obliged to do the action as the normal person.

The officious person is responsible for his errors, and of the person who has delegated him to perform the

2. The person to whom the action is due can call directly (directly from the person officiated to perform the action).

Article 812:

The officiating person can, in circumstances described in Article (811) of this law, demand the expenses he incurs in performing the action within three months after the person to whom the action is due is informed of it.

Title Three

Evidences of Obligation

Chapter One

Natural Obligation

Article 813:

Where possession creates natural obligation, it determines its extent within the limits of the (Islamic jurisprudence) and the law.

Article 814:

Natural obligation can be cause for civil compi.

Chapter Two

Real enforcement

Article 815:

The committed person is obliged to fulfill his real obligations. In case of impossibility of real enforcement, obliging the person committed to financial enforcement is permissible unless financial substitution inflicts harm on the opposite party.

Article 816:

Commitment to transfer of property or any kind of right to property, with due consideration to the rules pertaining to registration of documents, is cause for immediate transfer of the right except when the subject of obligation by nature is immovable goods, and the person making the commitment is the owner.

Article 817:

When a person commits himself to transfer of right to property, which is defined, for the transfer of this right, the subject of commitment should be specified otherwise the creditor can acquire the subject of commitment in kind. Similarly the creditor can, in both circumstances, demand the subject of commitment with compensation for losses.

Article 818:

Commitment to transfer the right to property, entails commitment to delivery, and preservation of the subject of commitment until the time of its delivery.

Article 819:

Where the nature of obligation or the agreement of the parties call for performance of an action by the person committed, the creditor can reject the execution of the action by persons not committed.

Article 520:

1. Where the person who has committed himself to an action does not perform it and in case the execution of that action by the person committed is not deemed essential, the opposite party can seek the performance of the action on account of the person committed, from the court.

2. In emergency situation, the opposite party can, without seeking permission of the court, after informing the person committed, have the action performed in his account.

Article 521:

In case a person has committed himself to performing an action, when the opposite party demands so, he is obliged to perform the action in question otherwise the verdict of the court, when the nature of the transaction calls for it, shall replace the enforcement by the person committed.

Article 522:

In case in commitment for performance of an action, the subject of commitment is preservation or administration of property or exercise of caution for the execution of the commitment, the commitment is considered fulfilled when the normal precautions have been exercised even though the objective is not attained, except when the law or the agreement of the two parties provide otherwise. In all circumstances if the person committed indulges in fraud

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... a gross error, he is considered responsible.

Article 323:

... a person committed to performance or nonperformance
... action fails to fulfil his obligation, the opposite
... demand from the person committed to recompense for
... failure, and when necessary, compensate for losses.

Chapter Three

with

Enforcement through threatening/Indemnity

Article 324:

... real enforcement without fulfilment of obligation by
... person committed is impossible or unsuitable, the
... party can demand the verdict of the court regard-
... the obligation of the person committed, and in case
... denial, he may threaten him with indemnity.

... Where the court considers compensation for the aversion
... of a person committed but denying from fulfilment of
... obligation, it can increase the compensation to the extent
... deemed necessary.

Article 325:

... the person committed after being threatened with
... compensation, does not fulfil his real obligation, or

insists on not fulfilling the obligation, the court, in light of losses sustained by the opposite party and needs of the person committed, fixes the proportion of compensation.

Chapter Four

Enforcement through compensation

Article 326:

Enforcement through compensation for losses shall be carried out in accordance with the provisions of the law.

Article 327:

the right for compensation can not be realized before its announcement to the person committed except when the law provides otherwise.

Article 328:

the person committed is informed through written warning or what can be construed as warning. The agreement between the two parties that the arrival of the time for the fulfilment of the commitment can be considered as a warning, without any other action, can serve in lieu of a warning.

Following circumstance declaration to the person is not essential.

When the real enforcement of the commitment is impossible by the action of the committed person.

When the subject of commitment is compensation for a permissible action.

When the subject of commitment is the return of things which have been stolen, of which the person is in possession of information, or has submitted to a person not entitled to it, even though he knew of it.

When the person committed has declared his refusal to accept the form.

Agreement of the two parties on binding the person and releasing responsibility for unforeseen events and measures is permissible.

Similarly the agreements of both sides pertaining to release of every kind of responsibility stemming from non-fulfillment of contractual obligation is permissible.

Responsibility stemming from fraud or gross error of the person committed can not be waived through agreements of

the two parties. The person committed may say that he will not be accountable for the fraud and errors of persons he employs for the enforcement of commitments.

3. Every kind of agreement of the two parties relating to waiving of responsibility concerning any action is void.

Chapter Five

Guaranteeing the Rights of Creditors

Part One

General Provisions

Article 831:

1. All the property of the debtor are surety for his debts.
2. All the creditors have equal rights to the property of the debtor, except the creditors who in accordance with the provision of this law have the right of precedence.

Part Two

Means of Enforcements

Topic One

Indirect Claim

Article 832:

The creditor may use the rights of the debtor in the name of the debtor, even though the debt is not yet payable, provided the said rights are not exclusive of and inseparable from the debtor, or is not something that can be demanded. The creditor can use this right when proves that the debtor is not using it, also when he proves that non-use of right by the debtor would cause his bankruptcy or exacerbation of his bankruptcy.

In this circumstance declaration to the debtor is not essential, but his entry as adversary in the case is operative.

Article 833:

The creditor while using the rights of debtor is recognized as his agent. The profits accruing from the right of the debtor is the property of the debtor, and is surety to all creditor.

Topic Two

Claim pertaining to Non-Enforcement

of Possession

Article 834:

In case the right of the creditor is payable, and the debtor possesses it in a way that causes loss to the creditor, reduces the rights of the debtor, or frustrates the commitments of the debtor in a manner that causes his bankruptcy or exacerbate his bankruptcy, the creditor can, with due consideration to the conditions prescribed in Article (835) of this law, demand non-enforcement of such possession.

Article 835:

1. Exchange of possession of the debtor of the right of creditor is considered void when the said possession entails fraud on the part of the debtor, and the opposite party is informed of it. The possession of the debtor is considered fraudulent when the debtor, while exchanging possession is in knowledge of his bankruptcy.

2. The knowledge of the opposite party in regard to bankruptcy of the debtor is considered knowledge about fraud of the debtor. Unilateral possession of the debtor of the right of the creditor is not considered

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even though the opposite side is of good will, and
debtor has not indulged in fraud.

3. If a successor to whom property is transferred
by the debtor transfers the property, against compensa-
tion to a second successor, the creditor can not consider
the possession ineffective except when the second successor
at the time of the possession of the debtor, was in knowledge of
the bankruptcy of the debtor when concluding a contract
with the first successor with or without substitution.

Article 836:

Where the creditor claims the bankruptcy of the debtor, he
is obliged merely to prove the extent of his debts.
The debtor is obliged to prove that he owns property propo-
rionate to or more than his debts.

Article 837:

Where non-enforcement of possession is ruled, all the
creditors, who have sustained losses from the said possession
are benefited from this verdict.

Article 838:

1. Where the debtor has met his obligations, or owns
property sufficient for repayment of his debts, the right
of the creditor pertaining to non-enforcement or possession
by the debtor is abrogated.

2. the opposite party can be called on to do claim for non-exercising of possession, when the debtor pays his debts, or proves that he owns sufficient property for payment of his debts.

Article 839:

In case a person acquires a right from non-solvent free of cost, the claim of the creditors against him is not heard when the said cost is of kind, and is on trust at a bank or treasury determined by the court.

Article 840:

1. Where fraud is committed for securing unlawful right of precedence for one of the creditors, this brings about only deprivation of the said creditor the right of precedence.

2. In case the non-solvent pays the credit of one of the creditors before its time, this payment does not affect the right of other creditors to claim non-exercising of possession. Similarly if the debt is paid when it was due, on the basis of the agreement of the two parties, it is subject to the same provision.

Article 841:

Claim regarding non-enforcement of possession is not heard after a lapse of three years from the knowledge of the creditor of the cause of non-enforcement of possession.

In other circumstances the claim is not heard after the
time of 15 years from the date of issuance of possession.

Part three

Issues of Surety

Topic One

The Right of Custody

Article 842:

Every one of the contracting parties can in every finan-
cial exchange until such time that he takes delivery of
the substitution, keep the subject of contract.

Article 843:

When a person incurs necessary and beneficial expenses
on the property of other in his legal possession, can
refuse its return to owner until he obtains what he is
entitled to legally, unless the obligation for returning
the property arises from nonpermissible action.

Article 844:

A person who commits himself to submission of goods can
refuse the submission of goods until such time when the

opposite party meets his commitment arising from the commitment of the debtor related to it.

Article 845:

Proving of the right to custody of a thing does not give any privilege over it. The custodian is obliged to preserve the thing, and is accountable for profits and losses from it. In case where there is a danger of destruction or damage to the thing, the custodian can demand the permission of the court for its sale in accordance with mortgaged possessory sales contract procedures. In such case the right of custody is transferred to the price of the thing.

Article 846:

1. The right of custody is annulled with the annulment of possessory rights.
2. In case a thing is taken out of possession of a person covertly, or despite his protests, he can demand the regaining of the possessory right, provided the request for restoration of this right is made within one month from date of knowledge of dispossession, and within one year from its occurrence.

Topic Two

Dispossession of Non-solvent Debtor

847:

If the debtor refuses to pay the payable debts and it is clearly indicated that the debts are more than his assets, and when there is fear of the loss of his property, or when the debtor has hidden his property elsewhere in the name of others, he shall be declared bankrupt.

848:

When the conditions provided in Article (847) are fulfilled, the creditors can demand from the court, in whose jurisdiction lies the residence of debtor, that the debtors from exercising the right to possess their property. This demand is registered in the respective court and the goods shall be put under protection.

Any disposition of any possession by the debtor after the registration of the demand shall be invalidated.

849:

After the issuance of the decision barring possession by the debtor, and after its registration and publication in the official gazette, each of the creditors can demand the respective court to issue a verdict to prevent the debtor from possessing movable and immovable goods belonging due to others or to him.

Goods that cannot be dispossessed shall be an exception. Dispossession of the property owned by the bankrupt shall continue to remain so, by the creditors, until the dues are paid.

2. Goods dispossessed shall be submitted to the creditors, to keep them safe. The trustee shall present the accounts of these goods to the court which has issued the dispossession order.

Article 850:

the maintenance of the debtor dispossessed of his properties, and the maintenance of his dependants shall be provided from the properties dispossessed.

Article 851:

1. Where an order is issued for dispossession of the bankrupt, the deferment period of the deferred dues shall be expired and the interest fixed on dues shall not be paid during the deferment period.

2. The court can, on the request of the debtor, issue a verdict for the continuation or extension of the reprieve period so that the debtor pay the deferred dues to the creditors.

Similarly, the court can extend the short reprieve period provided the circumstances or the interests of the debtor and creditors may require so.

Article 352:

A dispossessed debtor confesses a liability, his confession shall not be valid. If he pays his debt from his property to one of the creditors, the other creditors shall have the right to get the payment recou-

Article 353:

A trustee appointed by the court to administer and manage the goods of the debtor, shall deposit the title of the goods under his trusteeship to saving account in the name of the creditors at a bank determined by the court. He can also take measure in fulfilling the liability of the debtor by selling what is permitted to dispose of the goods, with the permission of the court or agreement of the debtor and creditors.

Article 354:

1. Dispossessed debtor can sell, all or a part of his goods, by agreement of majority of the creditors who represent three-fourth of the dues, provided he appropriate the sale proceeds to the fulfillment of his liability.

2. Where the creditors do not agree to the distribution of the proceeds among themselves, they shall have to deposit it in a bank which may be determined by the respective court so that it would distribute it to the creditors

according to the provision of law.

Article 355:

The debtor can deal with his own property, with the permission of the court, though it may not be agreed upon by the creditors, provided he deposits the proceeds in the name of the creditors in a bank which may be determined by the court.

Article 356:

The debtor shall be condemned to punishment in the following cases:

1. When a debt claim is raised against the debtor and the debtor intentionally shows his bankruptcy with the object to injure the creditors, provided the claim may have resulted in the issuance of a verdict by the court to the bankruptcy of the debtor and the proof of the liability.

2. When the debtor after the dispossession order conceals some of his properties or exaggerated in his debts with the purpose to prevent the application of the court order and to inflict loss to the creditors.

Article 357:

Bankruptcy shall terminate in the following cases on the request of the interested persons and the verdict of the competent authority:

1. When the properties of the debtor exceed his debts.
2. When all or some of his creditors acquit the debtor and when the residual property is more than the debts of the debtor.
3. When the debtor pays the non-deferred debt without being affected by the order of dispossession. With regard to expediting the payment of the debt, his non-deferred debts shall be deemed as paid before the issuance of the order of bankruptcy, provided the due instalments are also paid.
4. When all the debts are paid to the creditors on the basis of the decision made for clearing the accounts between the debtor and the creditors.

Article 858:

1. Where the dispossession is completed it shall be marked on the Dispossession Registration Book by the trustee appointed by the court and the issue shall be published in the official gazette at the expense of the debtor.
2. The remaining goods shall be taken from the trustee and be given to the debtor.

Chapter Six

Multiplicity of parties to an obligation

First Part

Common and uncommon debts

Article 359:

A debt is deemed common when there is a common cause, arising from a single contract, from transfer of an obligation to the heirs, from the consumption of a common property or from payment of a loan made out of a common property.

Article 360:

A debt is uncommon where there is a difference of cause.

Article 361:

Where a loan is common between two or more persons, each of the partners (creditors) can demand his own part from the debtor. When one of the partners receives a part of the debt, the remaining partners shall take part, according to their shares, in the debt received. In the absence of some of the partners, the partner present can demand the payment of his own part.

Article 362:

Where one of the partners receives a part of the common

Other partner may join him in taking his share
debt received and then they can jointly demand
total debt from the debtor or each can demand from
debtor to pay his part entirely.

...
... has been given the option to approach the debtor,
... cannot approach the other partner who has
... of a part of the loan unless his share has
... . In that case, he shall turn to the holder
... share in the property held.

...
... where the partner who has taken hold of a part of
... from the debtor disposes off, one way or another,
... received or destroys it, he shall be liable to
... of the partners.

... where the thing held is destroyed in the hand of
... without his fault, he shall not be responsible
... partners for their shares. The residual debt
... of the debtor, shall belong to other partners and
... holding the property shall not have any share in
... left unpaid.

...
... if the partners gets a guarantee from the debtor

against his right, or where the debtor makes an order
some one to pay the debt, other partners may take part
the amount received from the guarantor or the one order
to pay the debt.

Article 866:

Where one of the partners holds a property equal to his
right with the permission of the debtor, he shall be a
holder of his own part. Other partners may take part
the property acquired or may go to the debtor for their
rights.

Article 867:

Where in a common debt one of the partners (creditors)
gives his part as a gift to the debtor or acquits him, the
and the acquittal shall be valid. The offeror shall not
be deemed as a surety against the rights of other partners.

Article 868:

Where the debtor dies and the patrimony is less than his
debts, all partners shall take part in the patrimony
according to their part.

Article 869:

Where the common debt is patrimony, no one of the partners
can defer the part of his partner without his permission.
He can only defer the payment of his own part.

Article 370:

Where the obligation liability is a payable debt based on a contract, no one of the partners can defer the loan without the permission of other partners. However, he can defer his own part.

Article 371:

Partners can agree that each has the right to get his own part from the debtor without giving others the right to recourse to the debtor. This agreement shall be deemed a division of debt and the part of each one of the partners shall be his without partnership.

Article 372:

Where the debt demanded is uncessary, each of the creditors can separately take his right from the debtor. Other creditors shall not have the right to take part in the debt received.

Section two

Warranty

First Topic- General Provisions

Article 373:

Warranty cannot be made by provisions of law because the

creditors and debtors without the agreement of

Second Topic- Guaranty of creditors

Article 874:

1. On the basis of guaranty made, the creditors collectively or individually demand all the debt of the debtor.

2. Where a demand made by one of the creditors for the payments of warranted debt, the debtor may not resort to such defensive methods which would be relating to the creditors. The debtor can resort to such special defensive methods which would relate to the person demanding the debt, ^{or} resort to such defensive methods which would be relating between all creditors.

Article 875:

The debtor may pay all his liability to one of the guarantied creditors unless one of the creditors has prevented him through a written warning given in advance.

Article 876:

1. Where acquittal of the debtor by one of the creditors is due to a reason other than the payment of debt, the debtor shall not be considered acquitted by other creditors unless the acquittal is equal to the loan given by the creditors.

where one of the warranted creditors commits an act by which damage is done to the creditor, the action shall be binding on other creditors.

§ 377:

where one of the warranted creditors takes from the creditor against the loan, all other creditors shall have the same right in it, unless otherwise is agreed upon by the creditor, as provided by the law.

Third topic

Guarantee by the debtors

§ 378:

where debtors are guaranteed against each other, the creditor may demand the whole debt from all the debtors or from any one he may want. Demand of the debt from one debtor may not prevent demand from other debtors.

2. The debtor from whom the creditor demands his debt cannot resort to such special means of defence which relate to other debtor except according to his own part, provided he has paid his part one way or other. The debtor cannot resort to special means of defence which relates to himself or to means of defence common between all debtors.

Article 379:

Where one of the debtors, guaranteed against each other, pays all the exact debt or by substitution, or through one of payments, he and other debtors shall be deemed to be acquitted.

Article 380:

Renewal of loan between the creditor and one of the debtors who are guaranteed against each other, may cause other debtors to be acquitted except that the creditor has reserved his right to demand his loan from the debtors.

Article 381:

The guaranteed debtor cannot resort to a credit system employed between creditor and guaranteed debtors except according to the part of that debtor.

Article 392:

Where the creditor joins one of the debtors in the obligation, the liability of other debtors shall not be fulfilled and for the part of that debtor whose obligation is united with creditor.

Article 393:

Where the creditor acquiesces one of the guaranteed debtors, the obligation of that debtor shall be fulfilled, and other debtors shall not be recognized acquitted unless the

...clearly points out to their acquittal. In this case the creditor can only demand the residue of the debt from other debtors after subtraction of the part of the debtor acquitted.

Article 384:

Where the creditor acquits the guarantee given by one of the debtors, he has the right to demand all the debt from other debtors except otherwise is agreed upon.

Article 385:

1. In all cases where one of the guaranteed debtors acquires acquittal from the creditor, or from the guarantee given by the debtor, and another debtor becomes bankrupt, other debtors while fulfilling their obligation shall get the debtor acquitted to pay the proportional part of the bankrupt debtor, according to the provision of Article 202 of this law.

2. Where the creditor release the debtor acquitted of all debt responsibility, the proportional part of the bankrupt debtor shall be borne by the creditor himself.

Article 386:

1. Where the liability of one of the guaranteed debtors come under the provision of lapse of time, other debtors cannot benefit from it except the amount of the part of the debtor.

2. Where the provision of lapse of time in respect of one of the guaranteed debtors is disregarded or the agreement is stopped, the creditor cannot resort to the other debtors.

Article 387:

1. The guaranteed debtor shall only have responsibility for his own action in fulfilling his promises.

1- The guaranteed debtor in fulfilling his commitments shall have responsibility only for his own action. When the creditor gives warning to one of the guaranteed debtors, it will not have any effect on other debtors unless otherwise agreed upon.

2- Where the warning is given to the creditor by one of the guaranteed debtors, other debtors shall take advantage of it.

Article 388:

1. Where the creditor compromises with one of the debtors in such a way which would involve the acquittal of the debtor or indicate such acquittal by one way or another, other debtors shall take advantage of it.

2) Where the compromise of the creditor with one of the guaranteed debtors causes some increase in the previous liability or create new obligations, such compromise shall not affect other debtors unless it is agreed upon.

Article 889:

Where one of the guaranteed debtors confessed the confession shall not have any validity with regard to other debtors.

Where one of the guaranteed debtors refrains from the oath, or the creditor, as a result, takes the oath, the debtors shall not be affected.

Where the creditor consents himself to the oath by one of the guaranteed debtors, other debtors shall not take advantage of it.

Article 890:

Where a verdict is issued against one of the guaranteed debtors due to some special reason, the verdict shall not be accepted as by other debtors.

Where a verdict is issued to the benefit of one of the guaranteed debtors, other debtors shall take advantage of it unless the verdict would have been issued because of some special reason only for the benefit of the debtor concerned.

Article 891:

Where one of the guaranteed debtors pays the whole debt he may recourse to other debtors to pay him their proportionate parts. Where the real debtor was another person and he paid the debt in place of him, the payer

as a creditor, can refer to the real debtor for reimbursement of all the debt he paid.

2. Where one of the guaranteed debtors pays the liability shall be borne equally by all the guaranteed debtors unless otherwise may be the agreement or the provisions of law.

Article 892:

Where one of the guaranteed debtors becomes bankrupt, the debtor who pays the debt and those who have the power to pay their parts, shall bear proportionately the part of the bankrupt debtor.

Article 893:

Where among the guaranteed debtors there would be a debtor who is considered the only one benefiting from the debt, he shall be bound, before other debtors, to pay the debt.

Article 894:

An obligation shall not be divisible in the following cases:

1. When the subject of obligation is naturally indivisible.
2. When from the intencion and purpose of the obligating parties it is found out that the obligation is not divisible.

Article 825:

1. Where in a indivisible obligation there are several debtors involved, each shall be considered bound to fulfill all the commitment.

2. Where a debtor pays the debt, he may refer to other debtors to pay their proportionate parts owed, unless otherwise the situation may demand.

Article 826:

1. Where in a divisible obligation there would be involved many creditors or their heirs, each of the creditor or the heirs can demand the fulfillment of all the obligation from the debtor.

If this arrangement is objected by one of the creditor or his heir, the debtor shall be bound to pay the debt to all the creditors or their heirs or he can deposit the money involved in the obligation.

2. The creditors can refer to the creditor, who has received all the debt, for their own parts.

Chapter Seven

Fulfillment of Obligation

First Part

Ways of Fulfillment

Article 897:

The payment of a debt shall take place by cash payment, trading, acquittance, money order and renewal.

Second part

Parties to the Obligation (debt)

Article 898:

1. A debt shall be paid by the debtor, his deputy, or another person in whose interest the payment may be, subject to the provisions of article (819) or this law.
2. Subject to the provision of the above clause, the payment of debt shall also be correct when it is made by a person, not involved in the obligation, by the order or without the order of the debtor. The creditor can reject the payment made to him by the person in case the debtor objects to it.

Article 899:

1. Where the person other than the debtor, who is not involved in the debt, makes the payment of the debt, he can refer to the real debtor for reimbursement.

2. Notwithstanding the payment of debt made by the person not involved in the liability, the debtor can, if the debt paid without his intension, refuse to pay all or part of the debt paid by the respective person provided he (debtor) can prove that he would benefit from this objection.

Article 900:

Where a discerned minor or a person disinherited pays his debt, his payment shall be valid and he shall be deemed acquitted.

Article 901:

The debtor, when he is suffering from a fatal disease, cannot pay the debt of one of the creditors while it results in damage to other creditors.

Article 902:

For the authenticity of the payment of debt, it is necessary that the payer should be the owner of the thing paid and should have the legal possession of it.

If the thing paid is taken by another person by reason

of title or if is taken after its elimination as a substitute, the creditor can demand his right from the debtor.

Article 903:

Where a person other than the debtor pays the debt, shall be recognized the *locum tenere* of the creditor who has received the debt, under the following cases:

- 1- when he is jointly bound, or is obligated by law to pay the debt.
- 2- when the payer is the creditor, and pays the debt of creditor who has given guarantee and has priority over the said creditor, even though the payer has no security.
- 3- when the person *buys* the immovable which is the guarantee of the rights of creditors, the price of the said immovable shall be paid for their debts.
- 4- when the payer is recognized *locum tenere* by the provision of law.

Article 904:

Where the creditor receives the debt from a person other than the debtor, he can appoint him, with the agreement of both parties, as his agent, although the debtor may not express his consent or his agreement. The agreement cannot be made later than the time of payment.

Article 905:

When the debtor borrows money from a third party with the object to pay the debt, he can appoint the person who offered the loan as locus tenens of the creditor when he fulfilled his obligation, though the creditor may not agree thereto, provided in the contract of debt mention should be made that the property borrowed is appropriated to the payment of the debt and that in the receipt of the loan it is clearly described that the payment of the debt has been made out of this property.

Article 906:

Person who becomes, by the order of the law or by the agreement of the locus tenens, a creditor, shall be entitled to all rights of a creditor along with all the attributions, accessories and other respective obligations. He shall be recognized the agent of the principal creditor for only the amount of property paid to the principal.

Article 907:

1. If a person other than the debtor pays a part of the debt and becomes the locus tenens of the creditor for that part, this will not do any harm to the creditor and he shall have priority to demand the residue.

of the debt unless otherwise may be agreed upon.

2. Where another person becomes the locum tenens of the creditor in paying the remaining part of the debt, each one can ask the debtor to pay him his proportionate part.

Article 908:

Debt is principally paid to the creditor or his representative. If the creditor is dispossessed the debt is paid to the guardian of the executor or his tutor who would have the authority to acquire the debt. If the debt is paid to the dispossessed creditor it will not be valid and the debtor shall not be deemed acquitted. In case it is destroyed or lost, the guardian of the executor and the tutor can demand the debt.

Article 909:

Where the debt is paid to a person other than the creditor or his representative, the debtor is not recognized as acquitted unless the debtor confirms the payment of the debt or when the debt has been paid with good will to a person who is apparently considered entitled to it.

Article 10:

where the creditor refuses to accept the debt after it has been lawfully offered to him, or refuses to take action for the payments, or where he declares to the debtor that he is not ready to accept the debt, the debtor may give official warning to the creditor to accept the debt within the period fixed.

The following legal results shall result from the warning given by the debtor to the creditor:

- 1- the transfer of responsibility, for the destruction or loss of the debt, from the debtor to the creditor.
- 2- stoppage of interest on debt.
- 3- depositing the debt in the bank or the state treasury at the expense of the creditor.
- 4- demand of compensation from the creditor for the damages incurred.

Article 11:

Deposit of debt can be accepted as a substitute for payment of debt when the creditor accepts it or the debtor makes order to the validity of such arrangements.

Article 912:

Where the object of obligation is a property or a thing whose durability and stability is desirable, and when the debtor demands the court to place it under the possession of an honest man, such action will be considered a substitute for the deposit of the object in question.

Article 913:

the debtor, after the permission of the respective court can sell at an open bidding the goods which are perishable or their preservation and depositing require large expenses and shall deposit the proceeds received at a banking save account .

Article 914:

The debtor can take action in depositing the debt or carrying out the required measures when the identity and the domicile of the creditor is not known, or when the creditor lacks full legal capacity, or when he is of deficient legal capacity and has no agents who will accept the payments of the debt, or when the debt is controversial between several persons, or when there arise major factors which may require the performance of such action.

Article 915:

Where the debtor offers the debt to the creditor and subsequently deposits it or seeks similar action, he cannot retract the offer he made provided the creditor did not reject the offer or the final order of the court was issued as to its validity. In this case the partners and sureties shall not be considered acquitted.

Where the debtor dispenses with the offer to pay either before or after the acceptance by the creditor or after the issuance of the court order for its correctness, and if the creditor also accepts the dispensation, the debtor cannot resort to the security given against the debt. In this case the partners and the sureties shall be considered acquitted.

Section Three

Fulfillment of Obligation

Article 916:

1. If the object of liability is a commodity which should be definitely specified, the debtor cannot pay other commodity without the consent of the creditor even though the value of the substitute may have the same cost or more than that.

2. If the object of liability is such a commodity which cannot be definitely specified but has been specified by a contract, the debtor can pay it similar though the creditor may not have any consent.

Article 917:

Where the creditor obtains a commodity, of the same quality as that of his own property, from the commodities of the debtor by a lawful way, he can keep it provided the commodity should have the same quality.

Article 918:

In immediate debt the debtor cannot compel the creditor to accept part of the debt, though it may be divisible.

Article 919:

Where the debtor pays one of the payable debts and where one of these is with security and the other without it, or where one is loan and the other is sales proceed, or one is a common debt and the other is a special debt, or where the two debts are different from one another one way or other, the debtor may determine the type of the debt and the time of its payment when there is any difference of opinion between the creditor and debtor with regard to the type of the debt.

Art. 920:

The debtor is bound to pay the debt together with the expenses incurred, and when the sum paid does not suffice the expenses made and the principal debt shall be deducted respectively from the amount paid unless another agreement is made.

Art. 921:

Where the debt is mediate or to be made in definite periods, the creditor cannot demand the debt before the expiration of the period fixed.

Where the debt is immediate or the time for its payment has arrived, the debtor is bound to make immediate payment of the debt. Nevertheless, the court can grant moratorium to the debtor when it thinks there are no restrictions in this connection, with due consideration of the financial position of the debtor, provided the creditor may not suffer from a gross loss.

Art. 922:

Where the debt is delayed and the delay is in the fault of the debtor, the debtor may pay the debt before the expiration of the time fixed. In this case, the creditor shall be compelled to accept the debt unless another agreement may be agreed upon or the creditor may suffer from such compulsion.

2. Where the debtor pays the debt prior to the expiration of the period pledged, and later the accepted debt is returned to the debtor, the debt shall assume its previous delayed position.

Article 923:

1. Where the debtor is pledged to deliver a property and this delivery requires transportation charges and the place of delivery is not determined in the contract, the property shall be delivered in the place where it was present during the conclusion of the contract.

2. In other commitments, the debt shall be paid in the residence of the debtor or in the place where he was provided the contract has been such, except when otherwise may be agreed upon.

Article 924:

Where the debtor sends the debt in the hand of his messenger and it is lost before it reaches the creditor, the debtor shall not be considered acquitted of the debt. Where the payment is made to the agent of the creditor on the order of the creditor, the debtor shall be considered acquitted.

Article 925:

The payment charges shall be borne by the debtor unless otherwise may be the custom or the order of law.

Part Four

Payment of debt by substitution

Article 926:

When the creditor accepts another thing in exchange of what was originally pledged to, the substitution is considered as payment of the debt.

Article 927:

When the payment of a debt is made by transfer of the ownership of a property, the provisions of purchasing, especially those relating to the legal capacity of the contracting parties, security and the minor defects, will be observed and from the point of view of payment of debt the provisions connected especially with the method of payment and doing away with the securities given, shall be observed.

Part Five

Renewal and Procuration

Article 928:

Renewal of debt is permissible on the basis of a new contract which will be different from the first one from the point of view of the subject, cause or replacement of one of the parties to the contract.

Article 929:

Renewal of debt is permissible in the following cases:

- 1- when there is a change in the place and cause of the first debt by agreement of both parties.
- 2- Replacement of the creditor by the agreement of the creditor, debtor and the third person in such a way that the third person is deemed the new creditor.
- 3- When the debtor is replaced in such a way that the creditor and the third person agree that he (the third person) replace the original debtor and that the original debtor is deemed acquitted of the debt regardless of his consent.
- 4- when the third person agrees that he should be deemed as the new debtor and the original debtor obtains the agreement of the creditor on the replacement.

Article 930:

In case the contract is renewed, the original debt shall be dropped and the new debt shall be accepted as the replacement.

Article 931:

Where the original debt is guaranteed by personal surety

by commodity, the securities shall be revoked with
of the debt unless agreement is made on their
will.

Article 932:

1. Renewal of debt shall be valid when the old debt
the new debt are free of causes of nullity.

2. Where the old debt stems from a contract deemed
nullifiable, its renewal may not be permissible, except
renewal is made for the purpose of legalization
the contract and the replacement of the old debt by
new one.

Article 933:

Renewal of debt should be made by clear agreement; or
the circumstances it should be clearly found out
the renewal is not permissible.

Article 934:

Assumption in debt is valid when the creditor accepts
the promise of a third person to pay the debt in place
the debtor. This shall be considered as renewal of
with respect to the debtor.

Renewal of debt shall not be valid by way of assumption.
Where is no agreement as to the renewal of the debt,
the promise will exist along with the old one.

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Article 935:

the promise of the procurator of a debtor before
creditor is correct even though his promise may
or objectionable to the debtor. In this case the
shall have the right to recourse only to the debt.

Article 935:

The promise of the procurator of a debtor before the creditor is correct even though his promise may be void and objectionable to the debtor. In this case the procurator shall have the right to recourse only to the debtor.

Part Six

Fulfillment of Liability by offsetting

Article 936:

Offsetting (Mujrayee) is the fulfillment of liability which two persons have towards each other.

Article 937:

It is either compulsory which is made by the force of law or optional which is made by the consent of both parties.

Article 938:

In compulsory offsetting, it is necessary that there should be similarity between the qualities of the goods borrowed and lent by the two parties. In the optional offsetting such similarity and agreement is not a condition. If there is any difference between the two objects of the liabilities, and if one is mediate and the other

immediate liability, offsetting cannot take place
by the consent of both parties to the contract.

Article 939:

Where a depositor has borrowed from the depositor a
commodity which is of the same quality as that deposi-
or where a usurper has a loan of goods on the owner
the usurped commodity which is of the same quality as
that usurped, offsetting may not take place without
consent of both parties.

Article 940:

Where the creditor destroys a commodity of the debtor
which is of the same quality as the commodity loaned
the debtor, the liability of the debtor shall be off-
In case of any difference between the respective obli-
offsetting of liability takes place by the consent
both parties.

Article 941:

Where the surety has a commodity of the same quality
that lent by the creditor, offsetting of the liability
of the loans given shall be made with the consent of the
parties. In case of difference of quality between the
commodities borrowed, the liability of the loans may not
be offset without the consent of the creditor and the
surety.

Art. 912:

A portion of one debt may be offset by minimum
of another and shall be valid when the interested
resorted to it.

Art. 913:

The claim for a debt during resorting to offsetting
and heard because of the lapse of time, this may not
prevent the debt to be offset provided the possibility
of offsetting existed prior to the lapse of time.

Art. 914:

1. Offsetting of a debt which damage she acquired
of others is not permissible.

2. Where a third person does not return the property
of the debtor which is in his possession and the debtor
becomes the creditor of his creditor, the debtor
may take action to offset the debt when it is to the
benefit of the person who has not returned the property of
the debtor.

3. Offsetting of a debt deposited or trusted is not
permissible.

Article 945:

Where the debtor, notwithstanding the right to resort to offsetting, fulfills the debt, he cannot resort to offsetting the securities, given to guarantee his debt, when the offsetting is to their loss unless he has no knowledge of the said right.

Article 946:

Where a creditor makes an order to another person to get the debt from the debtor and the debtor clearly accepts this order, the debtor then cannot resort to offsetting against the person receiving the order even though he might have had such right before acceptance of the order. In such case the debtor shall not have the right to recourse except against the maker of order.

(2) The mere announcement of order of payment to the debtor without his acceptance shall not prevent resorting to offset unless the right claimed is proved on the part of maker of order, after the announcement of order.

Part Seven

Unity of liability

Article 947:

Where in a single debt the attributes of creditor and debtor are collected in one person, the debt shall be

unlimited to the extent to which it is united.

Article 348:

Where the cause of unity of liability disappears and this has retroactive effect, the debt and its benefits shall be restored because of the interested persons. The unity of liability in this case shall be considered as if it has never existed.

Section four

Termination of contract

Acquittal

Article 349:

Acquittal is either in the form of acquitting the debtor of the debt or receiving the payment of the debt.

Article 350:

Acquitting the debtor is that type of acquittal whereby the creditor quits his debtor of all or part of the debt. In acquittal made by receiving the payment of the debt, the creditor admits that he has received the payment made for the debt.

Article 951:

Acquittal is made either in a particular manner when the creditor gives up a particular right or claim, or when the debtor of all rights and claims.

Article 952:

For the correctness of the acquittal, it is a condition that the acquirer should have the required legal capacity.

Article 953:

Acquittal is not subject to the acceptance of the debtor; it will be rejected if the debtor rejects it. If the debtor dies prior to the acceptance of acquittal, the debt may not be paid from the patrimony.

Article 954:

Acquittal expresses the meaning of transfer of ownership and it can be pending on a condition.

Article 955:

Where a creditor acquits the debtor of a part of the debt on a condition that the debtor should pay the rest of the debt on due time, the debtor shall be recognized as being acquitted provided he fulfills the condition; otherwise he will be liable to pay the entire debt.

Article 956:

If a right is not abolishable, its acquittal is not possible.

Article 957:

Where there are many debtors, their complete parts should be determined in case of acquittal.

Article 958:

Acquittal is made of a right which was established prior to the acquittal and it shall not include the right which has to be paid after acquittal, even though the cause of the debt may have existed before the acquittal.

Article 959:

Claim for any right which involves specific or common acquittal shall not be heard.

Chapter twoNon-enforcement possibilityArticle 960:

Where the debtor proves that the fulfillment of the promise he made was impossible because it was beyond his intervention, the promise shall be abrogated.

Article 961:

Where a property is placed under the possession of a person who is not the owner, on the basis of a contract or without it, and the property is then lost or destroyed, the possessor shall be liable to pay the indemnity provided the possession is associated with a guarantee, and when the property is possessed as a deposit, there will be no indemnity.

Article 962:

Possession shall be considered guaranteed when the possessor takes possession of a commodity with the object to get ownership. Where the possessor has taken the possession of the commodity with the object to represent the owner, such possession shall be deemed a deposit.

Article 963:

Possession of a thing taken as deposit will change into a guaranteed possession when the possessor prevents the owner from taking possession of the thing, or when he takes possession of the thing without the permission of the owner, even though it may not have been taken with the object to own it.

Article 964:

1. Where the ownership of a thing is transferred on the basis of a contract concluded, the possession of the thing by the former owner prior to the delivery of the thing, shall be deemed guaranteed possession.

2. Where the owner refuses to take delivery of the thing by reason of a hindrance, his possession shall be deemed to deposit possession.

Chapter threeAbrogation of right by lapse of timeArticle 965:

1. A right shall not be abrogated by lapse of time.

2. A claim for demanding a right whatever maybe, against a denier shall not be heard after the lapse of 15 years, subject to the following special provisions and exceptions.

Article 966:

1. Where rights such as building, land, rents and services, are left pending without any legal reason, and are not demanded within five years, the claims for such rights shall not be heard after five years. However,

the time limit for demanding land yields from persons possessing them with ill-intention, or from the supervisor of an endowment, is 15 years.

Article 967:

Claims for the following rights shall not be heard in the lapse of one year:

1. Service fees and commissions of doctor, professional engineer or architect, advocate, and generally those who have private occupations such as pharmacists, broker, commission-agents and informed (experts).

2. Money paid by the merchants and craftsmen for imported commodities or products given to other persons who have not done business on them.

3. Rights due to owners of hotels, restaurants for hotel accommodations and other expenses.

4. Wages of the workers and daily-employed labourers.

Article 968:

Claims for the dues included in cases covered by article (967) of this law shall not be heard even though the persons mentioned would continue working, producing and rendering their services.

Article 969:

Who resorts to the provision of law for not hearing claim, due to lapse of time, should take a oath before court, when he is exposed to such oath, to the effect that he is not liable to pay the due. In case the heirs, guardians, or executors or administrators, of the debtor are required to take oath, they should swear that they know nothing of the liability of the debtor.

Article 970:

1. The time set in Article 967 of this law shall run from the end of the assigned duty though the creditors may continue with their duties.

2. Where a right is based on and supported by a written document, claim for demanding such right shall not be dismissed unless it has not been demanded, without any legal excuse, for 15 years since it is established.

Article 971:

Where the predecessor gives up the claim and the successor also gives up the claim for some time, and the two periods complete the time set by the law, the claim shall not be heard.

Article 972:

the lapse of time is calculated according to day not the first day shall not be counted and with the expiration of the last day the period shall be considered completed.

Article 973:

1. The definite period after which a claim is heard not heard shall start from the day when the payment of debt begins.

2. Such period for a condition pending right shall start from the day when the condition is fulfilled, and with regard to the surety the period starts from the day when liability is determined, and with respect to the deferred debt, the period shall begin from the day of expiration of the debt.

3. Where the payment time of the debt is fixed by the will of the creditor, the period of lapse of time shall start from the day when the creditor is able to express his will.

Article 974:

1. Any claim for taxes and other dues to which the state is entitled shall not be heard after the lapse of five years. With respect to the taxes this period

from the day they are levied and established, and with respect to judicial commissions, they start from the day when the claim is filed and is recorded in writing on the respective papers.

2. Claim for reimbursement of taxes paid unlawfully shall not be heard after a period of five years. This period starts from the day when payment is made.

3. Where the above provisions contradict the provisions of special laws, the provisions of special laws shall be applied.

Article 975:

1. The definitive period for not hearing a claim shall be stopped by legal excuse, spiritual obstacle and the obstacle which makes the creditor's demand impossible.

2. Where the period is expired inspite of legal excuse, it shall not be valid.

Article 976:

When some of the heirs, without any excuse, give up, within the set period, the claim for the right of their bequeaser, and the rest of the heirs have legal excuse in abandoning the claim, the claim of the remaining heirs for their parts shall be heard.

Article 977:

The definite period set for not hearing the claims shall be ceased with judicial demand even though the claim is filed in unrelating court, with the warning for dispossession, or with the claim a creditor may make for accepting his right in the bankruptcy, or for distribution and division of the goods of the bankrupt debtor among the creditors, and with any action of such creditor who resorts to it for his right during the legal proceedings of a claim for his right.

Article 978:

1. Where the debtor admits the right of the creditor, expressly or implied, the period prescribed for not hearing the claim shall be ceased.

2. Where the debtor places goods in possession of the creditor as security for payment of debt, this is implied as admission of the debtor.

Article 979:

1. Where the period prescribed for not hearing the claim is terminated, the new period shall begin anew as the first period.

2. Where a final verdict is issued, or the period for

...the claim is one year, and is terminated with
...of the debtor, the new period for non-
...of the claim shall be 15 years.

Article 980:

...claim becomes pertaining to the real debt non-
...with passage of time, claims pertaining to
...thereof shall not be heard either, even though
...related to non-hearing of the claims regarding
...of the debt is not expired.

Article 981:

...the court may not refrain directly from hearing of
...by virtue of expiration of period but on the basis
...demand of debtor or creditor, or whatever person
...interest is served by demand, even though the debtor
...resort to this.

...hearing to expiration of period is permissible in every
...of the claim, even though it is before the appellate

Article 982:

1. Waiver of right of objection to non-hearing of
...claim by reason of passage of time is not permitted
...the right to such objection is proved. Likewise,

the agreement of both parties to non-permissibility of hearing the claim during the period which is contrary to the periods anticipated in this law for passage of time.

2. Person who is capable of possessing his rights can waive his right of objection to non-hearing of claim by reason of passage of time after proving his right even though it is implied. This waiver shall not bind as far as the right of other creditors who are injured from it is concerned.

Title Five

Proof of right

Chapter One

General provisions

Article 983:

A reason which raises doubt, may not be used.

Article 984:

Proven by reason, is like proven by witnessing.

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Article 985:

Presence is the original state.

Article 986:

Presumption shall not be affected by doubt.

Article 987:

Producing witnesses is an obligation of the plaintiff, and the burden of proof is that of the denier.

Article 988:

Witnesses are for proving what is not apparent, and oath is for survival of principle.

Article 989:

Existence of newly created thing shall be determined of its creation.

Article 990:

Continuation is remaining of thing in original state; assuming contrary attributions, is non-existence.

Chapter Two

Documents

Part One

Official document

Article 991:

1. Official document is the paper in which the assignee or staff of public services, register in accordance with the provisions of the law, and within the limits of authority ascribed to them, what is reported to them, or what they get from interested persons.

2. Where the said paper lacks the attribution of official document but interested persons have signed, or put their seal or finger prints on it, it shall be considered conventional document.

Article 992:

Provisions of official documents described in Article 991 of this law may be considered as deed providing it is void of forgery or intrigue, as defined in the law.

393:

Where the original official document exists,
a copy thereof, either written or photographed,
shall be considered deed in as much as it conforms with
the original.

Where no party has any objection as to conform-
ing the copy with the original, the copy shall be con-
sidered original, and in the event of objection,
reference will be made to the original.

394:

Where the original of the official document does not
exist, the copy of the document shall be valid as below:

Where the official copy is made from the original
document, and the form thereof indicate its total with
the original without doubt. In such a case the parties
may demand that the copy be valid as the original.

In case the official copy is made from the copy
of the original document, it shall not be considered
original but the judge may use it as judicial evidence.

Part Two

Conventional document

Article 995:

Issuance of conventional document by the signer shall be valid except when the person expressly denies his signature, seal, or fingerprint unless the law provides otherwise.

2- With regard to succession and inheritance, taking an oath on lack of knowledge shall suffice.

Article 996:

1. The date of the conventional document shall not be a reason against except when the date thereof is proved.

2. Ascertaining of date shall take place in the following manner:

1- from the date of registration thereof in the special office.

2- from the date when the wording of it is registered in another paper which has a fixed date.

3- from the day on which the public servant has undersigned it.

4- from the day of death of one of the persons who has left a reliable mark on the document, or from the day of occurrence of an incidence the issuance of the document prior to which is certain.

3. The court may, as circumstances require, forgo application of the provision of this article.

Article 997:

1. Signed letters are considered as conventional documents.

2. Telegraph sheets whose original, signed by the sender of the telegraph, exists in the Telegraph office shall be considered as conventional documents.

A telegraph sheet shall be considered as original until the time when reason exists to the contrary. In case the original does not exist the telegraph sheet shall not have any validity.

Article 998:

1. Commercial records can not be binding to non-businessmen, but details entered in these records may become reason for the court to require taking oath from parties, and this is only in circumstances that may be proved through evidence.

2. Commercial records kept properly may be considered as reason against traders. Those who resort to these records may not accept only what proves their interest and reject what is contrary to their claim.

Article 999:

Non-commercial books and records can not be a reason for the person who has written and kept them but in the following two circumstances:

1. When it is expressly recorded that the keeper of the records has completely received payment of debt due to him in full.
2. When it is expressly stated that the objective of keeping these records was that they become locum tenens for the person entitled to right in proving his right.

Article 1000:

1. Writing of what indicates the acquittance of the debtor in the original documents, can be considered as a reason for the creditor so long as it is not proven to the contrary even though the writing is not signed by him. This provision applies when the said document has never been out of possession of the creditor.

2. Writing in the hand of the creditor without signature in the original document, or in receipt proving the receipt of the debtor, when in possession of debtor, shall also be considered as a valid legal document.

Chapter Three

Confession

Article 1001:

Confession in the admission by the defendant in the court pertaining to the right of other he is liable for.

Article 1002:

Confession shall not be suspended on the acceptance of the confessor but can be rejected by the latter. In case some of it is rejected, the remaining shall be correct.

Article 1003:

1. For the validity of the confession it is a condition that the confessor be sane, of majority age, and not dispossessed of rights.

2. Confession of the minor who understand the nature of his action is valid in instances he is permitted.

Article 1004:

Confession regarding unknown is valid, except in contract that lack of knowledge makes them invalid.

Article 1005:

For the validity of the confession of the confessor is a condition that the apparent circumstances do not point to untruthfulness of the confession.

Article 1006:

Difference of the confessor and confessee as to the cause of the confession does not make the confession invalid.

Article 1007:

Suspending of confession on condition is not permitted except when it is suspended on time that traditionally may become due.

Article 1008:

the confessor is liable for his confession except when the court rules his confession as untrue. In such a case his confession shall be void.

Article 1009:

Confession can not be withdrawn.

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Article 1010:

Confession is an incomplete reason for confession.

Article 1011:

Confession is indivisible except when it relates to various unrelated events the existence of one of the events does not require the existence of other events.

Chapter Four

Oath

Part One

Categorical Oath

Article 1012:

Parties to the litigation may, with the permission of the court, require categorical oath from one another.

Article 1013:

Requiring categorical oath in all civil disputes is permissible except when the incident is contrary to public order or standards of decency.

Article 1014:

In a single claim that entails several demands, one shall suffice.

Article 1015:

The party that is required to take the oath may require the other party to do the same except when the oath is required by virtue of an incident in which both parties were not involved, and is perpetrated by the party who is required to take the oath.

Article 1016:

The party which has demanded or rejected taking the oath may not withdraw its demand after the acceptance of the other party to take oath or to refuse to take it.

Article 1017:

Oath, and refusal in taking oath out of the court is null and void.

Article 1018:

In categorical oath it is a condition that the oath should relate to action or incidence which is the creation of the person taking oath; in case the oath relates to action of other, it shall be taken as regard knowledge of the incidence.

Article 1019:

Where cause is not eliminated the oath relates to the cause, and in cases in which the cause may be proved, oath is taken as regards the effects.

Article 1020:

The party to which oath is directed to be taken, and requiring it from the opposite party, refrains from taking the oath, the litigation ends at his loss.

Article 1021:

Where in a penal verdict, the oath is proved to have been taken untruthfully, the person sustaining loss from such oath, may demand compensation of the loss incurred and his right to object to the verdict issued against him is affected.

Part Two

Integrant oath

Article 1022:

1. The court may directly require one of the parties to take oath for supporting the verdict on litigation, or the price of what is to be ruled by the court.

2. This kind of oath may be required when a reason exists in the claim, and when it is not void for reason.

Article 1023:

In the following circumstances the court may require

1. In case the litigation proves to be about the patrimony, the court requires the claimant to take an oath to the effect that he has not acquired the right from the deceased in no manner for himself or for any person and that he has not foregone or issued a draft on it, has not acquired the same right from a person other than the deceased, and that he holds nothing in mortgage for this right from the deceased.

2. Where the buyer demands the return of the object sold for reason of defect, the court requires him to take an oath to the effect that he had not, expressly or impliedly had accepted the defect.

Article 1024:

A person to whom integrant oath is directed, may not return it to the other side.

Chapter Five

Witnesses

Article 1025:

Proving of legal possession in non-commercial matters
testimony of witnesses shall be construed sufficient
if the cost is not more than one thousand afghani, or
if it is not specified.

Article 1026:

The cost of a thing possessed shall be measured at the
time of possession thereof. In case the possession is
more than one thousand afghania, and this increase is
proof of addition of benefits, in such a case proof
evidence offered by witnesses is permissible.

Article 1027:

If in the litigation contains several objects emanating
from several sources, proof of every part which does not
exceed one thousand afghania is permissible by testimony
of witnesses even though the total of demands exceeding
the said amount is emanating from relations of the two
parties, or from possessions which are of single nature.

This provision also applies to payments which exceed one thousand afghanis.

Article 1028:

Proof by testimony of witnesses is not permissible in the following circumstances even though the cost may exceed one thousand afghanis:

1. When the demand is contrary, or exceeding the amount registered in written documents.
2. When the demand is part of such a right the proof of which by testimony is deemed insufficient even though it may be the remaining part of that right.
3. Where the demand had been for more than one thousand afghanis, and was reduced later to less than one thousand afghanis.

Article 1029:

1. Proof by testimony of witnesses on what which can be proved by written document is permissible provided the source of written proof exists.
2. Every written document which makes the possession of the subject of litigation likely shall be considered as source of proof of written document.

Article 1030:

Proof by evidence given by witnesses in what ought to be proved by written document is permissible in the following cases:

1. When material or spiritual reasons make acquiring written document impossible.
2. When the written document is lost by the creditor through reasons of causes beyond his control.

Chapter SixConjecturesArticle 1031:

1. When legal conjecture comes into existence in the interest of the person it makes him independent of other means of proof but until the letter of the law is not contrary to it.

2. Invalidation of legal conjecture by contrary reason is permissible.

Article 1032:

Sentences which are final shall be considered a reason with all their provisions, and no other reason to the

contrary shall be accepted provided the dispute is between the same persons, and related to the same locality and cause of right.

Article 1033:

Penal sentence does not relate to the civil judge when he has issued a verdict by requirement of law.

Article 1034:

The court may take into consideration conjectures which are not anticipated by law, and can be deduced from the circumstances of the litigation but these can be relied on only when the law permits their verification by testimony.

Second Book

Specific contracts

First Section

transfer of ownership

Chapter one

Sales contract

Part one

Principles of sales

First topic

Sales property

Article 1035:

1. Sale contract is the transfer of ownership of a property by seller to buyer for money consideration which is sales price.
2. In specific contracts, the particular principles of each contract shall be observed in addition to general principles mentioned in topic one, part one of contracts.

Article 1036:

The sale of goods against money shall be considered absolute sale; sale of money against money shall be deemed as currency sale and the sale of goods against goods shall be deemed as exchange sale.

Article 1037:

Sale contract is concluded by offer and acceptance, which would mean transfer of ownership and acquisition of ownership, with determining the property and the price of property.

Article 1038:

The goods to be sold should be present and should have a value and be deliverable and the customer should know it in such a way as to negate gross ignorance.

Article 1039:

Where in the contract it is mentioned that the customer is entirely aware of the goods sold, his right to cancel the deal due to lack of knowledge of the goods shall be repealed unless he proves the cheating of the seller.

1040:

The goods to be sold is not known to the customer
at knowledge of its specifications and

1041:

The goods to be sold is present in the contract section,
sufficient to point out to it without describing
specifications and quality.

1042:

and purchasing of any thing which the parties to
contract have not seen it is permissible provided its
specifications are described or the seller
to the goods or shows its location. In this
though the contract is correct, the sale is not
and no responsibility is created to the customer.

1043:

who buys a thing without seeing it, he shall be
an option to see it even though he may have orally
his consent to buy it. The seller who has sold
goods without being seen by the purchaser will not
any option in the sale.

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Article 1044:

Where a person buys a property unseen, he shall be given an option during buying even though consent might have been shown to it orally. The buyer shall not have an option of sight in what he has previously sold.

Article 1045:

The concluding parties can fix a time at the end of which the option to see the goods may be nullified provided during such time no indication, expresse or implied, made by the customer to nullify the option, provided the goods is not damaged.

Article 1046:

A blind can buy and sell and his option is repealed after touching, tasting or smelling of the goods or after he has given description of the goods. The option of a blind shall be repealed when the purchase is made by his representative or when he takes possession of the goods in the presence of his representative.

Article 1047:

Where a number of different goods are sold under one contract, it is necessary that each of the goods should be seen.

Article 1048:

When a person buys different goods under one contract in a manner that he has seen some of them and has not seen the others, he may cancel the contract or accept or reject all the goods, whether the goods seen are according to what agreed upon or not.

Article 1049:

Goods which are sold on the basis of their samples, seeing that the samples is sufficient for validity of the contract. In case the goods are proven different from the samples shown, the customer has the discretion to accept the goods at the price fixed or cancel the deal.

Article 1050:

When a buyer makes such a dealing with the property, before seeing it, that it would make the cancellation of the contract impossible or that he sells mortgages, and conveys it to another person without any condition, or that he destroys it, or is destroyed or damaged, in such case his right to reject the goods due to the option of seeing, shall be abolished and the sale shall be binding.

Article 1051:

Where a property is sold on the basis of desirable quality and it lacks it, the buyer can either buy it at the price set or reject it and cancel the contract.

Article 1052:

Person who is given an option for buying a property and with expressed quality then he exercises the right of ownership on it, his right to reject the property shall be abolished. Where something happens to the property which would prevent it from rejection, whether or not having the quality described, the property is priced and the buyer can demand the difference between the two prices. In case the buyer dies before the option is nullified, the right to demand the cancellation of the contract shall be transferred to his heirs.

Article 1053:

In a sale contract the consent and seeing by the representative of a buyer is the same as the consent and seeing of the principal buyer.

Article 1054:

Whatever whose sale is permitted independently shall be permitted to be sold separately from the principal sales goods.

Article 1055:

The sale of non-existent is null. Sale of the fruit of trees before it is grown and the sale of agricultural product prior to its growth are not permissible.

Article 1056:

When goods appear one after another and where most of them appear and the remaining do not appear, their sale under one contract shall not be permissible.

Article 1057:

1. The sale of upper floor shall not be permitted before the construction of the lower floor.
2. The conclusion of the contract of sale of floors in buildings whose construction are carried out according to the regulations and drawings of the Town Planning Authority of the state may be permitted before they are built up.

Article 1058:

Where the second floor is owned by the owner of the first floor, its sale is permitted provided it is built up. The buyer has the right to stay on the roof of the first floor and in case of demolition of the second floor he may newly construct it as before.

Article 1059:

The sale of a known part of a jointly owned property, before partition, is permissible provided no harm is directed by the buyer or the co-owner.

Article 1060:

1. In a sale which is subject to a condition of testing the goods, the buyer can either accept or reject the goods. In this case the seller is bound to prepare the ground for the testing of the goods. If the buyer intends to reject the goods he should declare his inacceptance within the set limit of time. Where no time limit is set, the seller may set a reasonable limit of time. Silence on the part of the buyer in spite of his ability to test the goods within the set limit of time is considered acceptance of the goods bought.

2. Sale of goods which is subject to condition of testing, is a conditional pending sale (condition is known) and is considered as accepted, unless from the agreement and the circumstances it is known that the sale is pending on a condition which may cancel it.

1061:

The sale of goods is subject to a condition of the buyer's acceptance. If the goods are defective, the buyer can either accept or reject them. Declaration of the acceptance of the goods should be made within the limit of time which is fixed by the agreement of both parties or by custom. The acceptance shall be considered binding from the date of the delivery of the goods.

1062:

The price is the sum paid for a property bought though it may be less or more than the value of it. It is necessary that the price fixed for a property should be known roughly.

1063:

1. In absolute sale fixing of the price of the property in cash money is imperative. Nevertheless, the description of the basis on which the price of the property will be fixed in the future can be accepted sufficient.

2. Where the price is agreed upon according to the prevailing market price during the fluctuation of prices, what price shall be considered acceptable when and where the property is delivered to the buyer.

If there is no market in the place where the commodity is delivered, the rate prevailing in the local market as suggested by the general custom, shall be valid.

Article 1064:

The payment of the price of a property sold can be made either immediately or mediately provided the time of payment is known regardless of being long or short. Similarly, the payment of the price in instalments is permitted provided the time of each instalment is fixed. It is also permissible to change the mediate payment into immediate payment when the instalment payments are not made on due time.

Article 1065:

If the sale is subject to a condition of no option and mediate payment of the price, the payment of the price shall start right after the delivery of the property and in case of option after it is fulfilled.

Article 1066:

Where in an absolute sale no mention has been made of either immediate or mediate payments, the price shall be paid immediately unless otherwise may be the custom.

Article 1067:

agreement on raising and reducing of the price after the contract, is permissible, and in this case reference shall be made to contract. The neighbour can take advantage of reduced price and shall not be damaged from the reduced price. If the seller waives the price, the neighbour can pay the price of the property in similar medium.

Article 1068:

Termination of contract by way of paying the price with a certain percentage interest, by way of selling for a price similar to the first price, by way of selling some of the properties for certain prices, and by way of selling the property for a price less than the first price, is permissible.

Article 1069:

The seller can bring changes in the conditions of the property before he receives the payment; he can also transfer it to his creditor, whether its price can be paid or not.

Article 1070:

In order to get the impact of sale passed to the third person, the contract should be registered in accordance with the provisions of law.

Topic Two

Obligations of seller

Sub-topic One

General provisions

Article 1071:

Where the commodity is a particular compact thing and almost has been sold, the ownership of the commodity shall be transferred to the buyer. Where only the kind of the property is known, its ownership cannot be transferred without the transfer of the ownership of the property of the seller.

Article 1072:

The buyer can bring changes in the conditions of the property bought, movable or immovable, right after its ownership is transferred though it may be prior to its acquisition.

Article 1073:

Where the seller gets bankrupt, after receiving the price of the property and prior to the delivery of the property to the buyer, the buyer can acquire the property sold from the seller or his heirs, and other creditors cannot disturb the buyer.

Article 1074:

1. Where the payment is made mediately, the seller can
the transfer of ownership of the property to the
subject to payment of all the price of the property

2. Where the price is paid in instalments, the
including parties can agree that the seller may withhold
of the property sold against the possibility of
cessation of the contract in case of non-payment of
instalments. Nevertheless, the court can reduce,
according to the circumstances and subject to the pro-
visions of Article 731 of this law, the guarantee
based upon.

3. Where all the instalments are paid, the ownership
of the property sold shall be transferred to the buyer
from the day when the sale contract is concluded.

4. The provisions of the above clauses shall be
applied to all sale contracts even though the parties
of the contracts may term them the contract of lease.

Article 1075:

The seller is bound to take measure necessary for tran-
sfer of the ownership of the property sold and avoid
actions which may render the transfer of ownership to
buyer impossible.

Article 1076:

The seller is bound to deliver the property to the buyer with the same qualities existing during the contract according to its natural conditions.

Article 1077:

The property shall be delivered to the buyer with the accessories and with those parts supplied for the use of the property sold. This order shall be subject to the nature of the property, custom and the intention of the concluding parties.

Article 1078:

Delivery of the property sold is the elimination of obstacles between the buyer and the property in such a way as the buyer could acquire it without any impediment.

Article 1079:

Removal of obstacles is deemed legal acquisition and it will change according to the change in the condition and kind of the property sold and the custom of the locality.

Article 1080:

Where the property to be sold is in the possession of the buyer before it is sold, new acquisition of the

is not necessary, no matter it was deposited or
under suretyship.

Article 1081:

Delivery of the property absolutely sold, shall take
place in the place where it was present during the
conclusion of the contract. The place of conclusion
of the contract shall not be recognized as place of delivery
unless the parties have agreed to the delivery of the
property in a place already determined.

Article 1082:

Where the quantity of goods is determined in the contract,
the seller shall be liable, according to the established
law, for any damage which may happen to the goods
unless an agreement has been made to the contrary.
Nevertheless, the buyer cannot demand the cancellation
of the contract due to damage made unless he proves that
the damage is so much that if he had known it before the
contract he would not have concluded the contract.

Article 1083:

Where the property sold is more than that described in
the contract and where the price is determined for each
unit and the property is not substitutable, the buyer

shall be bound to complete the payment of the price if the excess is too much. In this case he (buyer) can demand the cancellation of the contract provided agreement is not made to the contrary.

Article 1084:

Claim for reduction of the price by the buyer, and for raise in the price by the seller shall not be heard after the lapse of three months since the delivery of the property.

Article 1085:

Where the property is destroyed prior to its delivery by reason beyond the intention of the seller, the contract will be canceled and the price shall be returned to the buyer unless the destruction has occurred after the notification sent to the seller to take delivery of the property sold.

Article 1086:

Where the price of the property drops, due to a defect developed before the delivery, the buyer has the option either to cancel the contract or retain it with reduced price.

1987:

Where some thing is held by a person with the
intention to buy it after its price is fixed, and then it
is destroyed or damaged, the holder shall be liable. In
the case where the price is not fixed, it shall be considered as a
loan and the holder shall not be liable if it is lost
or destroyed without the intention or fault of the holder.

If a property is held without any intention to
buy it, it shall be considered as deposit and the holder
shall not have any responsibility if it is destroyed
without the intention of the holder.

Sub-topic Two

Guarantee against aggression and the title

Article 1988:

The seller shall guarantee partially or totally against
aggression upon the right of the buyer to benefit
from the property he bought, whether this aggression stems
from the action of the seller himself or the third
person who may have a right, during the contract, to
oppose to the buyer to prove, after the contract is
concluded, the right he is given by the seller to do so.

Article 1089:

Where the title of the property sold is secured by a person other than the buyer and if his right to do so is attributed to the property of the seller, the buyer shall be considered a surety against such action even though no provision is made in the contract for such guarantee.

Article 1090:

A seller is not permitted not to guarantee against the property he sells. If there is any condition in the contract to this effect it shall cause the contract to be cancelled.

Article 1091:

1. Where the title has been proved only by the acknowledgement or denial of the customer, no demand may be made for guarantee from the seller.
2. If the buyer in the above case is of good will and informs the seller of the claim made for the title of the property and invites him to interfere in the claim, and if he does not interfere, he (buyer) can demand a guarantee for the title.
3. Where the buyer has not informed the seller of

claim made for the title and a decisive order has been
against him, his right to refer to him shall be
provided the seller proves that his interference
have resulted in rejection of the claim for title.

Article 1092:

after the proof of the claim for title, the person
to the property and the buyer agree in such a
that the property be placed at the disposal of the
against a substitution, this agreement shall be
considered as a buy from the person entitled to the
property and the buyer can recourse to the seller.

Article 1093:

1. If the property sold is taken away from the buyer
of title of the property, and in case the seller
information about the title of the property
during the contract, the buyer can demand the return of
the price he paid and the expenses he was made to pay
subjecting to the claim. The price, whether high or
low, shall not have any effect in this regard.

2. Where the seller is aware of the title of the
property during the conclusion of the contract, the
buyer, in addition to the above charges, can demand the
extra charges on the property with compensation for the

damages incurred as a result of the title of the property.

Article 1094:

1. Where some of the property is taken away by consideration of title of which the buyer did not know during the conclusion of contract, he can cancel the contract.

2. Where the buyer accepts the remaining quantity of the property sold, he can demand compensation for the loss incurred as a result of the title of the property.

Article 1095:

1. The contracting parties can, on the basis of special agreement, increase or decrease or abolish the guarantee for the title.

2. Where the right of easement is clear or the seller has not made it clear to the buyer, the situation gives rise to a condition of no-guarantee.

Article 1096:

1. The seller shall be held responsible for the right which arises from his action even though agreement may have been made for lack of guarantee. The agreement of both parties contrary to this provision shall have no validity.

2. Where the title stems from the action of a third person, the seller is bound to return only the price paid for the property.

Sub-topic three

Guarantee against covered defects

Article 1097:

Where a property, during its delivery, is not having the specifications and quality to which the buyer attaches importance, or when there is a defect in it which would cause its price and value to come down, or when the desirable profit is not gained as expected from the contract, or when the defect defeats the cause for which the contract is made, the seller shall be liable for providing guarantee even though the seller may not have any knowledge of it.

Article 1098:

If a buyer was aware of the defects or the property during the sale contract, or had he looked into it as an ordinary man he would have known its defects, the seller, in this case, would not be responsible unless

the buyer proves that the seller had described the goods as being defectless or that he had the intention to conceal the defect.

Article 1099:

Where goods were sold under a single contract and then the defects of some of them showed up, the buyer can reject the defective or damaged ones and demand the price from the seller provided no damage is incurred as a result of partition made. The buyer cannot reject all the goods without the consent of the seller. If there arises a damage as a result of partition of the goods, the buyer can either accept the goods for the total price he paid, or reject them all.

Article 1100:

1. Where there has been an old defect in the goods and when a new defect develops in it while with the buyer, the buyer cannot reject the goods inspite of the new defect, but he can demand a reduction in the price from the seller.

2. If the new defect can be eliminated from the goods sold, the buyer may reject the goods by consideration of the old defect.

Article 1101:

Addition of some thing by the buyer to the goods sold, shall not prevent the goods to be rejected. But the buyer can ask the seller to reduce the price because of the defect seen in the goods.

Article 1102:

Where the defective goods sold is destroyed in the hand of the buyer, he (the buyer) can only demand from the seller reduction in the price of the goods.

Article 1103:

Where the buyer, after being aware of the old defect in the goods sold, exercises the right of ownership and possession, his option for the defect of the goods shall be canceled.

Article 1104:

The contracting parties can determine, in a special agreement, the amount of security. Where the seller has intentionally concealed the defect of the goods, all the terms which can cancel the guarantee or reduce the guarantee, shall be deemed null.

Article 1105:

The seller cannot be held liable for a defect in the goods

when it is not important by custom.

Article 1106:

Guarantee against defect in a sale which takes place on the order of the court or through the government departments by bidding shall not be valid.

Article 1107:

1. Claim for the guarantee against defect shall not be heard after expiration of six months since the time of delivery of the goods even though the defect is not disclosed to the buyer after the lapse of the said time, provided the seller has not accepted a longer period of time.

2. If the customer proves that the concealment of defect stemmed from the cheating of the buyer, the buyer cannot resort to the expiration of the said period.

Topic Three

Obligations of the buyer

Article 1108:

The buyer shall be bound to pay the price agreed upon and the expenses in accordance with the terms of the contract.

Article 1109:

1. If the place for the payment of the price of the commodity has been specified in the contract, the payment shall be made in the specified place and if the place has not been specified the payment shall be made in a place where the commodity is delivered.

2. If the buyer is not entitled to the price during the delivery of the goods, the price shall be paid in the residence of the buyer after his right is proved unless the agreement or the custom is to the contrary.

Article 1110:

Where the payment for the price of the goods is to be made at a definite time or in instalments, the payment becomes imperative when the specified time or the time of each instalment arrives. Delay in the payment of each instalment shall not cause haste in the payment of other instalments unless it is made a condition in the contract.

Article 1111:

If the seller in the sale of a commodity against cash supplies the commodity, the buyer is bound to pay for the price of the commodity before he takes delivery of it. In the sale of commodity against commodity or sale of

money against money, the delivery of the commodity and the payment of its price shall be made simultaneously.

Article 1112:

1. The seller shall not be recognized as entitled to the profit legally earned from the property sold unless he has previously warned the buyer to pay the price of the property or he has delivered the goods to the buyer. Any way, it is required that the goods should have the potentiality for profit-making or earning money unless otherwise the agreement or the custom may be.

2. Profits and proceeds of the property plus the liabilities since the conclusion of contract shall belong to the buyer unless the agreement or the custom may be to the contrary.

Article 1113:

1. Where a person protests to the buyer by way of having legal documents dating prior to the conclusion of contract of sale or because of a right he claims on the property sold by the seller or where there is a fear of acquisition of ownership of the property sold, the buyer can keep with himself the property until the protest or the danger is over provided the terms of the contract are not against such action. Nevertheless, the seller

can demand the payment of the price of the property sold.

2. If the buyer discover a defect in the property sold, he can take advantage of the provisions of the above clause.

Article 1114:

Where all or part of the price is payable immediately, the seller can retain the property sold with him until he receives the money he is entitled to even though the buyer may have given security or mortgage unless otherwise is agreed upon.

Article 1115:

Where the seller delivers the property before he gets the price, he may lose the right to retain the property. In this case he cannot demand the return of the property for the purpose of obtaining the price.

Article 1116:

Where the buyer prior to the payment of the price of the property acquires the property without the permission of the seller, the seller can get the property returned to him and in case of destruction or damage, the acquisition by the buyer shall be effected and he shall be bound to pay the price.

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Article 1117:

Where the seller has agreed to the delayed payment of the price of property, he shall not have the right to demand the property and is bound to deliver it to the buyer. In this case he shall not have the right to demand the price before the arrival of the time fixed unless the security given by the buyer for the payment of the price of property is reduced or the buyer approaches bankruptcy where there would be fear of the loss of the cost of the property.

Article 1118:

Where the buyer dies in a state of bankruptcy prior to acquiring the property sold to him, the seller can keep the property with himself until he receives the price or he can demand the sale of the property from the court. If the price of the property is more than the right of the seller, his right shall be paid and the residue shall belong to other creditors, and in case, the price is less than the right of the seller, he shall be treated like other creditors for payment of his right left unpaid.

Article 1119:

Where the buyer refuses to pay the price of the property on due time or where he does not fulfill his obligations

wards others according to the contract concluded, the
seller can demand the enforcement or cancelling of the

Article 1120:

The parties to the contract agree that in case the
price of the property sold is not paid on due time the
contract should be automatically considered
cancelled, the court can, if the cancellation of the
contract is not declared, extend the time of payment.
It is clearly pointed out in the contract that the
cancellation would come without declaration, in that
the court cannot give any moratorium to the buyer.

Article 1121:

The buyer is bound to take delivery of the goods at the
place where it was present during the conclusion of the
contract unless otherwise is agreed upon. The transfer
of the goods sold should be made without any delay
unless the transfer requires some time or it is provided
in the contract that the transfer should be made at a
certain time and place.

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Article 1122:

If the property is required to be exported to the buyer the delivery shall be made after the arrival of the goods to the buyer unless the agreement is contrary to this.

Article 1123:

The delivery charges of the property sold, the consignment charges, the registration commission and other expenses required shall be borne by the buyer except otherwise provided in the agreement or the custom.

Part Two

Various sales

Topic one

Salam Sale (Forward sale)

Article 1124:

Salam is a sale of commodity whereby the price is paid immediately and the commodity is received mediately.

Article 1125:

Salam can take place in things whose quantity and quality are specified and determined.

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Article 1126:

order to be valid Salam should be concluded in a place where there should be grain which could be delivered at the time when the contract is concluded.

Article 1127:

In Salam it is required that the commodity, the kind, the quality, quantity, and the time and place of its delivery should be mentioned.

Article 1128:

For the effectiveness of Salam it is required that the goods should be received at the meeting of the parties before the contract before they get dispersed.

Article 1129:

The time of delivery of the goods should be determined according to the agreement between the parties. This time shall not be less than one month.

Article 1130:

SALAM demands proof of ownership, by the parties, of the things traded right after the conclusion of the contract.

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Article 1131:

The giver of Salam cannot bring changes in the price before he receives it and the recipient of Salam cannot bring changes in the goods prior to its delivery.

Article 1132:

The period of SALAM shall become null and void with the death of the giver not with the death of the recipient of SALAM. The sale commodity shall be purchased from the patrimony of the giver.

Topic Two

Currency Exchange

Article 1133:

Currency exchange is a sale of cash against cash.

Article 1134:

For the correctness of the currency exchange, it is a condition that the currencies to be exchanged should be taken by the concluding parties before they get separated from each other. The contract is free of any option and postponement.

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Article 1135:

...tion of the ownership of things exchanged is a
... by the concluding parties.

Topic Three

WAPA sale contract

Article 1136:

... sale is that in which the buyer has the right to
... the goods and the seller has the right to return
... price.

Article 1137:

... right of the seller and buyer to return the price or
... goods cannot be made subject to time. Whatever
... is made to the contrary shall be deemed null and
... void.

Article 1138:

... WAPA sale the buyer can take advantage of all or part
... the profits accruing from the goods sold; he can neither
... the goods to another nor can he transfer its ownership
... or one reason or another, to another person.

Article 1139:

In Wafa sale the seller can sell the goods when he demands from him to return the price and the seller be unable to return the price except through selling goods.

Article 1140:

1. In Wafa sale the selling goods shall be regarded in the ownership of the customer until its return and shall be subject to the rules of ownership.

2. In Wafa sale the buyer can exercise the right of ownership until payment is made by the seller, except when his action is imbued with cheating.

Article 1141:

1. The return of the selling goods shall take place by an official declaration by the seller to the buyer.

2. After the declaration is completed, the sale contract shall be terminated and the seller returns the goods free of the securities added by the buyer.

3. This declaration shall not affect the rights acquired by goodwill by some people after it unless the said declaration is registered or an indication is made to it on the corner of sale registration.

Article 1142:

1. Where the seller makes use of the right to return, he is bound to pay the expenses of protecting the selling goods, contract charges, return charges and other necessary charges paid by the buyer unless agreement is made to the contrary.

2. The buyer can fix the time limit within which the seller may actually return the sums provided in clause (1) of this Article.

Where the seller makes no payment of the above charges within the set time limit, cancellation, resulting from the exercise of the right to return, shall be ignored.

Article 1143:

Where the buyer has made some useful and necessary spendings on the goods whereby the price of the goods has gone up, he can demand the return of the sums spent provided spendings have been made with the permission of the seller and not made excessively.

Article 1144:

Where the seller returns to the buyer whatever he is bound to return, the buyer shall be bound to return to the seller the goods and the increase made since the conclusion of the contract or whatever proceeds he has received since then.

Article 1145:

Where the selling property is agricultural land and the seller demands its return during the crop year while it is cultivated by the buyer, the buyer can retain the land until the harvest and pay the seller whatever required by the custom for the period between the termination of the contract and the harvest of the crop.

Article 1146:

Where the goods sold are jointly owned and the partners demand from the buyer the same goods by reason of the impossibility of division of the goods, the buyer shall be bound to inform the seller of the return of goods. Where the seller makes no use of the right to return and all the goods would belong to the buyer on the basis of bidding and then the seller intends to get whatever he sold returned to him, the buyer may compel him to return all the goods mentioned.

Article 1147:

Where in the WAPM sale the goods are destroyed, and if the value of the goods is equal to the liability, the liability shall be considered fulfilled, and if the value is less than the liability, the buyer shall demand the

individual value from the seller and the seller will have to fulfill the liability.

Article 1148:

Wafa sale, if the goods sold are destroyed while with the buyer, and if the value of the goods is more than the amount of liability, the buyer shall be bound to pay the price and the rest shall fulfill the liability incurred.

Article 1149:

The buyer shall be liable for the fundamental changes introduced to the goods by his own initiative or as a result of another responsible person's action which may lead to any loss to the seller.

Article 1150:

Where one of the concluding parties to the Wafa sale contract dies, the heirs shall be subject to the provisions of the Wafa sale contract as locum tenens.

Article 1151:

Where in the Wafa sale a possessory mortgaged immovable is involved, the contract, whether it is sale or mortgage, shall be deemed null.

2. Wafa sale is considered possessory mortgage when the return of price with its profit is set a condition and the goods would remain in the possession of the seller. The proof of mortgage involved is permissible by all means.

Topic Four

Sale of other's property

Article 1152:

Where a person sells the property of another person without his permission, the contract shall be considered concluded and its enforcement shall be subject to the permission of the owner. In case of permission, the sale shall be binding otherwise the owner can demand its cancellation.

Article 1153:

Where the owner permits the sale, the sale shall be alright for the buyer and seller. Likewise, when the ownership of the property is transferred to the seller after the contract, the contract shall be binding.

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Article 1154:

When an order is issued for the cancellation of the sale contract, and the buyer was not aware of the non-ownership of the seller, he can demand compensation for the loss of the seller even though the seller may have goodwill in this connection.

Fifth Topic

Sale by representative

Article 1155:

1. Father who is having guardianship over his offspring can sell his property to his children or can buy for himself his offspring's property.

2. Grandfather has the same right as father in this connection.

Article 1156:

1. The executor of will and the administrator appointed by the court can neither sell his property to incapacitated or dispossessed persons nor can buy their property for himself.

2. The executor and the administrator can take in this regard with the permission of the judge.

Article 1157:

The executor of will who has been appointed by the testator or grandfather, cannot sell his property to the incapacitated person nor can he buy his property unless the sale is in the benefit of the incapacitated person and is approved by the court.

Article 1158:

1. The broker and experts, to whom goods are delivered for sale or for fixing their prices, cannot buy them in their own names or under fictitious names (pseudonym, or pen names)

2. Where the person, to whom the property belongs, and is of required capacity, permits the contract, the contract shall be deemed alright.

Topic Six

Sale of Disputed Rights

Article 1159:

When a person gives up his disputed right in return for something, the litigious party can get the buyer, (the one to whom the right is given up) to return the disputed right provided he would pay the buyer the price paid for the property together with all legal charges and interest accrued since the time of payment.

Article 1160:

The above provision shall not be applied to the following cases:

- 1- When the disputed right is part of the goods randomly sold for one price.
- 2- When the disputed right to a property is jointly acquired by the heirs or many owners, and when one of the partners has sold his part to another.
- 3- When the debtor has placed the disputed right at the disposal of the creditor in return to the debt.
- 4- When the disputed right is connected with a mortgaged property and is sold to the person possessing it.

Article 1161:

the judges, attorneys of government claims, and officials of courts cannot buy the whole or part of the disputed property, litigated under the jurisdiction of the court where they perform their duties, in their own names nor under any fictitious names otherwise the contract shall be null and void.

Article 1162:

the advocates, burdened with the responsibility of the disputed right in the court, cannot make any deal with his principal in his own name or under any fictitious name, otherwise the contract shall be null and void.

Topic Seven

Sale of Patrimony

Article 1163:

Where a person sells patrimony without the details of its components, he shall be only bound to prove his right to the inheritance, unless agreement is made to the contrary.

Article 1164:

... of patrimony shall not affect the rights of others
... the buyer could complete all the necessary actions
... transfer of the rights included in the patrimony.
... of the provisions of law with regard to the
... to be taken for transfer of right is required
... the concluding parties.

Article 1165:

... the seller collects some of the debts payable to
... patrimony account or sells some of the items of
... patrimony, he shall be bound to return them to the buyer
... unless otherwise is agreed upon in the contract.

Article 1166:

... the buyer is bound to return to the seller all the money
... he paid for fulfilling the debt on patrimony and
... calculate with the seller all the dues and debts left
... unpaid provided there would be no agreement contrary
... this .

Topic Eighth

Sale during fatal sickness

Article 1167:

Where a person during a fatal illness sells something to the heirs or non-heirs for a lesser price on the day of death, the contract shall be applied to the heirs when the difference of price does not exceed one-third of the total price of the patrimony. The goods sold shall be included in the patrimony.

Article 1168:

Where the difference in price exceeds one-third of the total cost of the patrimony, the sale of what is more than one-third of the patrimony shall not be binding on the heirs except that the heirs would accept it or the buyer would reject the quantity constituting two-third of the patrimony.

Article 1169:

In sale contract concluded during fatal sickness, the provisions of law pertaining to the donation of such sick person, shall be observed.

Article 1170:

The provisions of the above three articles shall not be applied to the loss of the third person of goodwill who has acquired the real right against the selling right in return to a substitute.

Topic Nine

Exchange of Goods (Barter)

Article 1171:

Exchange of goods is the sale of goods against goods.

Article 1172:

Where the exchanging goods of the contract of the exchange are of different prices from the point of view of the concluding parties, the exchange of the difference is permissible for cash money.

Article 1173:

1. Each of the exchanging goods in the exchange contract shall be considered as exchanging property and the same pertaining to the selling goods shall be applied to it. In the event of any dispute in delivering the goods, the goods shall be simultaneously exchanged.

2. In the contract of exchange of goods any one of the concluding parties who delivers the goods is deemed as seller and the one who receives the goods shall be deemed as buyer.

Article 1174:

Where the concluding party in the contract of exchange of goods receives the property and then it is taken away from him by reason of any liability or when he rejects it by reason of defect, he can demand from other party the goods given in exchange or the price fixed at the time of contract when the property was defectless.

In both cases if there arises any legal reasons the person mentioned can demand compensation for the damage made.

Article 1175:

All the spendings made on the conclusion of contract of exchange of goods shall be borne equally by both parties unless agreement is made to the contrary.

Chapter Two

Gift

Fundamentals of Gift

Article 1176:

Gift is the transfer of ownership of a property to another person without any compensation and sometimes with compensation.

Article 1177:

Any person who is qualified to offer a gift and is not prevented legally, can offer all or part of his properties as gift, when he is healthy, to whoever he may desire.

Article 1178:

1. Gift shall not be completed without the acceptance and acquisition of the gift by the person whom the gift is presented to.

2. Where the gift is presented by the guardian or executor of recipient of gift, the donor of the gift can serve as a representative in acceptance and acquisition of the gift.

Article 1179:

Gift can be presented under a contract.

Article 1180:

The ownership of the gift by the recipient of the gift is proved when the property gifted is wholly acquired by him. Where the property gifted is immovable, writing of the contract on an official paper shall be imperative.

Article 1181:

Where a property is gifted to a person who is in possession of it, the gift shall be considered as being received by him.

Article 1182:

Where a debt is given as a gift by the creditor to the debtor or where the creditor acquits the debtor without his objection, the contract of gift shall be considered complete and the liability shall be fulfilled. Where the gift is presented to a person other than the debtor the gift cannot be complete with the permission of donor of gift prior to the acquisition of the goods gifted.

Article 1183:

For the contract of gift it is necessary that the gift should be present and specified and owned by the donor at the gift.

Article 1184:

Presenting of a jointly held divisible property shall be construed as transfer of ownership even though it may be acquired unless the donor divides the property and delivers the specific part to the recipient of gift.

Article 1185:

When the gift is a jointly held indivisible property, its acquisition shall be construed as ownership provided the amount is known.

Article 1186:

Gift stipulated to life time is permissible but is not inherited. However, gift which is stipulated to a definite period of time is not permissible.

Article 1187:

Offering of a non-existent thing as a gift is not permissible.

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Article 1188:

Offering of a gift which would do harm to the credit
is not permissible.

Article 1189:

On the death of the donor of gift if the gift has not
been presented to the recipient, the contract of gift
shall be deemed null and void.

Article 1190:

Where the recipient of gift dies before receiving the
gift, the contract of gift shall be deemed null and void
and the heirs of the recipient shall not be entitled to
it.

Article 1191:

The gift of a person who is fatally sick shall be consi-
dered as will.

Second Part

Provisions of gift

Topic One

Obligations of donor of gift

Article 1192:

Where the recipient of gift has not received the real

gift, the donor shall be bound to deliver it to the recipient. For the delivery of the gift, all the legal provisions pertaining to the delivery of sales goods shall be observed.

Article 1193:

The donor of gift is not responsible for the worthiness of the gift unless he has purposely concealed the cause of worthiness or when the gift has been made in return for a substitute.

In the first case the judge will justly determine the amount of loss inflicted on the recipient of gift and in the second case the donor shall be responsible for the amount he has received from the recipient unless otherwise is agreed upon.

Article 1194:

In case the gift is taken away by reason of title, the recipient of gift shall be the locum tenens of the donor.

Article 1195:

1. The donor of gift shall not be responsible for the defect of the gift.
2. If the donor has intentionally concealed the defect, he shall not be responsible for the loss arising out of the defect.

Where the gift is presented in return to substitution, the responsibility of the donor shall not exceed the quantity given in return to gift.

Article 1196:

the donor shall be held responsible for intentional and gross error.

Topic two

Obligations of recipient of gift

Article 1197:

The recipient is bound to fulfill the condition set by the donor in return to the gift given to him including what is determined for the donor or another person.

Article 1198:

Where the cost of the gift is less than the cost of the thing given in return according to the set condition, the recipient shall be bound only to the payment of that quantity of substitution which is equivalent to the cost of the gift given.

Article 1199:

1. Where the donor sets a condition that the gift shall be made in return to payment of his debts, the recipient shall be bound to pay only that amount of which was payable at the time the gift was offered, unless otherwise may be agreed upon.

2. Where on the basis of the guarantee given against debts, the gift carries the real rights of others for whom the donor is liable, the recipient of gift is bound to pay the debt unless the two parties have agreed otherwise.

Article 1200:

Expenses on gift, including the charges of the contract and other levies, shall be borne by the recipient of gift unless agreement is made to the contrary.

Part Three

Rescission of gift

Article 1201:

The donor of gift can, in agreement with the recipient, revoke the gift. In case of disagreement by the recipient, the donor will seek permission of the court for revoking the gift provided that such revocation would be based

on reasonable excuse and that there would be no ground
to the revocation.

Article 1202:

Under the following cases revocation of gifts shall
be deemed excusable:

- 1- Where the recipient, in fulfilling his obligations
towards the donor, acts in such a way that it would be
considered an absolute disregard to the donor.
- 2- When the donor becomes unable to make such a living
which his social status may require or when he will not
be able to pay for the maintenance of dependents.
- 3- Where a child is born to the donor, after the gift
is made, who would be alive until the time of revocation
or where the child whom the donor thought dead during
the presentation of the gift would be proved alive.

Article 1203:

Where the donor of gift is killed intentionally and
unreasonably by the recipient, his heirs can revoke the
gift.

Article 1204:

Recourse from all or part of the gift is permissible even though the donor may have repealed his right, provided one of the obstacles included in the following articles would not exist.

Article 1205:

Where an addition is made to the principal gift, which shall cause the cost of the gift to rise up, revocation of gift would not be allowed. In case of the elimination of the obstacle, the right to revocation shall return.

Article 1206:

Where one of the parties to the contract of gift dies after getting the gift, the right to revocation of gift shall be repealed.

Article 1207:

Where the recipient of gift has brought some radical changes in the gift, the revocation of gift by the donor is not permissible. In case the changes are brought to one part of the gift, the right to revoke the residual parts is permissible.

Article 1208:

Where gift is presented by either of the spouses to the other, revocation shall not be permissible even though there may have occurred separation between them after offering the gift.

Article 1209:

Where gift is given by one close relative to the other, revocation is not permissible.

Article 1210:

1. Where the real gift is damaged or destroyed, the right to revocation shall be repealed.
2. If a part of the gift is damaged or destroyed the remaining part can be revoked.

Article 1211:

Where gift is offered in return to something, the revocation right shall be repealed provided the substitution is not given in return to a part of the thing gifted. Where the substitute is taken away by reason of title, the donor of gift cannot revoke the gift provided that nothing has been added to the gift which may prevent the revocation, or that no other obstacles exist.

Article 1212:

Father cannot get anything from the minor child in return for the gift he has given to him.

Article 1213:

Where gift is offered as an alms or for charity purposes revocation shall not be permissible.

Article 1214:

Revocation of gift which has taken place by the agreement of both parties or by the order of the court shall nullify the contract. In this case the recipient of gift shall be bound to return the gift along with the benefits he has earned from the gift until agreement is made to revoke the gift or until a claim is filed in this connection. The recipient can demand the necessary expenses made from the donor. He may also demand useful expenditures provided they have raised the price of the property gifted.

Article 1215:

1. Where a donor of gift takes the gift from the recipient without his consent or by the order of court, he shall be responsible to the recipient for destruction of the gift whether it is as a result of the action of donor or its usage or other causes.

2. Where the court has made order for the return of the gift and the gift has been destroyed by the recipient after receiving warning to return the gift, he shall be responsible for the destruction of the gift even though it may not be caused by his action.

Third Chapter

Partnership

First Part

General provisions

Subject One

Definitions

Article 1216:

Partnership is a contract under which two or more persons pledge, for the purpose of undertaking a financial enterprise, to participate in the payment of a quantity of property and in carrying on a purposeful activity or credit in such a way that the profits and losses are divided among them according to the agreement concluded between them.

Article 1217:

...er engaged in despende of property, rendering of
...ice or extending credits, partnership is of two

Article 1218:

...er, that in which the partners are equal in respect
... possession, capital, profits and losses incurred.

Article 1219:

...ond, that in which the partners agree in such a way
... that they would not be equal in respect of possession,
... capital, profits and losses incurred.

Article 1220:

...redit partnership is that in which two or three persons
... agree to buy goods on credit and to sell them. Each of
... the partners shall be responsible for his specific part
... and shall share the profits and losses of the company.

Article 1221:

1. When formed, partnership shall acquire legal
... personality provided it has been registered and procl-
... aimed. Prior to its registration or announcement,
... company cannot resort to third persons but the third

Article 1224:

The share of a partner cannot be confined to his financial influence and trustful status.

Article 1225:

Where the share of a partner is in cash and has not been paid, the partner shall be bound, without any judicial demand or announcement, to pay the legal interest accrued. He shall also pay the compensation for the damage inflicted since the time when the payment of the share is not made.

Article 1226:

Where the share of a partner is the right of ownership, the right of interest or other rights and in case his share is destroyed or is taken by reason of title or in case of any defect develops in the share, the provisions of the sales property, in respect of the guarantee given, shall be applied to the guarantee given against partnership share.

Article 1227:

If the share of the partner is only benefiting from the property the provisions of lease shall be applied to it.

person can resort to this legal personality regard being announced.

2. Commercial companies shall be subject to the provisions of the Law of Commerce.

Topic two

General fundamentals of partnership

Article 1222:

Contract of partnership should be in writing otherwise would not be valid. Likewise, until the form of contract is not completed, any amendment to the contract shall be null and void. The partners cannot resort to the third person for this nullity. This nullity shall not be valid among the partners, except from the date when a partner has demanded the order to nullify the partnership.

Article 1223:

Difference between shares is permissible. Share can be the ownership of a property or merely the profit accruing from it.

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Article 1232:

Where the share of each partner in the profit and loss is specified in the contract, the share of profit of each partner shall be distributed in proportion to the contribution he has made towards the capital of the partnership.

Article 1233:

Where in a contract provision is made to the fixing of the share of profit of each partner, such provision shall also be valid for determining the share of loss incurred. Likewise, any provision made in the contract for determining the share of loss of each partner shall also be deemed valid in determining his share of profit.

Article 1234:

Notwithstanding the equality of contributions of the partners in the capital, any condition which is set for disproportionate distribution of profits is permissible.

Article 1235:

Where the share of a partner is limited to his work and service, his share of profit and loss shall be subject to the use which the partnership make from his service. In case the partner, in addition to rendering of service

Article 1228:

Where the share is participation in action, the respective partner shall be bound to perform all the services he pledged in the contract to render and to present an account of it.

Article 1229:

the share of performance shall be considered paid with practical performance of the action he is committed to. In this case the respective partner shall be responsible only for the functions of the company.

Article 1230:

Where the share is a debt, the liability of the partner shall be deemed fulfilled when the debt is paid to the company on due time. In case of non-payment, the partner shall be bound to compensate the loss incurred from the deferred payment of the debt, in addition to the responsibility which may arise from non-payment of debt on due time.

Article 1231:

the partner shall become entitled to the profit the way it is conditioned in the contract, whether it is accrued from the property or the service he is to render.

or performance of action, pays money in cash or some other thing, or else, he shall be entitled to some share in return to his action and to some other in return to his contribution other than the service he performed.

Article 1236:

1. Where it is agreed that one of the partners shall not take part in the profit and loss, the partnership contract shall be deemed null.

2. The partner who has no share in the company except rendering of service can be exempted by the agreement of the partners, from bearing any loss when no wage is given to him for the service he has rendered.

Article 1237:

In the credit company the profits and losses shall be distributed in proportion to the property bought by each of the partners on credit in the account of the company and has guaranteed the payment. In this case no other agreement is made to the contrary.

Topic Three

Administration of partnership

Article 1238:

Partners shall be deemed as trustees against one another and the property of the company with a partner shall be considered as a trust.

Whenever the property is destroyed without any fault or encroachment on the part of the partner, he shall not be recognized as responsible. However, he shall be deemed responsible if the property is destroyed by his fault or encroachment.

Article 1239:

1. The contract of a partnership shall include administrative procedure, name or names of the members of the Board of Directors and the scope of jurisdiction of each member of the Board of Directors.

2. Inclusion of the above matters shall be permissible on the basis of agreement made later provided that legal amendment procedure is observed.

Article 1240:

1. Where one of the partners, on the basis of expressed special provision of the contract, is assigned with task of administering the company, he shall continue with administering the company and the performance of those tasks which would achieve the objectives of the company provided his activities and the changes he would bring in the company are free from dishonesty. Dismissal of such partner without any legal reason or amendment of partnership is not permitted as long as the partnership survives.

2. Where the election of the said partner to the Board of Directors is made on the basis of a later agreement, recourse from it shall be permissible like rescinding from the ordinary agencies.

Article 1241:

Where many persons are assigned to carry out the activities of the partnership without having their duties and scope of authorities determined, each one can independently take part in the administration of the company. However, each of the partners assigned may have the right to object to the job before he performs it. This objection can be turned down by the majority of the

Directors assigned. In case of equality of votes, the
issues will be referred to majority votes of all the
Directors.

Article 1242:

Where agreement is made in the contract that the decisions
should be made by majority of votes of the Board of
Directors, objection to such agreement is not permissi-
ble unless the objection has been made to perform an
urgent work if not done would cause a great loss to the
company which cannot be compensated.

Article 1243:

Where it is determined that the resolutions should be
passed by majority, it would mean the majority of votes,
unless agreement is made to the contrary.

Article 1244:

Shareholders other than the members of Board of Directors
shall not have the right to interfere in the administration
of the company. However they can get information
personally from the books and records of the company.
Any agreement contrary to this shall be deemed null
and void.

Topic Four

Effects of partnership

Article 1245:

1. The partner should refrain from any activity which would be to the loss or against the best aims of the company.

2. The partner is bound to exert all efforts in the interest of the company in such a way as he usually does for his own personal interests.

However, if he is assigned to carry out the administrative affairs of the company in return to a payment, he may not pay attention less than an ordinary person.

Article 1246:

1. Where a partner acquires or takes possession of some property or a sum of money from the company, he shall be bound without any judicial demand or warning to pay the interest from the date he has taken possession of the property. In case necessary, he shall be made bound to pay the compensation for the loss inflicted.

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where a partner spends some of his property for the
of the company or makes useful spendings with good-
in the interest of the company, he shall get the
of his sums spent or paid from the company
the date when the payment is made.

Article 1247:

Where the assets of the company do not suffice
liabilities, the partners shall be bound to make
contribute contributions from their personal propert-
according to their shares, for the fulfillment of
debts and compensation of the losses incurred, unless
arrangement has been agreed upon.

2. The agreement of partners for their irresponsibility
the debts of the company shall not be valid.

Article 1248:

1. The partners shall not be deemed as sureties
each other in respect of the debts of the company
the payment of which they are made responsible,
unless otherwise is agreed upon.

2. In the event of bankruptcy of one of the partners,
share of the losses incurred shall be divided propert-
tely among other partners.

Article 1249:

Where one of the partners is indebted, the creditors cannot demand their rights from the share which the indebted partner holds in the capital of the company. However, such demand can be made out of the profits of the indebted partner collected in the company. In the event when the company is dissolved, the creditors can demand their rights from the share of the indebted partner in the capital of the company provided the time for payment of the debt is due.

Nevertheless, the creditors have the right to demand, prior to the dissolution of the company, from the company to impose precautionary restriction on the share of indebted partner.

Topic Five

Dissolution of Partnership

Article 1250:

The partnership is dissolved in one of the following cases:

- 1- Expiration of the period set
- 2- Realization of the objective for the achievement of which the company has been established.
- 3- Elimination of the whole or most part of the capital of the company as no profit is envisaged to continue with

activity.

the death of one of the partners, or when he is ordered by the court to be dispossessed, or when he is registered as bankrupt.

the withdrawing of one of the partners from the partnership when the period of the activity of the company is limited provided that the partner declares his intention of withdrawal other partners three months in advance. Otherwise, his withdrawal would be deemed arising from dishonesty or it would be considered inappropriate unless agreement is made to the contrary.

Agreement of the partners to dissolve the company
Order of the court for dissolution of the company.

Article 1251:

1. The agreement of the partners to the effect that after the death of one of the partners the partnership should continue with of his heir, though he may be incapable, is permissible.

2. The agreement of the partners to the effect that in case of the death, order of court for dispossession, or bankruptcy or withdrawal of one of the partners, the partnership should continue among the remaining partners, is permissible. In this case the said partner and his heirs shall not have any right save to their share they

hold in the assets of the company according to the date prevailing price. The share shall be paid in cash and he shall not enjoy the rights which may be created later except what is accrued from the result of the accomplishments of the company prior to his withdrawal from the company.

Article 1252:

1. Where the fixed period of partnership expires and the activity for which the company has been established ends up and the partners, nevertheless, decide to embark on such activity which is the objective of the establishment of the company, the contract shall be extended year by year with the same terms.

2. The creditors of one of the partners can object to the extension of the activity of the company as provided by the above clause of this article and can stop the partnership of the indebted partner.

Article 1253:

The court can make order for dissolution of the company on the basis of the demand made by one of the partners by reason of non-fulfillment of the obligations of the respective partner or by other rational arguments presented for the dissolution of the company. Whatever agreement is made to the contrary shall not be valid.

Article 1254:

1. A partner can demand from the court the exclusion of any partner whose activities would result in the dissolution of the company or cause objection to its continuation.

2. In case the period of the activity of the company is limited, any partner can demand from the court his exclusion from the partnership by presenting good reasons. In this case the company shall be dissolved unless the remaining partners agree to the continuation of the partnership.

Topic sixLiquidation and distributionof partnership assetsArticle 1255:

Liquidation and distribution of the assets of the company shall take place according to the terms anticipated by the contract. In case no mention is made in the contract of liquidation and distribution, the provisions of the following articles shall be observed.

Article 1256:

The authority of the Board of Directors shall be terminated right after the dissolution of the company but the personality of the company shall continue for some time until the accounts of the company are cleared.

Article 1257:

1. The company shall be liquidated by all partners, person or persons appointed by the majority of votes of the partners.

2. Where the partners appoint no person or persons by majority of votes, the court shall appoint one of the partners on the request of one of the partners as liquidator.

3. In case of invalidation of the company, the court shall appoint the liquidator and determine the scope of his authority and the liquidation procedures on the demand of interested persons.

4. Until the appointment of liquidator, the Board of Directors shall have priority over others to act as Liquidation Board.

Article 1258:

1. The liquidator cannot embark on fresh activity in the company unless it is complementary to the previous activities.

2. The liquidator can sell, by way of bidding or otherwise, the property of the company whether it is immovable or movable, unless his authority was restricted during his appointment.

Article 1259:

1. The assets of the company shall be distributed among the partners after the payment of immediate, contingent, and disputed debts, expenses incurred and loans advanced through one of the partners in the interest of the company.

2. A sum of money, equivalent to the share held in the capital of the company, shall be appropriated to each partner according to the contract. In case the value of bond is not described in the contract, the value of his share shall be calculated since the time of delivery, unless the share of the partner is limited to performance of action or presentation of a property in the interest of the company or only for profit.

3. Where some property remains, it shall be distributed proportionately among the partners.

4. Where after payment of the sums provided in the first clause of this article, the residual property of the company does not suffice the shares of the partners, the balance shall be counted as loss, with the agreement of the partners, during the distribution of losses incurred.

Article 1260:

With regard to distribution of the properties of companies, the provisions pertaining to the distribution of jointly owned properties should be observed.

Part TWO

Different partnerships

Topic one

Limited partnership (Mozarebut)

Article 1261:

Limited partnership is a partnership whereby two persons, one the payer who pays the capital and the other performer (Mozareb) who carries out an activity, agree to conduct business.

Article 1262:

In a limited partnership it is a condition that the owner of the capital should have the capacity to act as principal and the performer as agent.

Article 1263:

The capital should be in cash and known and be delivered to the performer. Payable debt cannot be deemed as capital.

Article 1264:

The share of profit of each of the two partners should be determined as part of a jointly owned property. In case the shares of profit are not determined, the profit shall be equally distributed.

Article 1265:

A limited partnership cannot acquire legal personality.

Article 1266:

A limited partnership is either absolute or restricted.

Article 1267:

1. Absolute limited partnership is that which is not restricted to time, place and the type of business. Here, seller and buyer are not determined.

2. Restricted limited partnership is that which is restricted to one of the restrictions of the above mentioned clause.

Article 1268:

The performer shall have the status of a trustee and capital he is holding shall be considered as a trust. However, he shall be deemed as agent of the owner of the capital in carrying on the business and shall be a partner in the profits.

Article 1269:

1. In restricted limited partnership selling and buying and procurement by the performer is permissible. The performer can sell against cash or on credit, as it is accustomed in the business.

2. Acceptance of order, depositing, mortgaging, leasing and transfer of the property by the performer are permissible for carrying on the business. The performer cannot buy a property by gross cheating, otherwise the purchased property shall be counted in his account:

Article 1270:

In the absolute limited partnership, the performer cannot

combine the property of partnership with his own property
he can give it to other person for limited partnership
unless he has already been permitted to do so. Likewise,
the performer cannot take loan more than the amount of the
capital of the partnership without the clear permission
of the owner of capital.

Article 1271:

In the restricted partnership, the performer shall be
bound to observe the terms set by the owner of the
capital. In case of violation, he shall be deemed
guilty and shall be responsible for the loss of the
property and shall be bound to pay interest on the
property lost and to replace it.

Article 1272:

In the event of nullity of the limited partnership, the
profit shall belong to the owner of the capital and the
performer shall be entitled to accustomed recompense prov-
ided it would not exceed the wage already determined.

Where there is no profit accrued, the performer shall not
be deemed entitled to the wage.

Article 1273:

Where the performer combines the property of the partnership
with his own property under permissible circumstances, the
profits shall be distributed proportionately in such a

way that the profit of the property of the performer would belong to himself and the profit of the capital would be distributed between the owner of the capital and the performer in accordance with the terms set in the contract.

Article 1274:

Where the performer gets on credit a property which is of greater value than the amount of capital, with the permission of the owner of the capital, the partnership shall be deemed between them as credit partnership.

Article 1275:

Each of the performer and owner of capital should be partner in the profits of the partnership. If there is set a condition that all the profits should belong to the performer, the contract shall be deemed as a credit partnership and if the condition is such that all the profits should go to the owner of the capital, the performer shall be deemed as dealer and shall receive accustomed recompense.

Article 1276:

Loss shall be only borne by the owner of the capital unless the performer may have guaranteed to share the losses incurred.

Article 1277:

If any part of the property of limited partnership is lost or damaged, it shall be compensated from the profit earned.

Article 1278:

The charges of transportation of the performer from one place to another for carrying on the business of the partnership shall be deducted at a reasonable rate from the property of the partnership.

Article 1279:

1. Limited partnership shall be terminated with the expiration of the period fixed in the contract or with the death of one of the two parties or with the loss of the capacity of the performer.

2. Where the performer dies prior to the liquidation of the partnership, the rights of the owner of capital shall be paid from the patrimony of the deceased.

Article 1280:

The owner of the capital is bound to declare his intention to the performer for dismissing him. After the declaration of intention of the owner of capital, the performer cannot make any deal in the property of the partnership unless

the purpose of such dealing is conversion of the goods of partnership into cash.

Topic Two

Work partnership

Article 1282:

Work partnership is that whereby two or more persons pledge to perform a work or fulfill a promise for another person in such a way that wages shall be distributed between them equally or differently.

Article 1282:

Each of the partners shall be deemed as representative of one another in accepting the work and the owner of work can demand completion of work from each of the partners. Each of the partners can demand the residue of wage from the owner of work and if the owner of work pays the wage to one of the partners he shall be quit.

Article 1283:

A partner shall not be bound to do the work alone. He can assign the respective work to one of the partners or to a person other than the partners unless the owner

of work has set a condition that the work should be done by a specified partner.

Article 1284:

Profits shall be distributed among the partners as is agreed upon. Equality or difference in doing the work and in payment of the wages can be made a condition.

Article 1285:

A partner may be deemed entitled to the profit merely by guaranteeing the performance of the work even though he may not have practically done any work.

Article 1286:

Where the object of work is damaged or defected by the act of one of the partners, the owner of work can compel any one of the partners he may want to compensate for the damage or loss inflicted. The loss is distributed among the partners in proportion to their guarantee.

Article 1287:

In the work partnership some of the partners can provide the work site, and some other may supply work equipment and do the work.

Chapter Four

Loan Contract

Article 1288:

Loan contract is a contract whereby one of the two parties transfer the ownership of cash money or specified goods to the other party and the other party returns its like in quality, quantity and specification to the lender after the expiration of specified period.

Article 1289:

1. The borrower shall own the thing after its acquisition and become liable to return not the same thing but its like. The lender can make the borrower bound to return the like before the expiration of the period set.

2. Where the thing is lost or damaged after the contract and before acquisition, the borrower shall not be deemed liable.

Article 1290:

1. Where a minor defect appears in the thing borrowed and the borrower wants not to return it, he is bound to return only the cost of the thing defected.

2. Where the lender has intentionally concealed the defect, the borrower can demand correction or its replacement.

Article 1291:

Where the thing is taken away by reason of title, provisions of contract of sale or of deposit contract shall be applied to it.

Article 1292:

The borrower is bound to return the like of the thing, qualitatively and quantitatively, at the place and time agreed upon.

Where the time and the place where it is to be returned is not determined previously, the borrower can return the thing borrowed at the place of contract and whenever he may wish.

Article 1293:

Where goods which can be measured or weighed, or coins and banknotes are lent, the borrower is bound to return the like of thing borrowed even though the price rates may

have gone down or up.

Article 1294:

Where the like of the thing given as loan is not found in the market after it is consumed, the lender is not liable until the like is found in the market or can be found at the price of it prevailed at the time of acquisition.

Article 1295:

Profit on loan is not permissible unless the lender agrees otherwise.

Article 1296:

Where a dispossessed takes something on loan and he consumes it, he shall be liable for what he has used up. Where the thing is perished by itself, the borrower shall not be liable for it. And where the thing remains in a defective form, the lender can take it back.

Chapter five

Peace

General provisions

Article 1297:

Peace is a contract which would resolve the dispute and

the hostility on the basis of consent of both parties.

Article 1298:

1. In the contract of peace it is a condition that the right from which peace is arisen is the right of the peace maker himself and that it is fixed and attributed to the place for the purpose of which peace is made. Substitution in peace is permissible.

Article 1299:

1. The substitute can be an owned property, available and deliverable thing or profit.
2. Where the substitute requires acquisition and delivery it should be specified.

Article 1300:

The peace maker should have legal capacity in handling rights involved in peace effort.

Article 1301:

A minor who is permitted to do business can make compromise with his debtor about the debt on which no judicial order is issued and when there is no witness to the proof of the debt or when the debtor is proved bankrupt.

He can also make a compromise with his debtor on deferment of the payment of debt within a definite period of time.

Article 1302:

1. The guardian or executor of will of an incapacitated person cannot make compromise with the debtor on the debt that the debtor may admit or it is proved by the order of the court or witness exists for the proof of it except when the liability has been created under a contract made by the guardian or executor. In this case the guardian and executor shall be deemed as a surety to the incapacitated person against the amount of the debt to be paid to him. When the compromise is made on another property whose cost is equivalent to the amount of debt or somewhat lesser than that, the compromise shall be permissible provided no gross fraud is involved.

2. Where the guardian or executor of will worry about the proof of all debts due to lack of witness, and where the debtor denies the debt and is prepared to take oath, they can make a compromise on part of the debt with the permission of the court.

Article 1303:

where a debt claim is filed against the distinct minor and the plaintiff is having witness to prove the claim,

executor of will or the guardian can make a reconciliation with the permission of the court, with the claimant return to a thing and may pay the remaining part of debt. If the plaintiff has no witness the guardian or executor may not make compromise.

Article 1304:

A hostile representative may not make any peace. Where a person becomes a deputy out of hostility and makes a compromise without the permission of his principal the compromise may not be correct.

Article 1305:

Where the plaintiff claims a specified property and the defendant acknowledges it, and then the plaintiff makes a compromise in return of a profit for a limited period of time, the compromise shall be true and shall be considered a lease. With the elimination of the subject of peace within the set limit of time, compromise shall become null.

Article 1306:

Where a person claims a definite thing and the defendant admits it, a compromise in return of specified property shall be valid and shall be deemed as a sale contract.

Article 1307:

Where a person claims a known or unknown thing held by another person, and the other party files a claim on a thing held by the plaintiff, compromise shall be correct with regard to what they have held and peace shall be considered as exchange. The truth of this kind of peace is not subject to the truth or knowledge of substitutes.

Article 1308:

Where the claimant makes a compromise with the defendant on part of the property claimed, this kind of peace shall be considered as acquiring part of his right and abolishing another part of it.

Article 1309:

If the compromise embodies contracts of gift, sale or the like, the provisions of the respective contract upon shall be observed.

Article 1310:

Compromise is not permissible in respect of matters pertaining to the private affairs and public order. However, compromise about the financial rights arising from private affairs or from a crime committed, shall be permissible.

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Article 1311:

Peace may not be valid unless it is made in writing registered in an official meeting.

Second Part

Effects of peace

Article 1312:

Peace puts an end to the respective disputes and no one of the two parties has the right to turn away from it.

Article 1313:

When the peace is made desirably, the claim shall cease and the substitute (compensation) shall enter into the property of the claimant and the defendant shall not have the right to get it back.

Article 1314:

1. When the substitute is a property like that claimed and is lost or damaged before it is handed over to the plaintiff or when it is taken by reason of force, compromise shall remain binding and the defendant shall be bound to return to the claimant the like of

what is lost or damaged, whether the peace is made as a result of the confession of the defendant, his denial or silence.

2. Where the substitute of peace is of non-accused things, and before delivery it is wholly or partially lost or damaged or taken away by reason of title, and peace is made out of the confession, the claimant shall get all or part of the thing claimed and when the peace is made as a result of the denial and silence of the defendant, the claimant may return to hostility.

Article 1315:

Peace shall have the effect of discoverer, not the establisher, on the rights involved and this effect shall be limited to the rights disputable.

Article 1316:

the letters and wording of peace shall be limitedly interpreted and shall be related to the subject disputable.

Article 1317:

Where peace is subject to the provisions of exchange, the two parties can rescind it and in that case the thing claimed shall belong to the claimant and the substitute shall go to the defendant.

Article 1318:

Peace involves repeal of some rights, rescission shall be permissible.

Part three

Nullity of peace

Article 1319:

Objection to peace due to mistake in understanding the law, is not permissible.

Article 1320:

Peace shall be null and void under the following cases:

1. Peace is null when the parties rescind, the peace substitute is rejected, when there is option of defect, option of sight and when the substitutes of the peace are taken away by reason of title.

2. When dissimulation is proved in the papers on which peace is based.

3. When the order of the court has already been issued on the dispute embodied in the peace and the two parties or one of them have no knowledge of the court order.

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Article 1321:

Peace accepts no division. Nullity of a part of the shall cause the nullity of all the peace unless it is found out from the text of the contract or from circumstances that the concluding parties have agreed on the independency of parts of peace.

Title two

Profit contracts

Chapter one

Lease

Part one

General provisions

Topic one

Fundamentals of lease

Article 1322:

Lease contract is a contract whereby the lessor grants benefit of a property leased to the lessee against compensation which is substitutable.

Article 1323:

Contract may be concluded on the profits of movable and immovable properties and also on permitted action.

Article 1324:

In every contract in addition to the general terms, specification of the property to be leased, mentioning the benefit in such a way not to result in dispute, stating the period of benefiting, and determining amount of rent are the conditions of the contract, otherwise the lease shall be deemed incomplete.

Article 1325:

A person who is solely authorized to administer the property cannot fix the lease period for more than three years. If the lease period is determined for more than three years, it shall be reduced to three years unless law provides otherwise.

Article 1326:

A contract of vitiated lease is subject to the permission of the owner. When the owner is incapable or dispossessed and the rent has been determined similar to accustomed rent, the contract of lease shall be subject to the permission of the guardian or executor of will or tutor.

Article 1327:

The permission provided in Article (1327) of the contract shall be valid when the concluding parties and the contract are present and the compensation of in cash.

Article 1328:

1. Provisions relating to the option of the option of right shall be observed with regard to property to be leased.

2. With regard to compensation of lease, or relating to the option of distinction, sale contract description of price, fraud, cheating in quality, crime, and specification shall be observed.

Article 1329:

Where any of the lessor or lessee has the right he can cancel the lease contract within the set of time. Any one who permits the lease his right to option shall be repealed and the option of the other party shall remain until the expiration of the period.

Article 1330:

The option period shall start from the time of contract and end up with the repeal of option of the lease while it is agreed otherwise.

Article 1331:

Lease of partnership property is permissible for the partner or non-partner.

Article 1332:

If property is changed into jointly held property after the contract, it shall not affect the contract.

Topic Two

the property to be leased

Article 1333:

1. The lease of a property is not permissible when the property is from which is impossible without destroying it.
2. The lease of an action is permissible when the action is legal and the leaser is not bound by law to perform it.
3. The lease of a thing shall be null when no profit, real or legal, is made from it.

Article 1334:

Where the property is leased by a person entitled to profit, the lease is terminated, if the owner does not permit, upon the termination of the right to profit.

provided the time set for giving advance notice of evacuation and the transfer of agricultural yield observed.

Article 1335:

The lessee shall have the right to option of the set period but the lessor shall not have this right if he leases the property prior to seeing it.

Article 1336:

Where the lessee has already seen the property, his right to option is repealed unless the property changed from its original condition.

Article 1337:

The right to option of the lessee shall be repealed in the following cases:

- 1- When the lessee admits in the contract that he has seen the property to be leased.
- 2- When the quality and specifications of the property are described in the contract which could be a substitute for seeing and a proof of the property described.
- 3- When the lessee commits such an act which would nullify the option.

4- . When sufficient time is passed during which the lessee could see the property. (but he did not see it).

Topic Three

Rent

Article 1338:

1. Cash money, property, profit or permissible commitment can be fixed as rent.

2. If gross cheating is made in the named rent, it shall be amended to accustomed rent.

The accustomed rent is fixed by the authoritative sources or by the order of the court.

Article 1339:

Renewal of rent is permissible according to the use of property leased.

Article 1340:

Rent shall be collectable upon receiving the benefit or upon being able to receive it.

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Article 1341:

Immediate and mediate payment of the rent and its pa
in instalments within set periods is permissible.

Article 1342:

Where immediate payment of rent is a condition, the
lessee shall be bound to pay the rent during the con
of the contract. And the lessor can refuse to deliv
the property leased to the lessee until he receives
rent.

Article 1343:

Where mediate payment of rent is made a condition,
lessor shall be bound to deliver the property to the
lessee if the contract is based on benefit ^{accruing} from the
property leased. In this case the rent becomes imp
ative upon the arrival of the period.

Article 1344:

Where the lessee, without any agreement by the lessor
the quantity or quality of the rent, takes possession
the property leased and makes use of it, he shall be
liable to pay the accustomed rent.

Topic four

Period

Article 1345:

The period of lease shall commence as of the date stipulated in the contract.

If no date is fixed for the lease, it shall be valid as of the date of the contract.

Article 1346:

Where the period of lease is not stated in the contract, the lease shall be valid until the definite period for the payment of the rent in accordance with the current custom.

With the expiration of this period the lease shall be terminated provided an advance notice for evacuation is given prior to the second half of the period set for payment of the rent.

Part two

Effects of lease

Article 1347:

After receiving the specified rent whose payment made a condition, the lessor shall be bound to the property leased together with its accessories to the lessee according to the agreement made in such a way that it would be capable of producing possible profit according to its nature.

Article 1348:

1. Where the property leased is delivered in a condition that it would not be capable of producing the profit in question of the contract or when the profit from it is associated with great loss, the lessee can cancel the contract or demand reduction of rent to the extent of the loss made in the profit.

2. The lessee can demand substitution in the two cases as circumstances may require.

Article 1349:

If the property leased is in such a condition that its use will greatly endanger the health of the lessee or persons living with him, or the health of employees and workers, the lessee can cancel the contract even though he has already given up this right.

Article 1350:

In regard to the commitment of delivery of the property leased, the provisions relating to the commitment for delivery of sales property shall be observed.

Article 1351:

The lessor is bound to recover and repair the defects in the property to be leased if it causes interruption of the profit expected.

Article 1352:

If the lessor refuses to repair and recover the defects mentioned in Article (1351) of this law, the lessee can cancel the lease or personally may proceed to repair or recover them on the permission of the court and later return to the lessor for proportionate reimbursement of the payment made or deduct from the rent payable.

(2) The lessee can without the permission of the lessor make urgent and simple repairs to the property leased if the lessor did not take action within the appropriate time set by the lessee after giving a warning to the lessor to this effect. The lessee shall deduct the repair expenses from the rent according to the bills he presents.

Article 1353:

Levies and taxes on the property leased shall be borne by the lessor but expenses incurred from water, electricity and other personal effects shall be borne by the lessee unless agreement is made to the contrary.

Article 1354:

1. Where the property leased is totally eliminated within the lease period, the contract shall automatically be cancelled.

2. Where a part of the property leased is eliminated or is in the position which is not capable of producing benefits expected from the lease or where a great loss is inflicted to the profits without the fault of the lessee and when the lessor does not bring the property to its original state within the appropriate time, the lessee can demand, according to the circumstances, reduction in the rent or cancellation of the contract.

Article 1351

interruption of his right to take action for
remediation and correction according to the provision
Article (1352) of this law.

In the above two cases if the lessor has no
part in elimination and damage of the property, the
lessee cannot demand compensation.

Article 1355:

If lessee cannot prevent the lessor to make urgent
repairs required for the protection of the property.

If such action causes interruption in getting profits,
the lessee can either demand cancellation of the lease
or reduction in the rent and in case the lessee remains
in the property leased until the end of the repairs made,
his right to demanding reduction in the rent and cancell-
ation of the contract shall be repealed.

Article 1356:

The lessor cannot agree upon the benefits of the lessee
within the lease period or bring such changes which would
prevent taking profit from the property or cause interr-
uption in getting the profit on which the contract is
concluded.

Article 1357:

The lessor shall not only guarantee against the loss incurred by him or his relatives but also against aggression which is made on the property leased as a result of legal reasons advanced by other lessee person acquiring his right from him.

Article 1358:

Where another person demands such a right which may clash with the rights of the lessee, the lessee is to inform the lessor to settle the claim made. If as a result of adjudication the lessee is deprived of the profit of the property leased, he can cancel the contract and demand compensation as expediency may dictate.

Article 1359:

1. Where the property leased is usurped and the lessee is not able to remove the hand of the usurper he shall cancel the contract and demand compensation.
2. Where the lessee neglects to remove the hand of the usurper in spite of the possibility to do so and does not inform the lessor of the occurrence of usurpation, his right ^{to} rent shall not be repealed but he can demand compensation from the usurper.

Article 1360:

The lessor shall be considered as a surety against the defects which would prevent taking profit from the property leased or bring total loss in the profit. The lessor, however, shall not be deemed as a guarantor for the defects which the lessee already knew them or could easily get information about them during the lease, except the lessor has declared the property as defectless.

Article 1361:

Where in the property leased such a defect is inflicted which would cause compensation, the lessee can demand resolution of the contract or reduction in the rent or compensation provided he has suffered from the loss inflicted unless the lessor proves that he has not had any knowledge of the defect.

Article 1362:

1. Where several persons lease a single property, preference shall be given to the person who has taken possession of the property without any defraudation. In case one of the lessees prior to the possession of the leased property by another lessee or before the renewal of the lease has registered with goodwill

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the contract, he shall be recognized as having priority in the lease.

2. If there is no reason for preference of one of the lessees they can demand compensation.

Article 1363:

If a great loss is incurred by the legal action of a government office to the profit accruing from the property leased, the lessee can cancel the contract or demand reduction in the rent. If the action of the government office arises from causes for which the lessor may be responsible, demand ^{for} compensation by the lessee is permissible unless an agreement has been made to the contrary.

Article 1364:

Where the lessor cheatingly conceals the cause of the surety, any agreement calling for exemption or limitation of surety by the lessor for the substitution or defect shall not be valid.

Article 1365:

It is not permitted to go beyond the right to profit according to the contract.

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Article 1366:

The lessee shall benefit from the property leased in the way as agreed upon. In case no agreement is made previously, the current custom shall be valid.

Article 1367:

The lessee cannot bring such changes to the property leased which would lead to some loss. In case of any violation of the limits of commitment, the lessee shall be bound to return the property in its original condition and pay compensation if the circumstances may require.

Article 1368:

Installation of water supply instruments, gas, electricity, telephone, radio and the like in the property leased is permissible by the lessee provided such installations would not do any harm to the property.

Article 1369:

The lessee is bound to make minor repairs which custom may require unless agreement is made to the contrary.

Article 1370:

The lessee can demand from the lessor the expenses of corrections which he makes in the property leased for improvement and protection from destruction even though such demand is not stipulated.

If the improvement brought is for maintaining the property of the lessee he shall not have the right to turn to the lessor for reimbursement unless it is set a condition

Article 1371:

The property leases shall be deemed as a trust with the lessee and he shall be responsible for taking care of it and for its destruction or any loss not resulting from normal use.

Article 1372:

The lessee is bound to inform the lessor of any affair which may require interference of the lessor.

Article 1373:

The lessee is bound to pay the specified rent at the time agreed upon. In case no agreement is made previously, the local custom as to the time of payment shall be binding.

(2) The payment of rent shall be made in the residence of

unless the custom or the agreement made by the parties provides otherwise.

Article 1374:

Payment of one instalment of the rent shall be considered as an evidence for the payment of previous instalments where there is another reason contrary to this.

Article 1375:

The lessee shall be bound to return the property leased at the end of the lease period.

If he retains the property without any reason, he shall be condemned to the payment of compensation to the lessor in proportion to the value of the property leased.

If the retaining of property is due to any emergency or to a cause in which the lessee is not involved, he shall be bound to pay accustomed rent to the lessor.

Article 1376:

The lessee shall be bound to return the property leased in the same condition when he took delivery of it except for any damage or loss in which the lessee is involved.

Where the delivery of the property leased has taken

place without description of the specifications, be considered that the property was delivered in place unless there is a reason to the contrary.

Article 1377:

the property leased shall remain with the lessee as a trust at the end of the lease period. If the lessee retains it in spite of the demand made for its removal, it shall be deemed as surety against its destruction.

Article 1378:

1. If the lessee builds or plants or makes decorations which prove effective in raising the value of the property leased, the lessor is bound to pay the minimum expenses and the difference of price to the lessor unless agreement is made to the contrary.

2. If the decorations are made without the knowledge of the lessor or in spite of his objection, the lessor may demand from the lessee the removal of the decorations with compensation for the loss incurred to the property leased as a result of removal of such decorations.

Part three

Desistance from lease

and sub-lease

Para 1379:

Lessee shall have the right to desist from the lease
or sub-lease all or some of the properties leased
if agreement is made to the contrary.

Para 1380:

When the lessee from sub-leasing requires prevention
desistance from lease and vice versa unless the lease
is confined to the real property in which industrial or
commercial installations are put up and the lessee starts
erecting the said installations by virtue of need.

In this case the court can, inspite of a blocking condi-
tion, order the survival of the lease provided that the
lessee gives sufficient guarantee and that no loss is
suffered to the lessor.

Article 1381:

In case of desistance from the lease, the person who becomes sub-lessee shall be locum tenens of the lessee with regard to his relation with the lessor as far as the rights and obligations arising from the lease are concerned. Nevertheless, the lessee shall be deemed as surety of said person for fulfillment of these obligations.

Article 1382 :

The sub-lessee is bound to fulfill directly all fixed obligations towards the lessee when warning is given by the lessor and before the lessor he cannot recourse to the lessee for the rent he has paid in advance to the lessee unless this has taken place prior to the warning according to the custom and in agreement, the date of which is proved before the sub-lease contract.

Article 1383:

The lessee shall be deemed acquitted before the lessor in the following cases:

1. When the lessee desists from the lease with clear acceptance by the lessor and the replacement of lease by sub-lease.

2. When the rent is received from the sub-lessee without any statement of the reservation of his rights towards the lessor.

Part Four

Termination of lease

Article 1384:

shall terminate at the end of the period expressed in the contract without notification for evacuation.

Article 1385:

1. In case the lessee, after the period prescribed in the lease contract, continues to make profit of the property leased, and the lessor despite awareness of the fact does not object, the lease is considered to have been extended, under the same original terms, for an indefinite period, and shall be subject to provisions of Article 1344 of this law.

2. In case of implied renewal of lease securities in goods pertaining to the former lease, shall be exactly transferred, but personal surety or security in goods shall not be transferred without the consent of the person who stands surety.

Article 1386:

Where one of the parties has notified the other party to

vacate the property and lessee, after the lapse of the period covered by lease, continues to benefit from the leased property, it does not tantamount to renewal of the lease, except when there exists reason to the contrary.

the lessee is bound to vacate, and to return benefits obtained from the property leased after the lapse of lease period.

Article 1387:

Lease does not terminate with the death of lesser, or lessee; however, the heirs of the lessee, in case of his death, can demand the termination of the lease contract by proving that their income as a result of the death of bequeather does not suffice to continue the lease, or that the lease is no more needed by them, provided that the request for the termination of the lease is made within six months from the death of the lessee, and the time limit for communicating information about vacation is also observed.

Article 1388:

In case the lease contract is concluded so that the lessee would perform his trade, or by virtue of some other special attribution of the lessee, the lessor and the heirs of the

after his death, can call for the termination of

1888.

Article 1389:

Insolvency or bankruptcy of the lessee does not bind
 to make payments which are not due, but even then,
 if the lessee fails to stand surety that the future
 will be paid in appropriate time, the lesser can
 the repeal of the lease contract. Similarly if the
 is not permitted to withdraw from lease, or to
 lease, he can demand the repeal of the lease contract;
 if he pays just compensation.

Article 1390:

1. In case the ownership of the property leased is
 transferred to another person when the date of lease
 contract, before the transfer of ownership, is not certain
 lease contract is not binding on the said person.

2. The person to whom the ownership of goods is
 transferred according to clause one of this article, even
 though the lease contract does not bind him, can abide by
 the said contract.

Article 1391:

1. The person to whom the ownership of the goods

leased is transferred, and the lease is not enforceable against him, can not oblige the lessee to vacate except after serving him notice in accordance with article (1346) of this law.

2. Whenever the new owner, before the end of the lease period warns the lessee to vacate, he is bound to pay recompense to the lessee, except when agreement is reached otherwise. The lessee is not obliged to vacate except after receiving recompense from the lessor, or from the person to whom the ownership is transferred, as his agent.

Article 1392:

Where a person to whom the ownership of the goods leased is transferred proves that the lessor while making advance payment for the lease knew of the transfer of the ownership, the lessee can not claim to hold the lease. In case he can not prove so the owner of the property leased can have recourse to the lessor.

Article 1393:

1. The lessor can not demand the repeal of the lease contract before the expiration of its term even though he declares the intention of personal residence or use, except when it is otherwise agreed upon.

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In case agreement exists for the repeal of the contract in view of the personal need of the lessor the property leased, he is obliged to observe the provision of article 1346 of this law pertaining to service to the lessee except when it is otherwise stipulated upon.

Article 1394:

Whenever a person leases a shop, and later his business prospers, he can repeal the lease, or refuse to pay the

Article 1395:

Whenever the lessee has not benefited from the leased property fully, or can not make benefit from it fully, it is considered his own mistake or a cause related to himself, he is obliged to abide by the lease contract, and all commitments arising from it, provided the leased property is at the disposal of the lessee by the lessor that is capable of producing the profit agreed upon.

Article 1396:

1. Every party to the lease contract can demand the repeal of the lease contract, concluded for a definite period, before the end of this period.

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This provision relates to situations that unforeseen events render the enforcement of the contract, from the very beginning, or during its enforcement, impossible. Observance of the notice period included in article (1346) of this law, and payment of compensation by the person demanding the repeal of the contract is imperative.

2. In case the lessor has demanded repeal, he can not oblige the lessee to return the goods except when he has paid the necessary substitution to the lessee, or has placed with him adequate security for the purpose.

Article 1397:

In case the lessee is a job holder, employee or a person whose performance requires a change in his residence, he can demand the repeal of the lease contract of his residence, concluded for a definite period, under the provision of article 1346 of this law.

Part Five

Some kinds of lease

Topic One

Lease of agricultural land

Article 1398:

The lease of land for purpose of cultivation, with or without prescribing what to be grown in it, is valid.

Article 1399:

The lease of a land that is cultivated by another person and the time for gathering its harvest is not recalled and that it is not cultivated without any right, shall not be binding until the yields are collected from the land unless the existing crop in the land is the property of the lessee.

27. In case the crop is ready to be gathered, lease of land to a person other than the owner of the crop is prohibited. The owner of the crops is obliged to vacate the land and submit it to the lessee within an appropriate period of time.

Article 1400:

When the crops on the land are grown without the right to lease the land, leasing of the land to other than the cultivator can not be pending to gathering of crops, and the cultivator is bound to vacate the land.

Article 1401:

The lease of land on which crops are raised by other than the lessee is valid and remains pending until the time for gathering the harvest, and getting the land ready for reversion to the lessee in an appropriate time.

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Article 1402:

The lessee of land shall enjoy the right to canal and irrigation without being mentioned in the lease contract. Such rights are subject to agreement and custom of the locality.

Article 1403:

Where the land is leased for one year, and the lessee has been given the discretion to raise whatever he wishes, he can raise two harvests on it.

Article 1404:

In case the land leased is inundated by flood, or if the water is out making its cultivation impossible, rent is not required, and the lessee has the right to repeal the lease contract provided he is in no way responsible for this.

Article 1405:

In case the crops on leased land are destroyed by natural catastrophe, the lessee is obliged to meet his lease contract obligations upto the time of the said catastrophe and is relieved of paying the part relating to after the catastrophe except when the lessee is able to grow the land as before the catastrophe, or less than that.

Article 1406:

In case the crops are destroyed after reaping, the lessee can demand the waiving or reduction of the rent if an agreement exists to the effect that the lessor will receive a part of the crops. In this case when the crops are destroyed by reason of fault of the lessee or by a warning for delivery, the lessor sustains the loss made.

In case the occurrence of damage was anticipated and certain at the time of conclusion of the contract, the lessee can not demand the abolishment of the rent.

Article 1407:

At the end of the period of lease is expired, and crops on the land are not ripe by reasons beyond the control of the lessee, the land shall remain in possession of the lessee until the time the crops are harvested against payment of the accustomed rent.

Article 1408:

The lessee is bound to use the agricultural land in a ordinary way, and act in it in a way that it would be suitable for utilisation. The lessee, without the permission of the lessor can not utilise the land in such a way that it would result in a change which would adversely affect the land and continue until

the lapse of the lease period.

Article 1409:

The lessee is obliged to incorporate improvements that normal utilisation of the leased land requires.

Article 1410:

The lessee is obliged to vacate the land he has leased at a time that can allow the person who takes possession of the land after him to prepare the land for agricultural and sowing provided this does not entail any loss to

Topic two

Tenancy

Article 1411:

Tenancy is a contract between the tenant and the landlord on cultivation of the land in a way that the harvest is divided between them as agreed upon at the time of conclusion of the contract.

Article 1412:

Conditions of validity of the tenancy contract are:

- 1- Readiness of the land for cultivation.
- 2- Defining the person obliged to provide seeds, fertiliser, insecticides and pesticides and other

defining the person bound to provide agricultural means.

delivery of unsown land to the tenant even though the seeds are provided by the landlord.

Article 1413:

...ing the period of tenancy in accordance with the ... of tenancy is a condition for the validity of ... contract. In case the period is not determined, the ... contract is valid for one season, except when a ... law provides otherwise.

Article 1414:

... or implied determination of what is to be grown, ... the share of the person who does not provide seeds is ... a condition for validity of the contract. In ... the crops to be raised are not determined, and if ... seed is provided by the owner the contract is valid, ... when it is supplied by the tenant, the contract is ... valid, except when the determination of what is to ... raised is left for the tenant.

Article 1415:

... animals and implements to be used in agriculture are ... on the land at the time of the conclusion of the

contract, in case they are property of the owner, shall be included in tenancy contract provided no agreement is made to the contrary.

Article 1416:

1. The tenant is bound to be as conscientious in farming and preservation of the crops as he would be regard to his own property.

The tenant is responsible for the damage of the land during the period of utilisation, except when he proves that he has exerted effort of a normal person in its protection and preservation.

2. The tenant is not bound to replace perished animals, and depreciated implements if not resulted from his fault.

Article 1417:

The tenant can not lease the land to another person without the permission of the owner, or desist from the lease to the benefit of another person. In case of violation of this provision the owner can repeal the contract or demand recompense from the tenant.

Article 1418:

The tenant has not the right to give the land in tenancy to another person without the permission of the owner.

Article 1419:

Tenant is bound to protect the buildings belonging to
land and means of irrigation. Repairation, necessary
the maintenance of the tenant's residence is the
responsibility of the tenant, but expenditures of public
works and digging of new channels must be incurred by
owner.

Article 1420:

Tenant can not uproot or cut off healthy trees on
land included in the contract, but can dried up
trees with the permission of the owner, and plant new
saplings in their lieu. Cutting and planting must be
done by the tenant, and the cost of the saplings must
be incurred by the owner.

Article 1421:

Payment of taxes is the responsibility of the owner.

Article 1422:

With the exception of what is mentioned in this law, the
owner does not have the right to demand any other benefit,
cash or kind, or performance of any services from the
tenant, directly or indirectly.

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Article 1423:

Parties to the contract can change the tenancy contract into lease contract.

Article 1424:

Whenever the tenant becomes the owner of the land and wishes to farm it personally, he can repeal the tenancy contract.

Article 1425:

In case the tenancy contract is not renewed three months before the end of the period of the contract, the contract is extended for another year.

Article 1426:

Crops are divided between the tenant and the owner of land in accordance with the agreement of the parties, the proportions determined by tradition, and in the absence of prior agreement and customs, they are equally divided between the tenant and the owner.

Article 1427:

Whenever the harvests are destroyed wholly, or partly, by unforeseen events, both sides sustain equal losses, and one can not demand recompense from the other.

Article 1428:

where the period of the contract lapses before the ripening of the crops, the crops remain on the ground until ripening and necessary expenses during this time, such as irrigation, reaping, harvesting and threshing, shall be borne by both, proportionate to their shares.

Article 1429:

1. Whenever the owner of the land dies before the ripening of the crops, the tenant shall continue his work until the ripening of the crops and the heirs of the deceased can not bar him.

2. In case the tenant dies before the ripening of the crops, his heirs, if they are able, or his legal advocate as his locum tenens, shall continue working until the ripening of the crops even the owner of the land may not consent to it.

Article 1430:

Whenever the tenancy contract is repealed or considered null the crops shall belong to the person who has provided seeds, and the opposite party shall be entitled to rent in kind except when it is otherwise agreed upon.

Article 1431:

Where in a special law the legal relations between the

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tenant and the land owner are organised differently, provisions of the special law shall be applicable.

Topic Three

Gardening

Article 1432:

1. Gardening contract constitutes giving of trees and vines to another person for raising or utilisation against a part of their returns.

2. Tree is a plant which remains on the ground for one year or longer.

Article 1433:

In gardening contract special conditions of tenancy contract shall be observed.

Article 1434:

Gardening contract shall be binding for a period prevailing in custom. In case the contract is for an undetermined period it connotes validity until the first returns of the same year.

Article 1435:

Where the period of the gardening contract is determined

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such away that it will be short for acquiring of return,
contract shall now be considered valid.

Article 1436:

Whenever a period is determined for gardening contract in
which both the bearing and non-bearing of fruit, is
possible, the contract is considered contingent. In case
fruit, at the determined time, appears in a way that
is like becomes subject of interest in transaction, the
contract shall be valid, and the return is divided in
accordance with the previous agreement; in case fruit
does not appear at the determined time the contract is
considered incomplete, and the gardener becomes entitled
to wage in kind for his performance. In the event fruit
actually does not materialise no party shall be
entitled to demand any right from other party.

Article 1437:

Actions necessary before the appearance of fruit such
as irrigation, grafting, insemination and protection are
incumbent on the gardener, and action necessary after
the appearance of fruit such as picking of production
and the like are incumbent on both parties, except when
otherwise agreed upon.

Article 1438:

1. Without the permission of the owner, the gardener can not give trees for gardening. In case of violation the production belongs to the owner; the second gardener shall become entitled to wage in kind of the first gardener, and the first gardener shall not be entitled to any wage.

2. The gardener can not cut down the trees in his custody without the permission of the owner or cannot plant saplings in the garden.

Cultivation of the ground of the garden is not permissible without the permission of the owner. In case of agreement to this effect, provisions pertaining to tenancy contract, or contracts pertaining to lease of agricultural land shall be applicable.

Article 1439:

Where trees after coming to fruition become the property of another, the owner of the trees is obliged to pay wage in kind to the gardener.

In case the trees become property of another before coming to fruition the gardener shall be entitled to nothing.

Article 1440:

Whenever the gardener fails to perform, or is not confident

about production, repeal of the gardening contract is permissible.

Article 1441:

Whenever the period of gardening expires, the contract is terminated. Where there are fruits on the trees which do not appear to be utilisable, he is free either to continue his performance without wage until harvesting of the fruits, or to give it up. Similarly the owner of the trees is free either to distribute the unripe fruit in accordance with the conditions agreed upon, or pay the gardener the price of the share he is entitled to; or incur the necessary expenditures until harvesting the fruit, and deduct the share of the gardener in these expenses from his part in the ripened fruit.

Article 1442:

1. Whenever the owner of the land dies at a time when the fruits have just appeared, the gardener shall continue with his performance as before, even though the heirs of the owner do not consent.
2. In case the gardener intends to give up gardening, he shall not be compelled to do so. The heirs of the owner of the land can resort to options included in Article 1441 of this law.

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Article 1443:

In case the landlord and the gardener both die at a time when fruits have just appeared, the heirs of the gardener are free to continue to perform until the fruits become utilisable, or cease to perform.

In this case the heirs of the owner can make use of the options included in article 1441 of this law.

Article 1444:

Where the provisions of this law contradict provisions of a special law, the provisions of the special law shall be applicable.

Topic Four

Lease of endowed property

Article 1445:

The administrator of the endowed property is entitled to lease the endowment, and the beneficiary of the endowment can not exercise this right, except when empowered by the endower, or by the person who has the right to lease such as judge, or administrator of the endowment.

Article 1446:

The right to take delivery of lease money is vested in

administrator of the endowment, not the beneficiary of the endowment except when the administrator permits the beneficiary of the endowment to receive it.

Article 1447:

The condition laid by the endower as regards the lease shall be observed. The administrator of the endowment can not change the time determined by the endower for the lease of the endowment.

Article 1448:

Where the period of lease is not determined by the endower the period of lease of residence and shop shall be determined one year, and that of land three years, except when in the case of residence and shop lengthening of the period, and in the case of land, shortening of the period is deemed preferable.

Article 1449:

1. Except when essential, the lease of endowed residence or land is not permissible for long periods or for continuous contracts.

2. In case the administrator of the endowment is forced to improve the endowed property, he can determine the period of lease, by the permission of the court,

longer than that prescribed in article (1448) of this law, provided this period is not longer than the normal life expectancy of human being.

Article 1450:

The administrator of the endowment can not lease the endowed property to himself, even though his commitment may be in kind.

Article 1451:

Endowed property can not be leased for less than commensurate rate return except when the difference is insignificant, even though the lessor may be the only person entitled to exercise possessory rights in the endowed property.

Article 1452:

1. Standard in the lease of endowed property is commensurate return at the time of conclusion of the contract. Subsequent changes shall not affect it.

2. In case endowed property is leased fraudulently by the administrator, the lessee is bound to complete commensurate return, otherwise the lease shall be repealed.

Article 1453:

1. Where endowed building requires construction, and the lessee takes action with the permission of the administrator

ator of the endowment at his own cost, and when most of the income of the building goes to the endowment, the lessee can demand recompense from the administrator from the returns of the endowment even though this recompense was not previously conditioned.

2. In case most of the benefits of the building goes to the lessee, he can not seek recompense from the administrator without prior condition. In case the lessee is the person entitled, without the permission of the administrator, builds a construction from the materials of the demolished endowed property, and the building is constructed in a manner that if demolished except for the materials nothing of value will remain of it, the construction shall be come part of the endowed property, and the lessee can not seek recompense.

Article 1454:

In case the lease holder changes the characteristic of the endowed property, such as fully or partly demolishing it, and rebuilding it in another form, in case the changes brought are in the interest of the endowment, the structure remains as it is, and the lease holder is considered as charitable, and entitled to commensurate recompense. In case the changes brought in the structure is not in the interest of the endowment, the demolition of the structure and its returning to its first form shall be ruled.

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Article 1455:

Provisions of lease contract shall be applied to the use of endowment except they contradict with provisions of this topic.

Chapter two

Lending

Chapter One

General provisions

Article 1456:

Lending constitutes the commitment of the lender to leave the benefit of the goods to the borrower without responsibility for a determined or undertermined period, with the condition that it should be returned after use.

Article 1457:

The condition for the validity of lending is that utilization of the object lent is possible without its perishing.

Article 1458:

The property lent shall remain in the ownership of the lender.

Part Two

Obligations of lender

Article 1459:

The lender is bound to submit the lent property to the borrower in the same condition as was during the conclusion of the contract, and place it at his disposal during the period of lending.

Article 1460:

The lender is bound to pay the expenses incurred by the borrower for saving the property from destruction or damage.

Article 1461:

1. The lender shall not guarantee against the taking away of the lent property by reason of title except when he has concealed the reason for same or when he has accepted guarantee by virtue of special agreement.

2. The lender does not guarantee hidden defects except when he has advertently concealed the defects, or guaranteed the soundness of the thing.

Borrower can use personally the property lent or lend it to another person regardless of the fact whether changing the user affects the lent property or not. This provision applies to the case when the borrower does not make personal use of the property lent, and when the property is of the kind of goods that a change in the user affects it, otherwise lending of property lent to another person is not permissible.

2. Where the person who is to make use of the property lent is determined by the lender, the borrower is bound to abide by the restriction. In case of violation, the borrower shall recompense for the perished property lent.

Article 1466:

In case the lender has prohibited the borrower from lending the lent property to another person, and the borrower lends it to another person, he shall stand surety in case of its perishing.

Article 1467:

The borrower, at all circumstances that he is prohibited from lending the lent property to another person, can not lend the lent property to another person. In case he lends the lent property to another person, the

Part Three

Obligations of the Borrower

Article 1462:

The borrower is bound to protect and preserve the property lent as he would his own property.

Article 1463:

In case the lender determines the kind, time or place of use of the property lent, the borrower can not use it except at the determined time and place as prescribed. Similarly he may not use the property lent more than permitted. He can use it to the extent its likes are used or less than that.

Article 1464:

In case utilisation of the thing lent is not bound to a time and place, the borrower can use it normally when and where he pleases. Where as a result of the action of the borrower the property lent perishes, the borrower shall recompense.

Article 1465:

1. Where the lender grants the borrower absolute right of use and does not determine the user, the

borrower shall stand surety in case it is perished.

Article 1468:

In all circumstances that the borrower has the authority to lend the lent property to another person, can lend it to another person. In such case if the goods perished without the transgression of the second borrower, the first is not responsible.

Article 1469:

The borrower can not lease or mortgage the property lent, except when he has acquired it, with the permission of the owner, for mortgaging purposes.

Article 1470:

1. In case the borrower leases the property lent without the permission of the owner, and the property perishes while in possession of the lessee, the lender can demand recompense from the borrower as well as from the lessee. In case he demands it from the borrower, he can not recourse to another person.

In case compensation is demanded from the lessee, he can recourse to the borrower provided he was not aware at the time of conclusion of the lease contract, that the property was lent to the borrower.

2. Where the property is mortgaged without the permission of the lender, and is destroyed while in possession

the mortgage holder, the mortgage is considered terminated when compensation is demanded from the borrower.

Article 1471:

The borrower is not held responsible if the property lent is destroyed without transgression; the condition of surety is void. In case the borrower fails to protect, or is negligent in protection of the property lent, he shall stand surety.

Article 1472:

Where as a result of normal use, according to the custom, the property lent is so defected that it causes a reduction in its price, the borrower is not answerable for this reduction. In case his use of the property lent was not normal, he stands surety.

Article 1473:

Where the borrower could, in one way or another, prevent

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deströyäl of the property lent, and does not do so,
is obliged to recompense.

Similarly when he fails to prevent its usurpation,
stands surety.

Article 1474:

Financial obligations shall be fulfilled and expenses
for the protection and return of the property lent
be incurred by the borrower.

Article 1475:

1. The borrower is bound to return the property
at the end of the period prescribed, as it was at the
of borrowing. This provision does not affect responsibility
pertaining to deströyäl, or damage of the property.

2. The borrowed property is returned to the lender
at the place where it was borrowed except when agreement
is reached otherwise.

Article 1476:

Where the borrower, at the end of the period determined,
retains the property lent, or does not return it at
the place of borrowing, and in case the borrowed property
is destroyed, he shall be held responsible.

Part Four

Termination of lending

Article 1477:

1. Lending terminates at the end of the period agreed upon. In case the period is not determined, lending shall end with the realisation of its purpose. In case the lending period is not limited, the lender can demand the termination of it any time he may wish.

2. The borrower can return the property before the termination of the lending period. In case the return of the goods entails loss to the borrower, he shall not be forced to accept it.

Article 1478:

Under the following circumstances the lender can demand unconditional termination of the period of lending:

1. In case of unforeseen need for the property borrowed.
2. In case of misuse of the subject borrowed, or failure of the borrower in its protection.
3. In case of bankruptcy of the borrower after or before the conclusion of the contract provided that the lender was unaware of it at the time of conclusion of the contract, and was informed of it afterwards.

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Article 1479:

Contract pertaining to borrowing shall terminate with the death of the borrower, and can not be transferred to his heirs.

Article 1480:

In case the borrower dies and the property borrowed does not exist among his patrimony, it is considered a debt that must be paid out of patrimony.

title Three

Work contracts

Chapter One

Covenant for manufacturing, and public utilities

Part One

Covenant

Topic one

General Provisions

Article 1481:

Covenant is a contract whereby one of the parties commits to make a thing, or perform an action, against compensation for other side, in a temporary or non-temporary manner.

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Article 1482:

Covenant or making of things in contravention of the law or public order is void.

Article 1483:

1. The contractor can commit himself only to execution of work. Materials necessary for execution of work or utilized for this purpose shall be provided by the employer.

2. Commitment to performing the work, and provision of essential materials both by the contractor is permissible.

Topic Two

Obligations of covenantor

Article 1484:

In case the contractor commits himself to providing all or part of the work materials, he is responsible for the quality thereof, and is answerable to the employer to the effect.

Article 1485:

1. Whenever materials are provided by the employer, the person committed to perform the work is obliged to use

responsible care in utilisation of the materials and maintaining of professional standards. He is also to account for the materials used, and for return of leftover to the employer.

2. In case part of the materials due to his professional incompetence of the contractor is rendered unusable, he is obliged to return its value employer.

Article 1486:

the person committed is obliged to prove the additional implements essential for performance of work at his own expense when custom of trade or agreement of parties to the contract warrant otherwise.

Article 1487:

Increase in wage agreed upon by the person committed, or reduction in wage by employer is not permissible after the covenant except when the law or the agreement is explicit to the contrary.

Article 1488:

In case it appears that the contractor performs the action unsatisfactorily, or contrary to provisions of the contract, employer warns the former that unless he changes his conduct in a given period of time, he would repeal the contract, and have the work completed by

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other person at the expense of the person first committed.

Article 1489:

A contractor can not demand the wage agreed upon before the completion of the work and its delivery to the employer, but the employer can pay part of the wage in advance or agree to make payments proportionate to the work performed, provided that the contractor complete the work, otherwise the employer can have it completed by another person at the expense of contractor.

Article 1490:

The construction engineer and the contractor as guarantors, are responsible for the destruction, complete or part, cracks and sinking of the building they have constructed for a period of ten years, even though destruction, cracks or sinking is caused by the defects of the ground, or the employer had permitted faulty construction unless the two parties intended the duration of the building for less than ten years.

Article 1491:

1. The defects which endanger solidity, resistance or soundness of the building are subject to guarantee

prescribed in article (1490) of this law.

2. The period of ten years prescribed in article of this law starts from the time of delivery of the

3. The provision of this article is not applicable to the contractor who has the right to resort to a sub-contractor.

Article 1492:

The architect who has designed the plan but has not supervised execution of work shall be responsible only for defects in the plan and designs.

Article 1493:

Any condition that prevents surety on the part of architect, construction engineer and negotiator shall be void.

Article 1494:

The right to claim surety included in article (1490), (1491) and (1492) of this law is annulled after the lapse of one year from the date of destruction, cracks or sinking or discovery of the defect.

Topic three

Obligations of employer

Article 1495:

Where losses accruing from complete destruction, cracks or sinking of the building is compensated by the construction insurance company, the owner of the building can not demand the same from the construction engineer, architect or contractor.

Article 1496:

The employer is bound to take delivery of construction, in accordance with the custom, upon its completion. Otherwise the contractor can warn him to take delivery of the same within a given period of time. After the lapse of this period, if the employer does not take delivery of the same, it is considered as delivered.

Article 1497:

The employer is bound to pay the wage he has agreed to pay upon taking delivery except when current custom or agreement provides otherwise.

Article 1498:

1. Where during performance of work the limits

agreed upon are surpassed, the contractor is bound to inform the employer of the additional expense, otherwise his right to demand expenses beyond the limits agreed upon shall be abrogated.

2. Where the additional expense is large, the employer can cancel the contract and pay the contractor expenses incurred in accordance with the contract.

Article 1499:

1. Where the contract is concluded on fixed wage basis, the contractor can not demand extra wage even though the work plan of the latter is amended except when this change is the result of the intention of the employer.

2. The contractor can not demand a greater wage as a result of a rise in costs, and wages unless exceptional unforeseen events occur which could not be anticipated at the time of conclusion of the contract, upsetting the standards on which financial estimations contract are based. In such a case the court can order increase in wage or repeal of the contract except when parties to the contract agree otherwise.

Article 1500:

Where the wage is not determined, the expenses of the

Work performed shall be determined by experts.

Article 1501:

Where the architect completes his measurements and plan or undertakes to supervise the construction on the request of employer against fixed wage, he shall be entitled to the wage fixed.

Article 1502:

In case the employer has not determined the fee of architect, during the period of his work, the latter becomes entitled to wage customarily given.

Topic Four

Sub- contractors

Article 1503:

1. the contractor can, in case the contract or the nature of work does not prohibit it, obligate another person to do all or part of the work. In any event the contractor is responsible to the employer for the performance of the sub-contractor.

2. the sub-contractor is responsible to the contractor.

Topic Five

Termination of Contract

Article 1504:

the covenant shall terminate upon completion of the work committed and its delivery, in accordance with the agreement of parties to the contract and provisions of the law.

Article 1505:

The employer can terminate the contract whenever he pleases and cease the performance of work provided he compensates the expenditures incurred by the contractor, wage for the work performed, and the profit that would normally accrue from the same. The court may, when circumstances may require, reduce the amount of compensation.

Article 1506:

Where the completion of the work committed is rendered impossible, the contract shall be considered terminated.

Article 1507:

1. Where the thing, by reason of unforeseeable cause, is destroyed before its delivery to employer, the contract

can not demand wage for performance, and expenditures incurred, unless he has served written notice to the employer pertaining to its delivery. The loss incurred from destruction of materials shall be borne by supplier.

2. Where destruction or damage is caused by error of employer, or fault in materials supplied by the employer, the contractor shall be entitled to wage, and when deemed necessary, to compensation.

Article 1508:

Where confidence in the person of contractor is of any validity in the covenant concluded the contract shall terminate with the death of contractor, otherwise the contract remains in force, except when the heirs of the deceased can not be relied upon to perform the work properly.

Article 1509:

.1 Whenever the covenant terminates with the death of the contractor the employer shall be obliged to pay the price of the work performed and the expenses incurred for the part of work completed. This obligation is proportionate to the benefit accruing from the work performed, and the expenses incurred to the employer. The employer may in return demand the materials supplied

provided he pays compensation.

2. Provision of the above clause is also applicable on the contractor who has undertaken to perform the work but by reason of causes beyond his control has failed to complete it.

Part Two

Placing order for making a thing

Article 1510:

Placing order for making a thing is covenant for making a specific thing against fixed price in such a way that the contract relate to the thing made not to the work of craftsman.

Article 1511:

Expressing the quality, kind, quantity and specification of the thing are conditional in order contract.

Immediate payment of price for thing ordered is not deemed imperative.

Article 1512:

In contract of placing order for making a thing, immediate payment of the price of the respective thing is not imperative.

Article 1513:

When an order is placed parties to the order contract cannot repudiate their commitments, except when agreement between the parties is made otherwise.

In case the craftsman has not fulfilled his commitments in accordance with the conditions of the contract, the person placing the order is not bound to accept the thing ordered and may demand the losses incurred from the craftsman. In case the person placing order refuses to take delivery of the thing ordered without any reasonable cause, the craftsman shall be bound to take its delivery otherwise the craftsman may demand from the orderer recompense for the losses incurred as a result of delay in taking delivery, or nonfulfilment of commitment on the part of orderer.

Article 1514:

1. The artificer is bound to make the thing ordered in such a way that it would have all the attributions guaranteed, and can be used as desired. Similarly the thing ordered must be free of defects that reduce its value.
2. Where the thing ordered does not enjoy the attributions and conditions agreed upon, the orderer may demand removal of defects.
3. In case the artificer procrastinates in removal

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of defect, the orderer may remove the defect, and the expenses incurred from the artificer.

Article 1515:

The orderer determines a suitable period of time for the removal of defects mentioned in article (1514) of this law, with the notice that in case the said defect is not removed within the time determined, may reject the thing. After the lapse of the said period the orderer may rescind the order, or demand commensurate reduction in price.

Article 1516:

In case the orderer takes delivery of the thing ordered in knowledge of its defect, he does not have the right to resort to the maker, except when he has made the option of defect a condition for himself.

Article 1517:

1. The price of thing ordered is payable at the time of the delivery of the latter, except when otherwise is agreed upon.

2. In case the thing ordered is deliverable in parts, price is payable against delivery of every part.

Article 1518:

1. In case the thing ordered is destroyed before delivery to the orderer the artificer is responsible.
2. Where the said thing is destroyed after the expiration of the period determined in the order, and the artificer has served notice to the orderer to take delivery of thing, and the latter has delayed doing so without pertinent reason, the artificer shall not be considered responsible except when it has been destroyed by default of the maker or his employees.

Article 1519:

Where the artificer moves the thing made as per demand of the orderer to a place other than that of his work place, in this circumstance provisions pertaining to sale are applicable.

Article 1520:

The artificer has the right to detain the thing he has made, and has in his possession, for securing the credit due to him by virtue of the order contract.

Article 1521:

1. The orderer and his heirs may demand the repeal of the order even though the artificer has commenced making the thing ordered, provided that they compensate the artificer for the work done.

incurred, and the costs of the materials procured, unless it is otherwise agreed upon.

A 2. The court may reduce the reparation in accordance with the prevailing conditions and circumstances.

Article 1522:

1. In the following circumstances the orderer may repeal the order contract, after serving notice to the artificer, and in case of incurring losses, demand recompense:

1- When the artificer without reasonable excuse does not commence work within a reasonable period of time.

2- When the artificer fails to deliver the ordered thing within the period determined.

3- Where a delay and non-fulfilment of the commitment on the part of the artificer is caused by the error or bidding of the orderer, and the artificer despite express and bidding in writing has not executed it, the latter may repeal the contract, and demand compensation for losses sustained.

Article 1523:

In case the fulfilment of commitment, after commencement, terminates by a cause beyond the control of the parties to the contract, the artificer may not demand the price of the order but proportionate to the work performed before the termination of the commitment.

Article 1524:

Orderers and employees employed for the fulfilment of the order have a right of direct claim on the orderer, or on the person for whose benefit the ordered thing is made within the limits of sums that the orderer is liable to pay to the artificer.

The said persons gain access to the above sums after issuance of a verdict by the court. Sub-contractors, and other persons who provide raw materials to the artificer do not have the right of direct claim to the orderer.

Part ThreePublic utilities contractArticles 1525:

Commitments pertaining to public utilities constitute a contract whose purpose is to administer profit-making public utilities. It is concluded between the government

which utilization of public utilities is left for a
determined period to the contractor.

Article 1526:

Contractor to public utilities service, in accordance
the contract he concludes with clients, undertakes to
provide to the opposite side essential service, as
customary, against rewards received in accordance with
conditions stipulated in the contract, and conditions
required by the nature of work, and provisions of the
pertinent laws.

Article 1527:

1. The person committed to provide public utility
services is obliged to treat all clients equally in
charging for services, and offering of services.
contracts that the person committed concludes with
clients prices prescribed by the government shall be
applicable, and parties to the contract can not agree
otherwise. In case the government considers a change
in prices essential, and approves the same, the new prices
shall be applicable from the time of approval, and not
retroactive.

2. The client ^{who} has paid a price higher than that
prescribed may demand its return.

When the person committed has received less than the prescribed price, he may demand the rest. Every agreement contrary to this provision is void.

Article 1528:

1. Person committed to transport passengers is obliged to use essential care for the protection of the passengers. The person committed is responsible for damage incurred by individuals while mounting, travelling in, and dismounting, except when he proves that the damage was caused by external causes and outside his control.

2. Sustaining of damage as a result of illegal use of some means by the person committed is not considered as result of external causes.

Chapter Two

Labour contract

Part One

General Provisions

Article 1529:

Labour contract is a contract whereby one of the contracting parties commits to work for the other, under his guidance, against determined reward.

Article 1530:

1. Provisions of this chapter are not applicable regard to agricultural and domestic workers. These are subject to special laws and current customs.
2. Provisions of this chapter are applicable on other workers and state employees in so far as they do not contravene the provisions of the labour, and public employees laws.
3. Leaves, sick leave, travel and rent allowances, minimum wage, percentage share in profits, production income, employment conditions, organisation, classification and division of labour, reprimands, retirement, social and legal securities, privileges and obligations of employee and employer which are not anticipated in this law, shall be subject to provisions of special law.

Part Two

Fundamentals of Labour Contract

Article 1531:

In labour contract special form is not a condition, except when the law expresses otherwise.

Article 1532:

Contract may be concluded for a determined service,
determined or undetermined period of time.

Article 1533:

If the time is not determined in the contract, parties
to the contract may, any time they wish, repeal the
contract provided that the opposite party is informed
months in advance.

Article 1534:

If the period of the contract is determined, it
terminates by itself at the end of the said period.
In case of continuation by both parties after the
expiration of the period, the contract shall be
considered extended indefinitely.

Article 1535:

If the wage is not determined in the contract, wage is
to be fixed in accordance with the current custom of
the trade. In case no custom exists, the court may
fix the wage in a manner to secure justice.

Provisions of Contract

Topic One

Obligations of employee

Article 1536:

Employee is bound to:

1. Perform work independently with exercise of normal care.
2. Execute orders of employer at work area agreed upon, provided that they do not include works in contravention of the contract, the law, or standards of public decency, and their execution do not entail any dangers.

Article 1537:

1. In case the work entrusted to the employee is of such a nature that gives him access to major secrets of work, the parties to the contract may agree that, after the expiration of the period of the contract, the employee may not compete with the employer, or participate in a project that competes with the employer.

2. For the validity of this agreement the following conditions are essential:

- 1- The employee must have reached majority age at the time of conclusion of the contract.
- 2- The limitation imposed on the employee, from the viewpoint of time, place and kind of work, should be confined ^{to} measures necessary for protection of permissible interests of the employer.
- 3- The agreement should not affect the future of the worker, from the viewpoint of economy, unjustly.
- 4- The contract should include recompense for the worker for losses sustained by reason of limitation imposed.

Article 1538:

Where in the course of work, the employee succeeds in invention, privileges and rights related to the invention shall belong to the employee himself, except when otherwise agreed upon, or the employee has been employed by the employer for invention and innovation. Nonetheless the employer shall be bound to offer suitable reward to the employee in accordance with the dictates of justice.

Article 1539:

Where punitive action is made a condition for violation of commitment to avoid from competing, and the condition entails forced continuation of performance for the employer by the employee in excess of the determined period, the said condition shall be void, and its annulment also invalidates the condition pertaining to avoidance from competing.

Topic TWO

Obligations of employer

Article 1540:

The employer is bound to perform the following:

1. Payment of wage to the employee in accordance with the provisions of this law.
2. Provision of necessary means for ensuring the health of employee and his protection from danger.
3. Awarding of certificate to the contract-employee at the end of the contract period and will include the date of commencement and termination of work, kind of work, amount of wage, and his acquittance from the obligations of contract.

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Returning of the papers and certificates delivered
him by the contract-employee.
His obligations stipulated in special law.

Article 1541:

When the contract-employee reports for work at the time
determined and declares willingness to do the work but can
not engage in work owing to causes related to the employer
he shall be entitled to wage for this period.

Article 1542:

In case the period of work is determined in the contract
and the employer, before the expiration of the period,
due to no fault of the employee, or no excuse, repeals
the contract, he shall be bound to pay the wage for the
entire period, and when essential, to recompense.

Article 1543:

The employer, apart from fulfilling requirements included
in articles 1540, 1541, and 1542 of this law, must fulfill
duties incumbent upon him under special law.

Topic Three

Termination of Work Contract

Article 1544:

With due consideration to articles (1533) and (1534) of this law, work contract terminates at the end of the period determined, or upon completion of the work for the performance of which the contract was included.

Article 1545:

In case the contract is terminated by reason of misuse of right on the part of one of the parties to the contract, the other party may demand, apart from compensation for loss he is entitled to for termination of contract without notice in prescribed period, compensation for losses accruing from repeal of contract by reason of misuse of right.

Article 1546:

Where actions of the employer, in violation of the conditions laid in the contract, compel the contract-employee to terminate work, and it appears so that the employee has repealed the contract, the court may condemn the employer to pay compensation.

Article 1547:

In the determining the amount of substitution awarded for termination by reason of misuse of right, the court may consider current custom, the nature of work, the tenure of service of the contract-employee, and the amount of loss sustained.

Article 1548:

Under the following circumstances the employer can repeal the contract without prior warning:

1. When the employee has falsified his identification, or presented false certificates or license.
2. When the employee can not satisfy the employer with his work during the trial period, provided that the dismissal takes place within three months from the date of his appointment.
3. In case of advertent action or default of employee to inflict material damage to the employer provided information to the effect is submitted within 24 hours of occurrence of action to competent agent of law and the accusation is proved in investigation.
4. In case of more than 15 days of absence in a year, or one full continuous week without reasonable excuse.

5. In case of non-execution of responsibilities incumbent on the employee by virtue of contract.
6. In case of proved disclosure of industrial or commercial secrets of the enterprise by the employee.
7. In case of conviction of the employee of crime or misdemeanor in contravention of trustworthiness and morality.
8. In case of proof of committing of offence contrary to standards of public decency in the enterprise while performing work.
9. In case of aggression of the employee on the president or one of the members of the board of directors while performing duty, or by reason of work.

Article 1549:

I- In the following circumstances the contract employee can repeal the contract without prior notice:

1. In case the employer indulged in fraud during the conclusion of the contract, provided not more than 30 days have lapsed since his commencement of work.
2. When the owner of work does not fulfill his obligations arising from the provisions of the law and the contract.

3. When the employer commits an act in contravention of standards of public decency against the person of employee or a member of the latter's family.

4. When the employer or his agent aggresses against the employee by beating.

5. When major danger threatens the life and health of the employee.

II- In case the employee terminates work by reason of one of the causes included in the above clause, he shall be entitled to recompense.

Article 1550:

Where the business and establishments thereof are sold, or through its combination with and merger in other establishments changes are brought in its status, the work contract remains in force in totality after sale or change, between the employees and the new employer. The previous and the new employer, both, stand surety for wages and compensations of employees.

Article 1551:

Work contract is not repealed with the death of employer except when the personality of the latter was reason for conclusion of contract; but the contract is repealed with the death of the employee.

Article 1552:

Where the contract is repealed by reason of death of employee, or prolonged illness or any other force that prevent the continuation of performance of the employee, the owner of work is obliged to pay to the employee, or in case of his death to his widow, or descendants, substitution amounting to what would be payable for termination of the employee without notice. The amount of loss shall be determined by special law or agreement.

Article 1553:

Claim pertaining to work contract shall not be heard after the lapse of one year from the expiration of the contract except claims pertaining to fees, share in profit or in sales. In this case the year commences from the time the employer offers information pertaining to his title in accordance with the latest statement of accounts.

Chapter three

Procurator

Part one

General Provisions

Article 1554:

Procurator is contract by reason of which the principal appoints another person as locum tenens in his legal and known possessions.

Article 1555:

For the validity of procurator the principal must have the authority of legal possession, and the procurator must be a person who knows the meaning of the contract.

Article 1556:

Knowledge of the procurator of procurator is a condition. In case the procurator after knowledge of procurator rejects it, procurator shall be dismissed and any transactions of the procurator, thereafter, are not valid.

Article 1557:

Absolute, limited, conditional, or suspended procurator is valid.

Article 1558:

Permission and order tantamount to procuration, (a person) is not procuration. Subsequent permission tantamounts to procuration in the past.

Article 1559:

Every contract that the principal can conclude, may also be concluded by the procurator.

Article 1560:

1. In procuration which takes place by use of customary words, and no legal action is specified, the procurator can secure the capacity of procuration only in administrative actions.
2. Leasing of goods belonging to the principal, provided the lease period does not exceed three years, preservation and protection of the goods belonging to the principal, payment of debts and receiving of what is due to the principal, cutting short lapse of time, registration of contract, attempting removal of difficult claims and mortgaging and claim for possession are considered among administrative actions. Legal actions that administration requires such as sale of perishable agricultural products, and purchase of livestock, and agricultural implements are included in administrative actions.

Article 1561:

restricted procuration the procurator is restricted depute in special matters, and ramifications thereof in accordance with the nature of the matter and current system.

Article 1562:

1. Where procuration is restricted to legal actions, entails all legal actions except administrative affairs; such as compromise, confession, arbitration, hearing, and filing necessary claim.
2. In charitable actions such as contract of gift, and contract of lending, restriction of deputation to the kind and subject of legal action is a condition.

Part TwoProvisions of ProcuracyArticle 1563:

The procurator can not transgress the limits of procuration unless his recourse to the principal is impossible and the circumstances and evidence are such that agreement of the principal, if informed, would be most plausible. In such a case the procurator is obliged to inform the principal of his transgression from limits of procuration immediately.

Article 1564:

Where there is no reward for the procuration, the procurator is bound to exercise normal care in performance as procurator as he would in his personal affairs. He shall be bound in no way to exercise greater than normal person's care.

Article 1565:

The procurator can not use the property of the principal for his personal benefit. In the event he does so, he is bound to pay recompense commensurate to usage.

Article 1566:

The procurator is bound to keep the principal, regularly, informed of his performance as procurator, and at the end of the period of deputation, present the principal with a statement of accounts.

Article 1567:

In case of multiplicity of deputies in a single contract, they stand surety except when deputation is not divisible, or the loss incurred on the principal has resulted from their common error. Transgression of one of the joint procurators from the limits of deputation, or his misconduct of duties in performance as procurator does not bring about joint responsibility.

Article 1568:

Where several procurators are appointed for a single contract, and individual action is not permitted, the said deputies are bound to act in group except when the execution of action such as payment of debt, does not warrant exchange of thoughts, or association in it is impossible.

Article 1569:

1. The procurator can not appoint another person as deputy without the permission of the principal.

2. In case this action is allowed, the procurator, can, with the permission of the principal, appoint another person as procurator. In such a case the latter procurator is recognised as the deputy of the principal, and is not dismissed with the dismissal or death of the first deputy.

Article 1570:

Where procuration takes place against reward, the procurator is entitled to award upon completion of the action.

In case reward is not made a condition and the procurator is one of the persons who work for reward, he is entitled to like payment, or else he is considered a volunteer.

Article 1571:

1. In case the procurator, without having been permitted, deposes another person to perform his duties, shall be responsible for the action of the person thus appointed. The action is construed as having been performed by the actual procurator, and the procurator and the person he has appointed are reciprocally responsible.

2. In case the procurator is permitted to appoint an agent without any person having been determined, the procurator shall be responsible only for error in appointing agent, or error in guiding the latter.

Article 1572:

The principal is bound to pay normal expenses incurred in performing procurator.

Article 1573:

The principal is responsible for the damage sustained by the procurator during regular performance of duty, without any error on the part of the latter.

Article 1574:

Provisions pertaining to agency anticipated in this law shall be applicable to relations between the principal and the procurator, or the third person who transacts with the procurator.

Part Three

Procurations For Purchase

Article 1575:

For the validity of purchase through procurator the kind, quality and quantity of the goods must be determined; in determining the quantity of the goods, determining of its price is sufficient.

Article 1576:

Where the procurator is authorised to purchase unidentified goods, the procuration shall be valid, and the procurator may purchase from any kind and any quality he may wish.

Article 1577:

1. In case the procurator is authorised to purchase unidentified goods, and ignorance about the subject is gross, deputation shall be valid even though the price of the goods may be determined,

2. Where ignorance about the subject is not gross, and the quality of the goods is described, but its kind not, the procuration is valid even though the price is not defined.

Article 1578:

In case the principal appoints the kind of goods to be purchased, and the procurator buys another kind, the purchase is not binding on the principal.

Article 1579:

Where the procuration is restricted, the procurator may not transgress the restriction except when it is in the interest of the principal.

Article 1580:

Where the principal has fixed the purchase price in cash, and the procurator purchases it on credit, the principal is bound to accept the purchase.

In case the deputy is authorised to purchase on credit, and he purchases on cash, he shall be held responsible.

Article 1581:

In case the procurator pays the price of goods purchased for principal from his own property, he may resell the goods to the principal, and keep the goods purchased until such time that the principal pays its price even though the procurator has not paid the price to the seller.

Article 1582:

In case the procurator is authorised to make a deferred

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purchase, regardless of how he makes the purchase, it is referred as regards the principal, and the procurator can demand from the principal the price of purchased thing immediately but in case the procurator is authorised to make the purchase in cash, and the principal makes a deferred payment, the procurator may demand the price from the principal immediately.

Article 1583:

The procurator authorised to purchase a determined thing for the principal, may not, in the absence of the principal, purchase the same for himself except at a price higher than previously determined, or against other goods.

Article 1584:

The procurator authorised to purchase may not sell his own goods to the principal.

Article 1585:

Where the procurator, authorised to purchase, finds an old fault in the things purchased, in case the things are still with him, he may return them to the seller.

In case the procurator has delivered the property purchased to the principal, he may not return it by virtue of its defect without the permission of the principal.

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Article 1586:

1. The thing purchased shall be considered as a deposit with the deputy authorised to purchase. In case it perishes, or gets damaged without the fault of the procurator, the loss shall be incumbent on the principal and the price of the goods shall not be reduced.

2. In case the procurator keeps the goods with him to acquire its price, and during this time the goods perishes or suffers defect, the payment of price becomes a responsibility of the procurator.

Article 1587:

The procurator authorised for purchase may not cancel the purchase without the permission of the principal.

Part Four

Procurator for selling

Article 1588:

A person deputed to sell can not sell the sales goods to persons whose testimony is not heard in his benefit except when the price offered is more than the cost of

Article 1589:

1. In case the price of the goods to be sold is determined by the principal the procurator can not sell it for a lower price. In case of violation, the sales contract shall be considered concluded and shall become subject to the permission of the principal.

2. In case the procurator has sold goods at prices lower than that determined by the principal, and has delivered the sales goods to the buyer, the procurator shall stand surety for the loss in price.

Article 1590:

The procurator may not purchase the things he is deputed to sell, even though the principal has expressed this.

Article 1591:

Where the thing is sold by the person deputed to sell on credit the procurator may demand the buyer to give guarantee even though the principal has not ordered this.

Article 1592:

Receipt of price is the right of the person deputed to sell not of the principal. The buyer may refrain from delivery of price to the principal.

In the event of paying to the principal, the buyer is exonerated of responsibility, and the principal may demand the price from the procurator.

Article 1593:

When the sales contract is immediate, the procurator shall be bound to deliver the sales goods to the buyer after receipt of the price.

Article 1594:

The person deputed to sell shall not be bound to pay the price of what he has sold from his own property until the time that he receives the price of goods sold.

Article 1595:

Where procuration is for fee, the procurator shall be bound to collect the whole fee from the customer.

Article 1596:

In case the property sold is taken by right and the buyer has paid the price, he may demand the price from the procurator, regardless of whether he has it or has submitted it to the principal. In case the buyer has paid the price to the principal, he shall also seek recompense from the principal.

Article 1597:

The person deputed to sell may rescind the sale before receiving the price with the permission of the principal and the action does not become binding on the principal, and the procurator shall be responsible for paying the price to the principal. The procurator may not rescind the sale after receiving the price.

Article 1598:

Where the buyer notices permanent defect in the thing to be sold, he may demand the return of price from the procurator, and in case the price is delivered to the principal, the demand is made from the principal.

Part Five

Deputation for claims

Article 1599:

Deputation for claims pertaining to proving of debt, ownership and other rights expressing of which requires deputation shall be valid. Deputation for claims shall be inscribed in official deed.

Article 1600:

The deputy for claim shall not be authorized to confess and the deputy for conciliation has no authority to do so in the presence of hostility without the special permission of the principal.

Article 1601:

Confession of deputy in claims in which he is authorized by the principal, shall be deemed valid by the court except when the principal, in accordance with the provisions of civil proceedings law, is barred from doing so.

Article 1602:

Where the principal has barred the deputy from confessing against him, the deputy shall be dismissed when he makes confession against the principal.

Article 1603:

Deputy for lease has the right to dispute in proving of lease, and receipt of rent with the permission of his principal, and is bound to deliver the property leased to the lessee.

Article 1604:

Deputation for claim does not necessitate deputation for

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acquisition except when so expressed in deputation contract.
deputation for acquisition does not necessitate deputation
for claim.

Article 1605:

The deputy for claim can not offer the property claimed
to the defendant as gift, or forfeit it to the benefit
of the latter.

Part Six

Termination of deputation

Article 1606:

Deputation terminates in one of the following circumstances:

1. On completion of the action for which deputation
has taken place.
2. On expiration of the definite period of deputation.
3. On the death of the deputy or of the principal.
4. On instance of incapacity of the deputy or of the
principal.

Article 1607:

The principal may, whenever he may want, dismiss his
deputy provided he brings the issue to the notice of the
deputy unless the deputation is related to the other's

right. In such a case, the principal may not, without the permission of the person in whose interest the deputation is contracted, terminate or restrict the deputation.

Article 1608:

In all instances of termination the deputy shall be to bring the actions commenced to a stage that are rendered safe from the danger of destruction.

Chapter Four

Deposit

Part one

General Provisions

Article 1609:

Deposit is a contract whereby the owner awards the authority of safekeeping of his property to another, and the property deposited with another person for keeping is called deposited.

Article 1610:

the condition for the validity of deposit contract is

that the thing to be deposited can be possessed, and be in possession of the depositary.

Part Two

Obligations of depositary

Article 1611:

A person with whom property is deposited must take real and legal delivery of it.

Article 1612:

The depositary is bound to take care of the property deposited as he would of his own property.

Article 1613:

The depositary may not demand reward for the keeping of property deposited with him unless otherwise expressed in the contract.

Article 1614:

Goods deposited shall be in trust and the depositary shall not be responsible for its destruction except when this is caused by aggression, or failure of depositary to protect it.

Article 1615:

In case deposit entails reward, and it is destroyed or damaged by any reason the prevention of which is possible, the depositary shall stand surety.

Article 1616:

The depositary may not use or utilise the goods deposited without the permission of the depositor. In case he uses, depredates, or destroys goods deposited, he shall be responsible accordingly.

Article 1617:

The depositary may not lease, lend, or mortgage the object of deposit to another person without the permission of the depositor. In case of violation of this provision, when the goods deposited is destroyed while in possession of the borrower, lessee or mortgager, the owner of the goods may demand the return of goods either from the borrower, lease holder or mortgager, or the depositary.

Article 1618:

Where the owner of goods deposited prohibits the depositary from travelling with goods deposited with him, or determines a place for keeping the goods deposited, in case of violation and when the goods deposited are

destroyed, the depositary shall be responsible unless he proves his innocence.

Article 1619:

In case the depositary mixes, without the permission of the owner, the property deposited with his own or another persons property so that they can not be distinguished, he shall be bound to stand surety. In case the property deposited is mixed with the permission of the owner, the depositary shall be recognised as a partner in property, and in case the property deposited is destroyed without his fault, he shall not be held responsible.

Article 1620:

1. The depositary may not deposit the goods deposited with him with another person. In case of violation and when the property deposited is destroyed, the owner may demand compensation either from the first or from the second depositary.

Where compensation is taken from the first depositary he shall recourse to the second depositary, and in case compensation is taken from the second depositary, he may not resort to anyone.

2. Where the depositary proves that he deposited the goods with another person by virtue of reasonable

excuse, he shall not be held answerable.

Article 1621:

In case the owner of goods deposited becomes permanent absent, the depositary is bound to keep the goods until such time that life or death of the owner is ascertained. In case the goods deposited are perishable, the depositary may demand from the court to permit the sale of goods and depositing the price in the bank.

Article 1622:

In case the depositary dies, and the goods deposited are among his patrimony, they are considered in trust with his heirs, and the latter are obliged to return the goods deposited to the owner.

Article 1623:

In case the depositary dies, and his heirs sell the goods deposited to another person, and deliver them to the buyer, and then the said goods are destroyed while in possession of the buyer, the owner of the goods thus deposited may demand the price of the day of purchase and the day of delivery, in case the goods are valuable and if they are customary goods he can demand the customary price either from the seller or buyer. Awareness or

unawareness of the heirs of the deceased of the deposit goods has no bearing on the surety.

Article 1624:

The depositary is bound to return the goods deposited with him when demanded by the owner, except when the deposit is made for a definite period, and this definition of period is in the interest of the owner.

Article 1625:

The depositary may oblige the owner to take delivery of the goods any time he pleases, except when it is apparent from the contract that deferment is in the interest of the owner.

Article 1626:

In case the owner of the goods deposited dies, the depositary shall be bound to return the goods deposited to owner's heirs except when the patrimony falls short of debts. In such a case the return of the goods shall take place with the permission of a competent court.

In case the goods deposited are submitted to the heirs without the permission of the competent court, and they perish or sustain damage, the depositary shall stand surety.

Part Three

Obligations of depositor

Article 1627:

In case the deposit entails a reward, the depositor shall be obliged to pay the reward at the end of the deposit except otherwise agreed upon.

Article 1628:

The depositor is bound to pay expenses incurred by the depositary for keeping of the goods deposited provided that the expenses do not exceed the cost of the goods deposited.

Article 1629:

In case goods deposited are taken by reason of title and the depositary compensates it, he can demand the same from the depositor.

Article 1630:

The depositor is bound to recompense all the losses incurred by the depositary by virtue of deposit provided that the loss is caused by fault of the depositor.

Part FourKinds of DepositArticle 1631:

In case the depositor permits the depositary to make use of the goods deposited, and the goods deposited are such that would be eliminated by usage, this contract shall be considered as loan contract.

Article 1632:

Administrators of residences, hotels and the like are responsible for the protection of the goods that passengers and guests bring with them except cash money and costly goods the substitution of which would require more than five thousand afghanis, unless the managers despite awareness of the cost of the goods, commit themselves to their production, or deny taking delivery of the goods in trust without legal excuse, or cause the damage by their own or that of their employees' gross error.

Article 1633:

1. The passenger is bound to inform the managers of the residence or hotel of his loss upon becoming aware of it and before leaving the place otherwise he will forfeit his right.

2. Claim to this effect shall not be heard three months after leaving the hotel or place of residence.

Chapter Four

Safekeeping

Article 1634:

Safekeeping is a contract whereby both parties to a contract deliver to another person for safe-keeping and administering immovable or movable property or the whole goods disputed until the dispute is settled whereupon he shall return them, along with benefits accrued from it, to the person whose right to them is proven.

Article 1635:

The court may, in the following circumstances, order safekeeping:

1. In the case mentioned in article (1634) of this law when the parties can not reach agreement on safe-keeping of the thing.
2. Where the person concerned senses immediate danger from the existence of the thing with the possessor.
3. In other cases defined by law.

Article 1636:

Appointment of safe-keeper, be it voluntary or Judiciary, shall take place by the agreement of all parties to the dispute. In case of lack of agreement the appointment shall be made by the judge.

Article 1637:

Rights and obligations and authority of the safe-keeper shall be defined in the agreement or order of the court. In case of non-definition provisions pertaining to deposit and deputation, in so far as they do not contradict provisions pertaining to safe-keeping, shall be applicable.

Article 1638:

1. The safe keeper is bound to protect and administer the goods in his keeping and to exercise usual care in this connection.
2. The safekeeper can not appoint one of the interested persons, without the consent of the others, as his locum tenens.

Article 1639:

The keeper may not, except in actions pertaining to administration, exercise possessory rights in goods kept with him without the permission of all interested persons

Article 1640:

The keeper may demand fixing of reward for serving as keeper from the competent court, except when he has desisted from it expressly, or impliedly.

Article 1641:

The keeper is bound to keep regular records of accounts. In case he has been appointed by consent, he is obliged to give accounts for his actions based on documents, once a year, to all parties to the dispute.

Article 1642:

Keeping shall terminate with the order of the court, or by the consent of the parties to the dispute, and the keeper shall be obliged to return all the goods and documents kept with him to the person appointed by the court, or by persons involved in the dispute.

Title Four

Plausible Contracts

Chapter One

Gambling

Article 1643:

Every kind of agreement on gambling is considered void.

Chapter Two

Insurance contract

Part One

General provisions

Article 1644:

1. Insurance is a contract whereby the insurer is committed to pay a sum of money, regular payments, or other financial compensation, in the event of incident or danger stipulated in the contract, to the insured or the person in whose benefit the contract is concluded, against the sum he pays at once or in instalments.
2. Provisions of this chapter are applicable in so far as they are not contrary to the provisions of special law.

Article 1645:

Every kind of lawful benefit that will accrue to a person from the incidence of defined danger may become subject of insurance.

Article 1646:

Where one of the following conditions is mentioned in

the insurance contract, the condition shall be considered void:

1. The condition requiring the annulment of the right to insurance by reason of an action repugnant to law and ordinances except when the action is an advertent crime or misdemeanor.

2. The condition requiring the annulment of the right of person insured by reason of delay in notification of incidence, or presentation of documents provided circumstances confirm that the delay was due to reasonable excuse.

3. Every kind of printed condition which is not clearly discernable and pertain to one of the conditions relate to annulment or loss of insurance compensation.

4. Condition pertaining to arbitration when mentioned along with other general terms in the printed insurance policy except when condition pertaining to arbitration agreed upon especially and exclusive of general terms.

5. Every other imposed condition violation of which will have no bearing on the occurrence of incidence subject of insurance.

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Article 1647:

Insurer is not bound to substitute the insured. But is required to compensate loss caused by incidence against which insurance has been made in accordance with the value of the insurance.

Article 1648:

Claim pertaining to insurance contract shall not be heard two years after the occurrence of incidence subject to claim.

Article 1649:

Every agreement contradictory to the provisions included in this chapter shall be void except when benefiting the insured or beneficiary of insurance.

Part Two

Kinds of Insurance

Topic One

Life Insurance

Article 1650:

The insured or the beneficiary of the insurance is entitled, regardless of the proof of the loss sustained, to sums committed in the insurance by the insurer to the insured

or the beneficiary of insurance upon occurrence of incidence or when due, immediately upon occurrence of incidence or when due.

Article 1651:

Insuring another's life, so long as the person involved has not agreed in written form prior to conclusion of the contract shall be void. In case the third person is a person of legal incapacity, the written agreement of person who can represent him is imperative for the validity of the contract.

Article 1652:

In case a person holding life insurance commits suicide, the insurer shall not be bound to pay insurance compensation but even then is obligated to pay the contingency compensation to persons entitled.

In case the cause of suicide is mental disease, and the diseased has lost his will, the obligation of the insurer remains complete.

2. In case payment of insurance compensation despite the intentional suicide of the person is made a condition, this condition is void, except when the suicide has taken place after the lapse of two years from the date of conclusion of the contract.

Article 1653:

In case the life of a person other than the insurance policy taker is insured and the policy taker advertently causes the death of the insured, or the death takes place at his provocation, the insurer is deemed acquitted.

In case the insurance policy taker has merely commenced the killing of the beneficiary of the insurance the insurer has the right to change the policy taker even though the beneficiary accepts the insurance policy taker.

Article 1654:

1. In life insurance, agreement on payment of insurance compensation to definite persons or persons that will be appointed later by the beneficiary of insurance, shall be permissible.

2. In case the person insured mentions in the insurance contract that the contract is concluded for the benefit of the latter's spouse, children or descendants thereof, either born or yet unborn, or to his heirs without mentioning their names, the insurance shall be valid in the interest of the appointed beneficiaries. Where the insurance is taken to benefit the heirs without mentioning their names, every one of the heirs shall be entitled to its benefits in accordance with their rights

to patrimony, eventhough they have desisted from it.

Article 1655:

The insured person who has undertaken to pay in periodic instalments may, whenever he pleases, cease it by despatching written notice to the insurer before the expiration of the current instalment. In such a case he shall not be bound to pay the remaining instalments.

Article 1656:

In contracts concluded for the duration of a person's life, without making the duration of life for a certain period a condition, similarly in all contracts that payment of insurance benefit after the lapse of a definite period is made a condition, the insured may, provided he has paid the minimum instalments for a period of three years, change the original contract into another one against a concession in insurance benefit payment, from the sums already paid, eventhough agreement is made to the contrary provided that the occurrence of incidence insured is certain.

2. Life insurance contract can not be subject of concession when temporary.

Article 1657:

1. The insured, having paid instalments for at least

a period of three years, may clear the insurance provided the incidence insured is certain to happen.

2. Temporary life insurance shall not be clearable.

Article 1658:

Conditions pertaining to concession and clearance shall be considered a part of general conditions of insurance, and their inclusion in insurance contract is essential.

Article 1659:

Erroneous and false statements pertaining to the age of the person in whose benefit insurance contract is to be concluded does not make the insurance contract void except when the real age of the person insured is more than what is described in the policy. In such a case the insurance peremium shall be reckoned in accordance with the real age.

Topic Two

Fire Insurance

Article 1660:

The insurer, in fire insurance, is bound to compensate for losses accruing from fire and losses that are essential results of fire, especially losses caused by virtue of measures taken for rescue from fire or prevention of the spread of fire that the insured property sustaining the

insurer is similarly responsible for loss of insured goods or disappearance thereof except when the disappearance is proved to be caused by stealing. Provisions of this article are applicable when no agreement to the contrary is reached.

Article 1661:

The insurer shall be bound to compensate for the losses caused by the fire eventhough the fire starts from the insured goods.

Article 1662:

The insurer shall be responsible for losses caused by inadvertent action of the insured, and similarly for losses caused by natural catastrophies. However, losses caused by advertent action of the insured or his fraud in regard to insured goods are not the liability of the insurer eventhough agreement is reached to the contrary.

Article 1663:

The insurer shall be liable to compensate for losses caused by person for whom the insured is responsible regardless of the nature of their fault.

Article 1664:

1. In case the thing insured is mortgaged for poss

insurance, or any other form of property insurance, these rights, in accordance with the insurance contract, shall be transferred to the debtor so entitled.

2. In case these rights are registered, or they are brought to the notice of insurer, eventhough it may be registered through letter, the insurer may not submit his liability to the insured without the consent of the creditors.

3. In case the insured goods are taken out of possession of the insured or are given to the insurer to be kept, the insurer cannot, after being notified of this, submit to the insured what he owes.

Title Five

Affirmation Contracts

Article 1665:

Affirmation contracts are those contracts that support the debt and they are bail, draft and mortgage.

Chapter One

Bail

Part One

Fundamentals of Bail

Article 1665:

Bail constitutes association of liability of one who stands bail with that of the principal for demand of person, debt, or goods.

Article 1666:

Bail shall not be valid only by offer of the bailor until the acceptance of the person who makes the request or his deputy even though he may be impertinent, at the contract session.

Article 1668:

Bail of diseased suffering from a fatal disease whose liabilities are in excess of his property shall not valid. In case his debts do not claim all his property, and the bail covers one third of the remaining property, bail shall be valid, and if the bail covers more than one third of the remaining property, it shall be valid for one third.

Article 1669:

The validity of bail is subject to the fact that the subject of bail, whether debt, goods or person should be known to the principal and that its delivery by the bailor shall be possible.

Article 1670:

Pecuniary bail which is incumbent on principal other than the same shall be valid and this constitutes a property that if priced its price and if not priced its like shall be returned upon its destruction.

Article 1671:

Bail for goods that are not incumbent on principal other than the same is not valid, and these constitute goods that when existing, must be delivered, and when they perish, must not be recompensed in cash or kind.

Article 1672:

Immediate and mediate bail or bail which is suspended on suitable condition, shall be permissible.

Article 1673:

Bail shall not be valid for trusts such as goods deposited, limited-partnership property, property of partnership, goods lent, goods leased and in possession of the

lease holder unless it is given in necessity for compensation of goods.

Article 1674:

Bail on goods, defined or non-defined, is valid. Similar bail for uncontested debt incurred by debtor is valid.

Article 1675:

So long as the principal's liability is not validated, bail is not valid.

Article 1676:

Bail for unreal debt is not valid unless the debt is the wife's alimony determined by consent or by order of the court.

Article 1677:

In case two or more partners have a common credit on another person, the bail by one of the partners for the portion of other partner in the credit shall not be valid.

Article 1678:

Bail of the deputy for price of what he has sold to the buyer, bail of the executor of will for the price of what

has sold from the property of minor, and bail of supervisor for the price of what he has sold from endowed property, shall not be valid.

Article 1679:

proving of bail, written form is imperative even though proof of the real obligation may be permissible by virtue testimony.

Article 1680:

In case the debtor is obligated to give bail, he must introduce a bail who should be competent. The debtor can in lieu of bail, place sufficient property securities at the disposal of the creditor.

Article 1681:

A person who has stood bail for the commitment of a person of incapacity, and the bail is contracted due to incapacity of the said person, when the original debtor fails to fulfil liability, the bail is obligated to execute the commitment.

Article 1682:

Bail in excess of the right of creditor on debtor and with conditions more difficult than those of the original

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debtor is not permissible but is permissible in smaller amount and easier conditions.

Article 1683:

Bail covers the adjuncts of debts, expenses incurred on first demand, and in demand made after bail except what otherwise agreed upon.

Part Two

Personal Bail

Article 1684:

the subject of personal bail is subpoenaing of the party for whom bail is given. In case his delivery at a definite time is made a condition, the person standing bail is obligated to do so on demand at the time prescribed. In case he brings the person in question at the time prescribed, his liability is fulfilled. Otherwise, the court can punish him through pecuniary sentence except when it is proved that it was impossible to bring the person in question.

Article 1685:

In case the person for whom personal bail is stood is absent in a known place, and when the bailee demand his presence the bailor is obligated to bring him. In such a case when the bail goes for bringing the person for whom bail is stood the bailee can ask him to give another bail for consolidation. Where the bailee is absent and his whereabouts is not known, the bailor is not obligated for his summoning.

Article 1686:

Personal bail is terminated with the delivery of the person for whom bail is stood, or with the payment of the debt which is the subject of bail.

Article 1687:

the bailor becomes acquitted with the death of the bailee but he shall remain responsible to the heir of the creditor in the event the latter dies. The creditor's heirs can demand that the bail summon the debtor.

Part Three

Effects of Bail

Topic One

Effects of Bail with regard
to the creditor and bail

Article 1688:

The creditor may demand the debt from the bail immediately if it is immediate, and when it is mediate he can demand the debt upon arrival of the time fixed.

In case the debt is suspended on a condition or a fixed time, demand from the bail before the actualisation of condition or lapse of the period stipulated is not permissible.

Article 1689:

With the realisation of condition, set, realisation of quality and definition also becomes necessary.

Article 1690:

Where several persons stand bail for a debt, and everyone has separately guaranteed the debt in subsequent contracts the whole debt can be demanded from each, and in case the debt is paid by one of them, the others shall be acquitted.

In case one stands bail for the whole of the debt for the others, the payer can demand from each one his portion.

Article 1691:

Where several persons have stood bail together for one single debt, each may be demanded to pay his portion of the original debt. In case each one individually has stood bail for the entire liability of others, the creditor may demand the whole of the debt from each one individually.

Article 1692:

In case the debt of the principal is mediate, and another person stands bail for it, the debt shall be considered mediate in regard to the bail as well.

Article 1693:

In case a person stands mediate bail for an immediate debt, the deferment is also applicable to the original debtor, except when the bail has particularised the deferment for himself, or the creditor has made it a condition while granting the deferment that it be confined to the bail. In these two cases the deferment shall not be applicable to the principal.

Article 1694:

In case a creditor who is indebted grants a deferment to the principal this deferment shall be applicable to the bail, and the bail of bail. In case the debt is deferred in respect to the first bail, it shall also be applicable to the second bail, but not the principal debtor.

Article 1695:

In case of death of the bail, deferred debt shall become payable on the day of his death and the creditor may retrieve the debt from the patrimony of the bail. In case the bail's heirs pay the debt to the creditor, they can not demand it from the principal debtor until such time that the deferment expires.

Article 1696:

In case an object is taken by reason of title, person standing bail for price thereof shall be acquitted.

Article 1697:

In case the creditor accepts acquiring of a thing in substitution of debt, the bail is acquitted eventhough the thing is won by right.

Article 1698:

In case the bail pays the subject of bail from his own property, he can seek recourse to the principal for compensation provided that the bail was stood on orders of the principal, and that the bail is of persons whose confession for his own account is considered valid.

Article 1699:

The bail is not responsible for perishing a part of securities allotted as guarantee for debt by reason of creditor's error, eventhough the said securities were fixed after the bail or the order of law.

Article 1700:

The bail may not demand the debt from the principal before having paid the same to the creditor.

Article 1701:

In case the debtor goes bankrupt, the creditor shall be obliged to present the debt for registration in bankruptcy deed, otherwise he loses the right to seek recourse to the bail for the loss inflicted to the latter by reason of neglect on the part of the creditor.

Article 1702:

The payment of sum which is the subject of bail by the principal or bail shall result in acquittance of both principal and the bail.

Article 1703:

Issuance of acquittal for the principal shall result in acquittal of the bail, but acquittal of bail does not acquit the principal; hence in case the creditor acquits the bail, the principal shall not be deemed acquitted.

Article 1704:

In case a creditor whose credit is bailed dies, and the debtor is the sole heir of the latter, the bail is deemed acquitted. In case the creditor has heirs other than the debtor, the bail is acquitted for the part owed by the debtor, not for parts due to other heir.

Article 1705:

1. While receiving the debt from the bail, the creditor is bound to submit all documents required in resorting to debtor for acquiring his right.

2. In case the debt has securities in the form of movable goods, mortgaged or possessed property, the creditor is obligated to return them to the person standing bail.

3. In case the debt has securities in the form of immovable property, the creditor shall be bound to arrange their transfer at the cost of the bail. The bail shall resort to the debtor for the cost of transfer.

Article 1706:

1. The creditor may not resort only to the bail but after resorting to the debtor.

2. Payment of debt due to creditor shall not be permitted from the property of bail except when no property remains to the debtor after paying a part of the debt.

In case the debt is demanded from the bail, the bail shall be bound to resort to this right.

Article 1707:

In case the debt is associated with securities determined by law or agreement as surety for the debt, and bail is stood after or simultaneously with this guarantee, and the bail is not mutually responsible with the debtor, payment of debt from the property of bail before possession of the goods allotted for guarantee is not permitted.

Article 1708:

The mutually responsible bail may not demand debarring of

the debtor from the goods except to the proportion of responsibility in the debt.

Article 1709:

In case persons standing bail are mutually responsible and one of them pays the debt when it becomes due, he may resort to others for their part of the debt, and for their parts arising from the responsibility of bankrupt bail.

Topic Two

Implications of bail regarding
bail and the debtor

Article 1710:

In case the bail pays what he has bailed from his own property, he may demand what he has paid from the debtor. There the bail in all ramifications becomes locum tenens of the creditor.

Article 1711:

Where the debt bailed is mediate, and the bail pays it immediately, the latter may not demand the same from the debtor before maturation thereof.

Article 1712:

With the death of the debtor, the mediate debt becomes payable immediately except otherwise agreed upon. The creditor may get it from the patrimony of the deceased not from the bail.

Article 1713:

The bankrupt debtor, whose debt is consolidated through bail or mortgage during the latter's life, shall not be acquitted from the payment of debt with his death.

Article 1714:

Before paying of debt, the bail is bound to bring the issue to the notice of the debtor otherwise his right to resort to the debtor is repeated provided the debtor has repaid the debt, or has instruments that rule the annulment or termination of the debt.

Article 1715:

In case there are several and mutually responsible debtors for a single debt, the person who has stood bail for all, may recourse to each one for what he has paid of the debt.

Chapter Two

Draft

Part One

Debt drafts

Discourse One

General provisions

Article 1716:

Drafting of debt constitutes transfer of debt from person issuing the draft to the draftee, and soliciting of debt from the latter.

Article 1717:

Draft is either absolute or restricted.

Article 1718:

Absolute draft constitutes a draft drawn by the debtor to another person obligating him to pay the debt to the creditor in an unrestricted way. The draftee pays the debt by reason of what he owes the debtor, or by reason of goods deposited with him or possessed by him but actually owned by the debtor. The draftee and the issuer of the draft may not have any right over each other.

Article 1719:

Restricted draft constitutes a draft issued by the debtor to the draftee to pay the debt to the creditor from what he owes him or from the goods deposited with him or from property usurped.

Topic Two

Conditions for validity of draft

Article 1720:

Consent of the drawer of the draft, recipient of the draft and the draftee is a condition for the validity of the draft.

Where the draftee does not accept the draft, the debt does not become his liability except when the subject of draft is maintenance for wife ordered by the judge. In such a case the wife may issue a draft without the consent of the draftee (her husband) and the husband shall be bound to pay the debt to the recipient of the draft.

Article 1721:

the validity of the draft issued in the name of another is subject to consent of the recipient of the draft.

Article 1722:

1. Indebtedness of the issuer of the draft to the recipient of the draft is a condition for the validity of the draft.

2. Indebtedness of the drawee to the recipient of the draft shall not be a condition. When the drawee accepts the draft, the draft becomes valid, and the drawee becomes liable to pay the debt to the recipient of the draft, even though the latter is not indebted to the issuer of the draft.

Topic Three

Debts Payable by Draft

Article 1723:

A debt that can be bailed may also be drafted provided that it is definite. Draft of indefinite debt is not valid.

Article 1724:

Drawing of draft on debts personally incurred is valid. Similarly debts incurred by virtue of bail or draft may be drafted.

Article 1725:

Beneficiary of endowment may issue a draft upon administrator of endowment to pay to his creditor, in a restricted form, his part in the endowment benefits, provided that the benefits of endowment are in possession of administrator of endowment and that he has accepted the draft. In case the benefits of endowment are not in possession of administrator of the endowment, issuance of draft for part in benefits of endowment is not valid.

Article 1726:

Father and tutor of minor may accept drafts for the debts of the minor on others, on other provided it is in the benefit of the minor. For example, when the draftee is richer than the issuer of the draft. In case both are nearly, or equally rich, draft upon other is not valid.

Topic FourProvisions of draftArticle 1727:

In case the recipient accepts the draft, and the draftee consents, the issuer of the draft, and his deputy, in case there is one, shall be acquitted from the debt and the demand. Meanwhile, the right of recipient of the

draft over the draftee shall be proved. The acquittal of the issuer of the draft and his draft shall be subject to retrieving of the right of the recipient of the draft.

Article 1728:

Drawing a draft conditioned to non-acquittal of the issuer is considered bail.

In case the issuer of the draft is required to stand surety, or an option is given to the recipient of the draft the condition shall be valid, and the recipient of the draft may demand the debt from the draftee or the issuer of the draft.

Article 1729:

In absolute draft, the demand of the issuer of the draft from the draftee shall not cease; he may continue demand from the draftee, so long as he has not paid the debt to the recipient of the draft.

In case of payment of the debt, his liability is met to the extent of the debt paid. Where the draftee is not indebted to the issuer of the draft, and pays the debt at his orders, he has the right to seek recourse to him to the extent of the debt paid; and in case he pays the debt without order, he is considered as charitable.

Article 1730:

In restricted draft, the right of demand of the issuer of the draft from the draftee is ceased, and the draftee may not pay the debt to the issuer of the draft. In case of violation he shall be liable to the recipient of the draft. In such a case the recipient of the draft may seek recourse to the issuer of the draft.

Article 1731:

The debt is transferred to the draftee as it was with the issuer of the draft. Where the debt on the part of the issuer of the draft was immediate, the draftee shall pay it immediately.

In the case the debt is mediate the draftee is not liable to pay until its maturation.

Article 1732:

Where the draft is mediate, the death of the issuer of the draft does not affect maturation thereof. In case the draftee dies, the debt becomes immediate, and shall be paid from the patrimony of the deceased, provided the patrimony suffices payment of debt. Where the patrimony does not suffice, the whole or remaining part of the debt shall be demanded from the issuer of the draft upon maturation of the debt.

Article 1733:

Where the draft is ambiguous, and is not defined as immediate or mediate, the draft shall be honoured as a mediate draft drawn upon the draftee. In case it is defined as immediate the draftee shall be liable to immediately, and in case it is defined as mediate, liable to pay upon maturation thereof.

Article 1734:

Where the mortgager draws a draft for recouping the debt or the purchaser draws a draft upon another person to pay the seller for the price of thing bought, this draft shall not repeal the right of the mortgagee to hold the subject of mortgage, and of the seller to hold on to the object sold, except when a third person has paid the debt and the price.

Article 1735:

Where the mortgage holder issues a draft to his creditor on the mortgagee he shall lose the right to keep the property mortgaged. In case the seller issues a draft to his creditor to collect the price of the thing sold, he shall lose the right to hold on to the said object.

Article 1736:

Where the debtor issues a draft to his creditor on a third

person with the condition that the draftee sell the property of the issuer of the draft which is in possession of the draftee, and pay the debt with the price thereof, the draft shall be valid, and the draftee shall be liable to sell the said property, and with price thereof pay the debt. The recipient of the draft may not demand the debt from the issuer of the draft, except when an option of recourse is made a condition, or that the draft is invalidated due to destruction of goods involved in the draft.

Article 1737:

The inability of the draftee to pay the debt, or bankruptcy thereof, shall not annul the draft.

Article 1738:

The absence of the draftee, even though permanent, can not be a cause for recourse of the recipient of the draft to the issuer of the draft, except when the death of the absent draftee is proved.

Article 1739:

In case a debt on which the draft is restricted is annulled, and the acquittal of the draftee is proved before the issuance of the draft, the draft shall be deemed invalid,

and the recipient of the draft seeks recourse to the issuer of draft.

Article 1740:

In case the property on which the draft is restricted is destroyed after the issuance of the draft, even if the innocence of the draftee is not proved, the draft shall not be rendered invalid.

Article 1741:

1. Where debtor gives his creditor a draft restricted on goods subject of trust, and the subject of trust is destroyed without fault of the trustee before submission thereof to the holder of the draft, the trustee shall be considered acquitted, and the draft shall become void, and the holder of the draft shall have the right to seek recourse to the issuer of the draft.

2. Where the goods perish as a result of failure or aggression of the trustee, the draft shall not become void, and the trustee shall be liable to pay to the holder of the draft the price, in case the goods are priced, or submit its like, in case the goods are not priced.

Article 1742:

Where the property trusted, on which a draft is issued, is won by reason of title, as is the case in perishing thereof, the draft shall become void and the holder of the draft seeks recourse to the issuer of the draft.

Article 1743:

In case the debtor gives to his creditor a draft restricting payment of the debt from goods usurped by the draftee and in possession thereof, when the said goods perish before submission to the holder of the draft, the draft shall not become void and the draftee shall be acquitted, and shall be liable to pay the price or like of goods usurped.

2. Where the usurped goods are won by reason of title the draft shall become void and the recipient of the draft may seek recourse to the issuer of the draft.

Article 1744:

In case the price of an object sold is subject of draft, and the said object is won by reason of title, the person holding the draft, may seek recourse to the issuer of the draft or the draftee whichever he pleases.

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Article 1745:

1. In case the issuer of the draft dies before the holder of the draft receives all the debt from the drafter, he shall be considered relieved of that part of the debt paid to the creditor by the drafter during the life of the issuer of the draft. As regards the rest of the debt, the holder of the draft shall be considered as other creditors of the issuer of the draft.

2. Where the debt is distributed among the creditors of the issuer of the draft, the holder of the draft may not seek recourse to the drafter as regards parts given to other creditors.

Article 1746:

Where the issuer of the draft dies before the holder of the draft receives his debt from the drafter, and the deceased has heirs, the heirs may demand the debt, merge it with the patrimony; in such a case the holder of the draft shall receive his debt from the patrimony.

Article 1747:

In case the drafter dies indebted, his patrimony shall be divided proportionately among the creditors and the holder of the draft. In case the holder of the draft.

after division of the patrimony still has credit due to him, he shall seek recourse to the issuer of the draft.

Article 1748:

In case the holder of the draft dies, and the draftee himself is his heir, the credit of the issuer of the draft due from the draftee shall be repealed even though the holder of the draft gives the subject of the draft as gift to the draftee.

Topic Four

Acquittal of the draftee from liability

Article 1749:

The draftee shall be acquitted with the payment of subject of draft to the holder of the draft, or upon drawing a draft on another person after the other accepts it.

Article 1750:

In case the recipient of the draft acquits the draftee, the debt shall be considered waived and the draftee shall be deemed acquitted.

Article 1751:

Where the draft holder donates the subject of draft to the draftee, the debt shall be considered paid.

In such a case if the draftee is indebted to the issuer of the draft, his debt may be substituted with the subject of draft. In case he is not indebted, he and his heirs may demand it from the issuer of draft.

Article 1752:

In restricted draft, waiving and donating of the debt the holder of the draft is not valid for the issuer of the draft.

Part Two

Draft on rights

Article 1753:

Where the creditor agrees with another person that he accept a draft for his debt due from his debtor, the draft shall be valid after the acceptance of its recipient irrespective of the acceptance of the draftee unless agreement between the creditor and the debtor or the law provide otherwise.

Article 1754:

Draft on right without the consent of the indebted shall not be valid.

Article 1755:

Draft on right in excess of the quantity due, shall not be valid.

Article 1756:

Issuance of a draft for payment of right on the indebted shall not be valid until the indebted accepts it, or the indebted is notified of the matter. It shall become valid to the recipient of the draft upon the acceptance of the indebted subject to the fact that the acceptance has a definite date.

Article 1757:

With drafting of right, the guarantee thereof shall also be transferred.

Article 1758:

The creditor receiving a draft, may before the pronouncement of the draft or acceptance thereof, take practical measures for protection of the right thus transferred to him.

Article 1759:

Whenever the draft on right is issued against substitute, the issuer of the draft stands surety for the existence of the right drafted, except when agreement is reached to the contrary.

Article 1760:

In case draft on right is not issued against substitute, the issuer of the draft does not stand surety.

Article 1761:

In case the issuer of the draft has guaranteed solvency of the indebted, surety is required at the time of draft contract.

Article 1762:

In case the recipient of the draft calls for surety from the issuer of the draft, the issuer shall be bound to return of what he has obtained, plus expenses incurred.

Article 1763:

The issuer of the draft shall stand surety for the excess even when the draft is without substitute, or non-require of guarantee is made a condition.

Article 1764:

The issuer of the draft shall be bound to submit to the recipient of the draft the document of the right drafted along with explanations and means that render the obtaining of the right possible to the latter.

Article 1765:

In case of plurality of drafts on a single right, the draft of the person enforced before others, shall have preference.

Article 1766:

The indebted upon whom a draft is drawn, may resort to defences against the recipient of the draft, that he could against the issuer of the draft in the event of enforcement of the draft. He may also resort to the defences by reason of the right subject of draft.

Article 1767:

In case the right subject of draft, while in possession of draftee, is taken out of the latter's possession by order of court, the despossession shall not affect the recipient of the draft.

Article 1768:

Whenever a draft on goods under legal confinement becomes effective, and the said goods come under another legal confinement, the same shall be divided among the draft holder, and persons in whose benefit legal confinement orders were issued as creditors, but from the portion due to the beneficiary of the second legal confinement order,

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the sum of the draft shall be deducted for delivery to the draft holder.

Article 1769:

Where the debtor does not accept the draft, and pays the debt to the issuer of the draft before the pronouncement of the draft, he shall be considered acquitted. Where the recipient of the draft proves that the debtor, while paying the debt, was aware of the issuance of the draft, the draftee shall not be acquitted.

Chapter Three

Possessory Mortgage

Part One

Fundamentals of Possessory Mortgage

Article 1770:

Possessory mortgage is a contract whereby the mortgager commits himself to take necessary measures for protection of property mortgaged whether in possession of the mortgagee, or other trustee.

Article 1771:

The possessory mortgaged property should exist and should have a price which could be paid and should be free of other's rights.

Article 1772:

1. The subject of mortgage should be fixed and payable by the debtor or be of properties guaranteeable. The mortgage of deposits shall not be valid.
2. Goods given in possessory mortgage can be either movables or immovables.
3. If the possessory mortgaged property is cash, the lessee cannot make use of it unless the use is for obtaining the debt after the warning given by the lessee during the time set for payment of debt.

Topic One

Effects of possessory mortgage
between the concluding parties

Sub-topic One

Obligations of mortgager

Article 1773:

1. For the validity and necessity of mortgage it is a condition that the mortgagee should totally take hold of the property mortgaged.
2. The mortgager can return to the property mortgaged before its delivery to the mortgagee and bring changes into it.

Article 1774:

The mortgager and mortgagee can agree to make place mortgaged property with a trustee a condition during contract or after it. In such case the possession trustee shall be considered as possession of mortgage and the mortgage shall be completed with the obtain of the property mortgaged and the mortgager shall be liable for it.

Article 1775:

The mortgager shall stand surety for the soundness of the property mortgaged and for the enforcement of the mortgage. The creditor may resort, at the expense of the mortgager, to measures which are required for the protection of the property mortgaged.

Article 1776:

Where the goods mortgaged are in possession of the mortgagee and a part of them is won by reason of title, when the portion won by reason of title is undivided, mortgage shall be void in the rest, and when the part is particular mortgage shall remain in force in the rest, and all the debt shall be held.

Article 1777:

Where goods mortgaged come into possession of the mortgager, the mortgage shall be terminated unless the mortgagee proves that the possession has taken place by reason other than expiration of mortgage period. This provision shall be applied when the right of no third person is affected.

Article 1778:

1. In case the goods mortgaged is destroyed, or sustain damage, and this destruction or damage is caused by reason of error of the mortgager or force majeure, the mortgager shall stand surety.

2. Provisions relating to destruction of goods mortgaged, or damage thereof, and the transfer of the right of the creditor from the goods mortgaged, are applicable to possessory mortgage.

Sub-topic Two

Liabilities of creditor mortgage holder

Article 1779:

In case the creditor mortgage holder possesses the goods mortgaged, he shall be liable to exercise normal care in protection thereof.

Article 1780:

The mortgage holder after possession shall stand for perishing goods mortgaged and is obliged to pay price thereof or forfeit the debt whichever is less. In regard to fixing of the price, the price of the day of possession shall be valid not that of the day of perishing of the goods.

Article 1781:

In case the goods mortgaged perish while in possession of mortgagee, and the price thereof is equal to the amount of debt, the mortgagor shall be acquitted from the debt and is so considered that the mortgagee has retrieved his right provided it is proved that the goods have perished through transgression or fault of the mortgagee.

Article 1782:

Where the goods mortgaged perish while in possession of the mortgagee and the price thereof is more than the amount of debt, the debt shall be considered paid and the mortgagee shall stand surety for the remaining amount of the price of the goods provided that the perishing is caused by transgression or fault of the latter.

Article 1783:

In case the goods mortgaged perish while in possession of the mortgagee due to his transgression or fault, and the price thereof is less than the amount of debt, the debt shall be considered waived in proportion to the price of goods mortgaged, and the mortgagee may seek recourse to the mortgager for the rest of the debt.

Article 1784:

When the mortgagee sells the harvests of the subject of mortgage without the permission of the mortgager in the presence of the latter, or without the permission of the court in the absence thereof, he shall be liable to pay their cost.

Article 1785:

The mortgagee may not exploit the goods mortgaged, be it movable or immovable property, without the permission of the mortgager. The mortgagee may, with the permission of the mortgager, lease the goods mortgaged, and pay the lease income to the mortgager, or deduct it, with the permission of the mortgager, from the debt, even though the mortgage contract is invalidated.

Article 1786:

1. Where the mortgager permits the mortgages to use, exploit, or deposit the goods mortgaged and the said goods perish before commencement of use, or after it, it shall be recompensed from the debt.

2. Where the goods mortgaged, whose use, utilisation or depositing with another is permitted by the mortgager, perish during the use and utilisation or while placed in deposit, it shall be considered as subject of trust. Neither will the mortgage holder be required to stand surety, nor will the debt be reduced in recompense.

Article 1787:

Where parties to the mortgage contract have not agreed that substitute for delayed payment of debt shall be proceeds of the goods mortgaged, or when they kept silence on defining of the substitute, the substitute shall be reckoned at legal percentage, and shall not exceed the amount of proceeds.

Article 1788:

Where no time is fixed for the repayment of guaranteed debt the creditor may not demand payment of amount due to him except by deducting the same from the cost of proceeds without affecting the right of the debtor to repay the debt whenever he pleases.

Article 1789:

creditor mortgagee who administers the goods mortgaged
not change the manner of utilisation of the goods except
permission of the mortgager. Similarly the mortgagee
will be bound to inform the mortgager in all circumstances
that require his interference.

Article 1790:

in case the creditor misuses his right in administering
the goods mortgaged, or commits gross neglect, the mortgager
may demand that the goods be placed under protection, or
returned thereof against payment of what is due from

Article 1791:

1. The mortgager may not require the mortgagee to
return part of the goods mortgaged against payment of
part of the debt. The mortgagee may keep the goods
mortgaged against the rest of the debt even though it
may be little.
2. In case the property mortgaged constitutes two different
things each one of which mortgaged against a definite
portion of debt, the mortgager repays part of the debt
against which one of the objects is mortgaged, he may
retrieve it.

In case the amount of debt against each thing is not defined, the mortgager may not retrieve any, and both things shall remain in possession of the mortgagee against the whole of the debt.

Article 1792:

The mortgagee may not be required to return the goods mortgaged to the mortgager for sale thereof, and payment of his debt because mortgage provides for permanent possession of the subject of mortgage until the creditor retrieves his credit.

Article 1793:

Provisions of law related to liability of unindebted mortgager, and provisions regarding making transfer of ownership a condition in the event of nonpayment of debt, and provision regarding sale without effecting thereof shall be applicable to possessory mortgage.

Article 1794:

The mortgager may not sell the goods mortgaged unless he has been deputed by the mortgager to sell the goods. Similarly the mortgagee may not, without the permission of the mortgager, lease, lend, or put in trust goods mortgaged.

In case of doing so, the mortgagee is deemed as transgressor, and by reason of this action stands surety for payment of the price of the goods mortgaged whatever it may be.

Article 1795:

Where the mortgagee, without the permission of the mortgager, sells the goods mortgaged and submits them to the buyer, and the mortgaged goods perish while in possession of the buyer prior to acquisition of the permission of the mortgager, the mortgager may seek recourse either to the mortgagee or the buyer.

Topic Two

Effects of possessory

mortgage on third person

Article 1796:

Possessory mortgage of the third person shall not be binding except when the goods mortgaged are in possession of the creditor, or in possession of another trustee through an agreement reached between the mortgager and mortgagee.

Article 1797:

The mortgage contract gives the creditor mortgagee the right to take possession of the goods mortgaged without affecting legal rights of the third person.

Article 1798:

In case the mortgagee is dispossessed of the goods mortgaged without having intended so, or without his awareness of the fact, he may, in accordance with the provisions of possession, repossess it from the other.

Article 1799:

Possessory mortgage gives the creditor mortgagee the right to retrieve his right before other creditors, from the price of the goods mortgaged, whether the creditor is the first one or the last one in order of precedence.

Article 1800:

The mortgagee may demand his right from the mortgaged goods even though the goods have become property of another. In this case the third person may pay the debt, and become locum tenens of the creditor vis-à-vis the debtor.

Article 1801:

In possessory mortgage in addition to repayment of the real right, expenses incurred for protection of the goods mortgaged, compensation of losses by reason of defect in the goods, expenses incurred in conclusion of the contract along with expenses for possession contract and enforcement thereof, substitutions agreed to be paid for delayed repayment of the debt, shall also be paid.

Part Three

Termination of possessory mortgage

Article 1802:

Mortgage shall be terminated with the termination of the guaranteed debt and it will recur with the removal of the cause of debt. The rights of persons of goodwill acquired during the termination period and during its recurrence shall not be disrupted.

Article 1803:

In addition to the condition prescribed in article (1802) of this law possessory mortgage shall terminate under the following cases:

1. When the right of possessory mortgage and the right of ownership is vested in a single person.
2. When the creditor mortgagee gives up, expressed or implied, his mortgage right.
3. When the goods mortgaged perishes.

Article 1804:

Possessory right shall not be invalidated with the death of either mortgager or the mortgagee, and shall be transferred to heirs.

Article 1805:

In case the mortgager dies, his executor of will, with the permission of the mortgagee, may sell the goods mortgaged and pay the debt of the mortgagee. In case the mortgager has not appointed an executor of will, the creditor may request the court in the vicinity of the place of residence of the deceased to appoint a person as executor of will to sell the goods mortgaged and pay the debt.

Article 1806:

In case the creditor mortgagee dies, and no information is available on the goods mortgaged, and they do not exist among the patrimony, the cost of the goods mortgaged shall be paid out of patrimony.

Part Three

Some kinds of possessory mortgage

Topic One

Mortgage of property

Article 1807:

Possessory mortgage of land may not be binding on third person except when the mortgage contract is registered. On this registration special provisions regarding requisites of official mortgage are applicable.

Article 1808:

The creditor mortgagee may lease the mortgaged property to mortgager provided that it does not affect the right of others. It is essential that the lease sum is defined in the mortgage contract. In case agreement is reached upon this after the mortgage contract, it is required that the issue be registered on the margin of the contract.

Article 1809:

The creditor mortgagee is bound to protect the property; and incur the expenses necessary for protection thereof. Similarly he is obligated to pay the yearly taxes and

dues and other levies.

The creditor may deduct these expenses from the harvest of the property or from proceeds thereof within the limits of the law. The creditor may be excused from all these commitments only when he gives up his right of mortgage.

Topic Two

Mortgage of movable property

Article 1810:

1. Mortgage of movable property shall become binding on third person when it is registered in paper with fixed date along with the transfer of possession. In this paper the sum guaranteed in mortgage, and the property mortgaged shall be described in detail.

2. The date of registration determines the right of the creditor mortgages.

Article 1811:

Where the mortgagee is a person of goodwill he may resort to the goods mortgaged for his right even though the mortgager may not be able to possess the goods mortgaged. On the other hand every person of goodwill may resort to the right which he has established in the goods mortgaged even though this right may be of a date after the date

of mortgage

Article 1812:

1. In case the goods mortgaged are faced with the danger of perishment or damage, or fall of price in a way that there arises a fear that it would not sufficiently guarantee the right of the creditor, and the mortgager does not demand its substitution by a replacement, the creditor or the mortgager may request from the court permission for its sale by open tenders, or at going market rates.

2. While issuing such a permission, the court may also order placing of the sales proceeds in trust. In such a case the right of the creditor in thing is transferred to the price thereof.

Article 1813:

In case a suitable opportunity is found for the sale of mortgaged goods, and sale is possible with remarkable profit, the mortgager may request from the court the permission for the sale of the said thing even though the payment of the debt may not be due yet. The court when issuing permission may also define the conditions of sale, and may order the deposit of the sales proceeds.

Article 1814:

In case the creditor mortgagee can not retrieve his right he may demand from the court the sale of goods mortgaged by open bidding or at going rates of the market.

Article 1815:

The creditor mortgager may demand the ownership of the goods mortgaged against his debt provided that this should take place in accordance with the price prescribed by informed persons.

Article 1816:

Provisions anticipated in this chapter are applicable to the extent that are not contrary to commerce laws and provisions of the laws specially legislated for mortgage of movable goods.

Article 1817:

1. Mortgage of debt shall be considered binding on debtor when the mortgage is announced to him, or in accordance with the provisions of draft, he accepts the right thereof.

2. Mortgage of debt shall be considered binding on other than the debtor when the document of the mortgaged debt is possessed by the mortgagee. Liabilities pertaining

to the debt shall be counted as from the date of announcement or acceptance.

Article 1818:

A debt which can not be drafted, or confined may not be mortgaged. Mortgage of official documents shall take place in special manner as prescribed by law governing draft of these documents, provided that it is mentioned that the draft is issued in the form of mortgage. In such a case the mortgage shall terminate without the need for advertisement.

Article 1819:

The creditor mortgagee may take possession of the agreed upon substitutes to which he is entitled from the mortgaged debt. He may similarly take possession of all rights accruing from cycling of the debt provided all that he takes possession of are deducted first, from the expenses, second from substitutes, and third from principal of the guaranteed debt in mortgage. All these provisions shall be applied when no agreement to the contrary has been concluded.

Article 1820:

the creditor mortgagee shall be bound to protect the mortgaged debt. In case he wishes to recoupe part of the mortgaged debt, without the involvement of the mortgager against his own debt, it is essential that he recoupe the same with due consideration to the time and place of payment, and notify the mortgager on the subject.

Article 1821:

The indebted in mortgaged debt may rely on all means of payment related to the validity of the right guaranteed by mortgage in relation to the creditor mortgagee. He may similarly rely on means of payment that he may possess in regard to the real creditor. All this ruling is applicable to the extent that the debtor, in case of draft, can resort to the recipient of draft for payment.

Article 1822:

1. In case the mortgaged debt become due Before the debt guaranteed by mortgage becomes payable, the debtor may not pay the debt except to the mortgager and the mortgagee together; and each one of these two may demand from the debtor to deposit what he pays. In such a case the right of mortgage is transferred to what is deposited

2. The mortgager and the mortgagee are bound to cooperate in what the debtor has paid in a manner that would be more beneficial to the mortgager and may not entail any loss to the mortgagee.

Article 1823:

Where the mortgaged debt and the debt guaranteed by mortgage both become payable, the creditor mortgagee, in case he has not retrieved his right in totality, may recoupe what he is entitled to from the mortgaged debt, or demand the sale of this debt or take possession of it in accordance with the provision of article 1815 of this law.

Topic Four

Mortgage of trust

Article 1824:

The debtor may take property of other in trust, and with the permission of the owner, mortgage it. In case the permission of the owner is absolute and unconditional the debtor may mortgage it for whatever or any amount to any person for any purpose he pleases.

Article 1825:

In case the person giving the property in trust restricts

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the mortgage of the goods to a definite amount, a thing, or a person, the trustee may not oppose it unless the opposition is in the interest of the owner of the goods in trust.

Article 1826:

Whenever the trustee mortgages the goods in trust, with the permission of the owner and in accordance with the conditions defined by the latter, the owner may not withdraw permission after the goods are given in mortgage. The mortgagee keeps the goods until his debt is paid.

Article 1827:

In case the goods given in trust is restricted to a definite period, the owner may not demand repeal of mortgage and delivery of goods to himself until expiration of the period. In case the period is not defined, and on expiration of the defined period he may make such a demand.

Article 1828:

Where the depositor demands the severance of the mortgage, and pays the debt to the mortgagee, when the debt is commensurate with the value of the mortgage, the mortgagee shall be bound to accept it. In this case the depositor seeks recourse to the deposites. In case the value of

the goods mortgaged is less than the debt, the mortgagee shall not be bound to deliver the goods mortgaged. In case what is paid is more than the mortgage value, the depositor is considered as a donator, and may not demand the same from the deposittee.

Article 1829:

Where the deposittee of the mortgage dies in bankurptcy, the goods mortgaged shall remain in the possission of the mortgagee and it may not be sold without the permission of the depositor.

Article 1830:

In case the depositor dies indebted, the deposittee mortgager shall be ordered to pay his debt, and release goods mortgaged. In case he is unable to do so, the goods mortgaged shall remain with the mortgagee; the heirs of the depositor may pay the debt, and retrieve the mortgaged property.

Article 1831:

Where the above provisions pertaining to the mortgage of goods deposited are not contrary to special provisions pertaining to possessory mortgage, provisions related to possessory mortgage shall be applicable to mortgage of deposit.

Chapter Four
Official Mortgage

Part One

Composition of official mortgage

Article 1832:

Official mortgage is a contract whereby the creditor acquires subjective right to property specified for payment of debt and by reason of same is accorded precedence to regular and lower ranking creditors, and retrieves his credit from the property no matter in which hands they may be.

Article 1833:

1. Official mortgage may not be contracted but on official paper completed in presence of concerned officials.

2. Expenses required for official mortgage shall be incurred by the mortgager unless otherwise agreed upon.

Article 1834:

In official mortgage the indebted, or another person who mortgages a thing in the interest of the indebted, may not be the mortgager.

Article 1835:

The mortgager should be the owner of the mortgaged property and should have the capacity for possession.

Article 1836:

Where the mortgager is not the owner of the property, his mortgage shall not be valid with the permission of the owner of the property prescribed in the official paper.

Article 1837:

Mortgaging of property that comes into being in the future is deemed void.

Article 1838:

Where the property is mortgaged by an owner whose ownership document is void, cancelled, destroyed, or in any other way invalidated, the mortgage holds in the interest of the mortgagee, provided that at the time of conclusion of the mortgage contract, the creditor has had good will.

Article 1839:

Official mortgage shall not take place in anything but immovable unless the law provides otherwise.

Article 1840:

1. The property of mortgage should be of the type whose sales may be valid by open bidding.

2. Similarly the property of mortgage should be clearly defined in the contract, otherwise the mortgage shall be void.

Article 1841:

Mortgage includes those attachments of the property mortgaged which are reckoned as property such as the right of water, decorations, installations that produce benefits to the owner, unless otherwise agreed upon.

Article 1842:

Whenever the declaration from pertaining to the cost of the property is registered, yields and income of the property shall be added to it from the date of the registration and in distribution thereof provisions pertaining to distribution of the cost of property shall be applicable.

Article 1843 Mortgaging of indivisible property by all the owners shall be valid, and any consequences arising from later distribution of the property or sale thereof, when distribution is impossible, shall not affect the validity of the mortgage.

Article 1844:

In case one of the partners mortgages his part or a portion

thereof, and later on he acquires, in the process of distribution, other property, the said mortgage, to the extent equivalent to the cost of property that was actually mortgaged, shall be transferred to the latter property.

The quantity shall be determined by the concerned administration. The creditor is obliged to, within sixty days from the date of the registration of the distribution, take the necessary measures for the transfer of the mortgage to the new property.

Article 1845:

Mortgage may be contracted for guaranteeing a debt suspended on a condition or plausible debt provided that the sum of the debt thus guaranteed is determined in the contract.

Article 1846: Unless the law or the agreement provides otherwise, a section of the mortgaged property or properties, shall be a guarantee for the whole of the debt, and every portion of debt is deemed as guaranteed by the whole of the property or properties.

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Article 1847:

Mortgage shall not be separated from the guaranteed debt, and is considered subject to it in validity or expiration, except when the law provides otherwise.

Article 1848:

In case the mortgager is a person other than the debtor, in addition to resorting to the special payment to be made to him, he can resort to what is left to be paid by the debtor. The right of the indebted mortgager shall remain even though the debtor may delist from it.

Part Two

Effects of official mortgage

Topic One

Effects of official mortgage in relation to the contracting parties

Sub-topic One

Effects of official mortgage in relation to the mortgager

Article 1849:

Possession of the mortgager in property mortgaged shall

not affect the right of creditor mortgagee.

Article 1850:

The mortgager is entitled to administer the mortgaged property and get income thereof so long as the same is attached with the property.

Article 1851:

The lease contracted by the mortgager shall not be binding on the creditor except when the date thereof is proved to be prior to the notification of release of the property. In case the date thereof is not determined the lease shall be binding to the extent that it is well-administered.

Article 1852:

Offsetting of the advanced rent for a period not exceeding three years, and, likewise, drawing a draft upon the creditor-mortgagee for the payment of the advanced rent shall not become binding unless its date is proved prior to the date of the registration of the declaration paper. In case the said period exceeds three years, its enforcement shall be subject to the condition that it should have been registered before the mortgage registration, otherwise, subject to the observance of

the provision of this article, the said period shall be cut down to three years.

Article 1853:

The mortgager is obligated to guarantee the safety of goods mortgaged and the creditor mortgaged may object to any action or fault by reason of which this guarantee is grossly damaged; similarly, he may take precautionary measures, and demand the cost thereof from the mortgager.

Article 1854:

In case the mortgager, by reason of his own fault, causes perishing of or damage to the mortgaged property, the creditor mortgagee shall be free to demand adequate guarantees or demand his right immediately.

Article 1855:

In case the perishing of the mortgaged goods is caused by external factors and the creditor does not accept the continuation of debt without guarantee, the debtor shall be free either to offer adequate guarantee or pay the debt immediately before it is due.

Article 1856:

In case, in any circumstance, actions are taken by reason

of which the property perish, sustain damage or is rendered inadequate as guarantee, the creditor may demand from the court an order for cessation of such actions and adoption of measures that will alleviate damage.

Article 1877:

In case the mortgaged property perish or sustain damage, whatever the cause may be, the mortgage shall be transferred to the right that accrues in consequence such as substitute, the sum of surety, or the price fixed for expropriation thereof for public amenities.

Sub-topic Two

Effects of mortgage in relation
to the creditor-mortgagee

Article 1858:

In case the mortgager is a person other than the debtor, the enforcement of order is permissible only on mortgaged goods thereof. The mortgager has not right to obligate only the debtor to pay unless otherwise agreed upon.

Article 1859:

When the creditor notifies the debtor on payment of the debt, he may enforce his right on the mortgaged property, and demand the sale thereof within the time limit defined by the civil procedural law.

Article 1860:

In case the mortgager is a person other than the indebted, he may refuse vacating of the mortgaged property in accordance with the provisions relating to the vacation of mortgaged property.

Article 1861:

1. Every agreement that entitles the creditor to the ownership of the mortgaged property upon non-payment of debt when due against a fixed price, regardless of how much this price may be, or grants the creditor the right to sell the property without abiding by the procedures prescribed by law shall be void, even though this agreement is reached after the mortgage contract.

2. In case, after the debt or an installment thereof becomes due, an agreement is reached by virtue of which the debtor foregoes the mortgaged property against the debt to his creditor, the said agreement shall be permissible.

Sub-topic Three

Effects of mortgage in relation
to third person

Article 1862:

Mortgage comes in force in the case of the third person,

the said person has contracted the mortgage before acquiring a right in the subject of mortgage, or it is stated in the order which proves mortgage.

Article 1863:

Nothing on the following, against the third person, is valid:

1. In putting the guaranteeer right in custody.
2. On right which one is entitled by order of law *locum tenens* of the creditor.
3. On foregoing the provision of custody in the interest of another creditor except when it is so expressly mentioned in the registration document.

Article 1864:

As regards registration, renewal, cancellation, or extension of mortgage, and results arising thereof, special provisions relating to registration of property documents shall be applicable.

Article 1865:

Expenses incurred in confinement, renewal and cessation thereof shall be the liability of the mortgager unless agreement provides otherwise.

Sub-topic Four

The right precedence and following

Article 1866:

The creditor-mortgagee shall retrieve his right, both the normal creditor, in full from the mortgaged property or from replacement thereof, in accordance with precedence.

Article 1867:

The liabilities accruing from mortgage shall be reckoned from the date of registration even through the debt guaranteed by mortgage is suspended on a condition, or a future or plausible credit.

Article 1868:

In fixing expenses of contract of mortgage, the expenses of registration, renewal and compensation agreed upon but their payment are delayed shall be included.

Article 1869:

The creditor-mortgagee can desist from his level of mortgage to the extent of his money due in the interest of another creditor who has restrictedly mortgaged the

landed property.

In this case against the credit of other creditor he can rely on the whole amount of money recognized as legal against the first creditor with the exception of what is related to the termination of the right of the first creditor provided this termination is after the desistance from the rank.

Article 1870:

1. If the creditor -mortgagee can take out of the possession of the possessor the property mortgaged after the period of payment of debt expires unless the possessor pays the debt with his consent or terminates the mortgage of the hand or gives up the mortgage.

2. Any person who transfers the ownership of the mortgaged property due to any reason or transfer the right of another property mortgageable to the mortgaged land, he shall be recognized as possessor of the mortgaged land without having any personal responsibility for the debt guaranteed by mortgage.

Article 1871:

Possessor can personally pay the debt guaranteed by mortgage together with its attachments and respective expenses on expiration of the period of debt payment

after the date of warning.

This right of the possessor shall remain so until the realization of bidding. In this case the possessor can demand from the debtor or former owner of the mortgaged property all what he has paid.

Article 1872:

Possessor can keep the mortgage in which he is the locum tenens of the creditor and can renew it whenever it is necessary unless during registration of the document of this possessor the restrictions existing are eliminated.

Article 1873:

Where the possessor owes some money because of the mortgaged ownership of property which is to be payable immediately and this money is sufficient for payment of the rights of all creditors on the property, each of the said creditors can obligate the possessor to pay his right provided the ownership deed of possessor is registered.

Article 1874:

Where the debt of the possessor is not payable immediately or its quantity is less than the credits of the creditors, the creditors can demand the payment of what the possessor owes in accordance with the conditions promised and in the period within which the payment of debt is agreed upon.

Article 1875:

Where the possessor pays to the creditors what he owes, he shall acquire the right of demanding the elimination of conditions set on the property.

Article 1876:

Possessor after registration of the ownership deed can take out the property from the whole mortgage registered prior to the registration of his document. He can exercise this right whenever he wants and he can reserve this right until the time when the list of sale conditions is advertised.

Article 1877:

Where possessor intends to clear the property he shall be obligated to send a notice to the residences of creditors whose rights are registered which would include a brief description of his ownership deed, the date of its registration, the price of the property and list of rights registered prior to registration of his deed together with the names of owners of rights.

Article 1878:

Possessor is obligated to mention in his notice his readiness for payment of debts registered and debts payable immediately without taking into consideration

the period of payment of the said debts, within the limits of the cost of the property.

Article 1879:

Each creditor whose right is registered and similarly the agent who has registered the right, can demand the sale of property, whose clearance is wanted, within thirty days since the day of last official notice sent.

The distance of the way shall be taken into consideration in fixing the period.

Article 1880:

Demand shall be made on the basis of the notice sent to the possessor or former owner and signed by the demander or his legal deputy. The maker of demand shall be bound to deposit the amount sufficient for meeting the sale expenses through bidding in the treasury or bank determined by the court.

The maker of demand after this cannot give up this demand unless all creditors, whose rights are registered, and all agents agree to it.

Article 1881:

Where sale of property is demanded, all procedures relating to forced sale shall be observed and the sale takes place

upon the demand of that person who is the immediate owner of profit whether he is the demander or possessor. The person who takes actions shall be bound to mention in the sale advertisements the amount of money determined as cost of the property.

Article 1882:

Person to whom bidding ends up shall be obligated to pay the price determined in the bidding together with the money spent on actions required for cleaning it. He is also bound to pay the expenses of ownership deed, its registration and advertisements of the possessor who has lost the ownership of the property unless the special law provides otherwise.

Article 1883:

Where the sale of land is not demanded within the definite period and in accordance with the set conditions, the ownership of the property shall finally belong to the possessor save of any kind of registered right provided that the possessor pays the amount determined as price of the property with due observation of procedures necessary for payment of the rights of creditors or deposits the said amount in the treasury or bank determined by the court.

Article 1884:

Evacuation of the mortgaged land shall take place with presentation of a petition by the possessor to the competent court. In the petition the issue is recorded on the corner and a demand is made from the court to issue a notice for evacuation of the property. The issue of evacuation shall be notified to the creditor within five days since the date of presentation of petition for his necessary actions.

Article 1885:

Where possessor does not accept to pay registered debts or take the land out of mortgage or give it up, the creditor-mortgagee cannot take actions against possessor to evacuate the property in accordance with the provisions of law of civil proceedings unless he has given a warning to the debtor about the payment of the rightful debt and giving up the property.

Article 1886:

The possessor whose ownership document has been registered and in the claim made against the debtor has not become the other party, he can resort to ways of defence to which the debtor may resort provided the order made for payment of debt is after the registration of the document

of possessor. Similarly, he can in all instances resort to such defence which is also resorted by the debtor after the order for rightful debt is made.

Article 1887:

Possessor can enter bidding provided that the price he offered in the bidding is not less than the remaining amount due from the price of the land put on sale.

Article 1888:

Where the ownership of the mortgaged land is taken out of the possessor's hand and then bidding belongs to him, the possessor shall be considered the owner of the property on the basis of the real ownership document. In case he has paid the last price offered in the bidding or deposited in the treasury or the bank determined by the court, the said land shall be come free of all rights registered.

Article 1889:

Where the bidding goes to a person other than the possessor the person can acquire his right from the possessor according to the provision of bidding.

Article 1890:

Where the price determined by bidding is more than the

registered rights of the creditors, the excess of the right of the possessor and the creditor-mortgagees can demand their rights from the possessor.

Article 1891:

The easement rights and other property rights which the possessor holds before the transfer of ownership of the land to the possessor shall be returned to the possessor.

Article 1892:

The possessor is bound to return the income of the land from the date of the debt payment announcement or the date when he gives up the land. In case the respective actions are abandoned for a period of three years, the obligation to return the income shall be valid since the date of new announcement.

Article 1893:

1. The possessor can recourse to the former owner through the guarantee claim to the extent that the oblique predecessor has the right to recourse to the person from whom he has acquired the ownership by way of exchange or charity.

2. Where the possessor pays more than what the debtor owes according to the ownership document, he can

In this case the possessor shall become locum tenens of the creditors whose rights he has paid.

Article 1894:

The possessor shall be personally recognized responsible for the damage which may be inflicted on the property as a result of his mistake.

Part three

Termination of official mortgage

Article 1895:

1. Official mortgage shall terminate like possessory mortgage with the termination of guaranteed debt and shall return with the elimination of the cause due to which the debt has terminated.

2. The return of mortgage shall not damage the rights of persons with good will acquired during the termination of right and its return from others.

Article 1896:

The right of official mortgage shall be terminated with the completion of actions regarding the last cleaning even though the ownership of the possessor who has cleaned the real estate is eliminated due to whatsoever reason may be.

Article 1897:

Mortgage or forced sale of the land shall be terminated through open bidding and depositing of its last price by payment of the said price to the creditors who are entitled to get paid for their rights from this price accordance with the order of payment.

Article 1898:

The creditor-mortgagee can desist from the official mortgage inspite of the fact that the debt remains unpaid.

Article 1899:

Provisions pertinent to non-termination due to the death of mortgager or mortgagee and survival of debt with the heirs shall apply to official mortgage.

Book Three

Owner Rights

Title One

Real Property Rights

Chapter One

Rights of Ownership

Part One

Definition, Area, And Protection Of Ownership

Article 1900:

Ownership is a right by reason of which a property is placed under the will and dominance of the owner; only the owner may, within the limits of law, use and utilise it, and exercise possessory rights in it.

Article 1901:

The owner of ^a thing, is the owner of all principal elements of that thing, the separation of which is impossible without perishing, destruction or changing the thing.

Article 1902:

1. The area of land property includes what is

allowed in height and in depth by custom.

2. By agreement, or the order of law, the ownership of the surface of land can be separated from the ownership of above and beneath of the land.

Article 1903:

No person may be dispossessed of his property except by law.

Part Two

Restrictions of ownership

Article 1904:

The owner may exercise possessory rights in his property within the limits of the law.

Article 1905:

Where the right of another person is associated with the property, the owner may not act in a way that would sustain loss on the right of other except with his permission.

Article 1906:

Major damage, be it old or new, shall be eliminated.

Article 1907:

Major damage is that which causes cracking or destruction

of the building, or that which prevents fulfilling of real needs which are the intended benefits from the property.

Article 1908:

Full blockage of light from residence shall be considered gross damage; no one may build a construction that closes the window of the neighbouring residence and causes full blockage of light to it. In case of construction of such a building the neighbour may demand, when possible, to eliminate damage, and when impossible, the demolition of the construction to eliminate damage.

Article 1909:

A person who builds a building must construct it in such a manner that the window thereof shall not damage the already existing neighbouring constructions.

Article 1910:

A person who constructed at his own expense a source of irrigation or outlet for excess water for irrigation of his land, other persons may not use it without his permission.

Article 1911:

With due consideration to avoiding damage to the public,

the right to use the water of public canal shall be determined and distributed in proportion to the land requiring irrigation.

Article 1912:

The owner of the land that is irrigated through irrigation equipment or canal, when not having the right to pass water through other's land, may not force the owner of the said land to allow passage of water.

Article 1913:

Whenever a person has the right to pass water through other's land, the owner of the land may not prevent the passage of water through his land.

Article 1914:

A person who irrigates his land in normal way, to the extent that the land can take it, and as a result water flows into the land of another and destroys his crops, he shall not be required to pay recompense. In case he irrigates his land in an abnormal manner, and another person sustains damage as a result, he shall compensate.

Article 1915:

Water right shall be acquired by reason of inheritance, and bequeathal as to use of water right shall be permissible.

Article 1916:

1. The water right of the land goes with the land.
2. Sales, donation, and leasing of the water right of the land when exceeds the need of the owner of the land is not permissible except for irrigation purposes.
3. Other provisions related to water right and irrigation of the land which are not anticipated in this law shall be governed by special law.

Article 1917:

The owner of land is obligated to allow sufficient water to flow through his land for irrigation of lands more distant from the source of water as well as allowing the flow of excess water to the nearest canal provided he receives just compensation.

Article 1918:

In case all the partners in water do not embark voluntarily on necessary repairs of the canal, all the partners shall be obligated to do so when one demands it.

Article 1919:

The owner of the land not linked with public way, or the path leading to it is insufficient and difficult so that building of sufficient way is not possible without huge expenses and grave difficulty, may, against just compensation

possess and use the neighbouring land for the purpose, provided that he does not exceed usual limits and this right can be exercised only at a place where passage is rendered possible with the least damage.

Article 1920:

In case the obstacle to linkage to public way arises from legal division of land, and the construction of the path is possible in the components of this land, demand of right of way may be made only in the said parts.

Article 1921:

Each one of the owners of the neighbouring lands may demand the others to delineate the lands thus linked. The expenses required for defining of limits shall be incurred jointly.

Article 1922:

In case a wall is common between two people, either party may not change the height thereof, or add another structure to it.

Article 1923:

Each one of the partners may place beams or other supporting material on the common wall, proportionate to the partner, provided that it does not surpass the strength of the wall.

With due consideration to the health of the wall no partner may add any beams to the wall, or change the place thereof, without the permission of the other partner.

Article 1924:

In case the common wall has lost its strength, and is threatened with destruction, when one of the partners intends to demolish it, and the other prevents it, the preventer shall be compelled to demolish .

Article 1925:

In case the partners wish to demolish the common wall, or the wall falls down, and every partner has laid something over it, and one of the partners prevents the reconstruction of the wall, the partner doing so shall be obligated to reconstruct the wall. In the event one of the partners constructs the wall by permission of the court, he may demand expenses proportionate to the part of other partner, and until such time that the latter pays this expense, the partner who reconstructed the wall can prevent him from using the wall.

Article 1926:

The wall which at the time of construction is the dividing line between two structures,, shall be considered as common wall until such time that the two structures are separated except when a reason to the contrary comes to existence.

Article 1927:

The neighbour which has not taken part in construction expenses of the wall, shall be considered a partner in the wall when he pays half of the construction costs thereof, and half of the cost of the land on which the wall is put up.

Article 1928:

A neighbour may not obligate the other neighbour to construct a wall or something else on his property; similarly he can not obligate the neighbour to give part of the wall or part of the land on which the wall stands except within the limits of provision of Article 1927 of this law.

Article 1929:

Neighbour may not construct a window or windowlet less than one metre distant from his neighbour. The distance is measured from the back of the wall on which the window or windowlet is constructed.

Article 1930:

The neighbour may have window or windowlet opening in front of the neighbour's property provided that it opens at the same time on public way.

Article 1931:

The windowlet whose base from the floor stands higher than the height of a man, and is built to admit air and light, and from which looking on to the neighbouring property is not normally possible, is not subject to provision pertaining to distance.

Article 1932:

Factory, business shop, well and other establishments that would inflict damage on the neighbour must be constructed at a distance that it will not sustain damage on neighbour.

Article 1933:

In case the contract or will entails a condition as a result of which taking possession of the goods is prohibited, the said condition, unless not confined to a reasonable time and not based on reasonable cause, shall not be valid. Cause is considered reasonable when the objective in prohibition of possession is protection of interest of the possessor or possessee or third person, and duration is considered reasonable when it is limited to the life of the possessor, possessee or third person.

Article 1934:

In case condition or intention in contract or will regarding

prohibition of possession in accordance with article 1933 of this law is valid, every possession contrary to it shall be void.

Part Three

Joint ownership

Article 1935:

In case the property is owned jointly by two or more persons, every one has the right to utilise it in proportion to their right, and may exercise possession in it in a manner that the other partner does not sustain any damage. Similarly when the proportions of ownership in the jointly owned property is ascertained, it may be sold or utilised in undivided form, and it may be used jointly provided the rights of other partners are not affected.

Article 1936:

In case one of the partners takes possession of a certain portion of the undivided property, and that portion does not fall into his part when the property is divided, his right shall be transferred to the part accorded him after division. In case the possessor proves his ignorance of the fact of the property being undivided, he may nullify his possession.

Article 1937:

The administration of the undivided property is the right of all partners except when agreement is reached otherwise.

Article 1938:

The partners in undivided property are subject to majority vote, and the majority is ascertained in accordance with the cost of shares. In case majority can not be ascertained, the court may adopt necessary measures on the basis of the appeal of one of the partners. Similarly the court may, when necessary, appoint a person for the administration of the undivided property.

Article 1939:

Every one of the partners in undivided property may employ essential means for the protection of the said property even though the rest of the partners may agree with it.

Article 1940:

Every one of the partners, in accordance with his share, has the right to reside in the commonly owned residence.

Article 1941:

The share of one of two partners in the possession of the other is considered in trust. When it perishes due

to not fault of his, he shall not stand surety.

Article 1942:

Where commonly owned property requires repairs, the partners shall share it in accordance with their shares.

Article 1943:

In case one partner, with the permission of other partners, constructs the common property, he may demand the expenses from each partner in accordance with his share; and when he does so without permission he is considered as donor. Every partner who has not permitted the construction of his part can not be asked to pay the cost.

Article 1944:

1. Where the common indivisible property requires repairs, and one of the partners is absent, obtaining of the court permission as regards construction of the property is imperative. In this case the partner who does the repairs may demand the expenses he incurs from the rest of the partners, and from the absent partner after his appearance, in accordance with their shares in the property.

2. In case the repairs are made without permission, the partner who makes the repair may not demand expenses from the other partners.

Article 1945:

When common indivisible property is destroyed, and one of the partners intends to build it, and another prohibits it, the latter can not be obligated to build it. In case one of the partners constructs it without the permission of the other partners or that of the court, he shall be considered as donor.

Article 1946:

When a part of the common and indivisible property is destroyed, and one of the partners intends to build it, and the other partners refrain from doing so, the partner who builds it with the permission of the court may bar the rest of the partners from benefiting from the property until they pay their shares of the cost. In case the partner constructs the property without the permission of the court, ^{he} shall forfeit the right to seek recourse to the rest of the partners.

Article 1947:

In case the common indivisible property is totally destroyed and levelled, no one of the partners is bound to build it, and the land shall be divided among the partners.

Article 1948:

Administration and protection expenses, taxes and other fixed or incurred expenditures related to the common property shall be paid by all partners each in accordance with his share in the property, unless agreement is reached otherwise.

Partners who own three fourths of the common property may, after declaring to the other partners, decide on taking possession thereof provided that they do so by reason of old causes. The partner who objects to such a decision may seek recourse to the court within two months after the declaration. The court may, when necessary, rule for or against the possession.

Article 1950:

1. A partner in undivided movable property or in all goods may, before division, demand the return of the portion of the undivided property which is sold by the other partner provided that this demand is made within thirty days after becoming aware of the sale, or when the demand is passed on to the buyer and the seller after the date of sales advertisement. In such case the person who returns the property becomes a locum tenens of the buyer in all his rights and liabilities provided that he has compensated all his expenses.

2. In case several partners demand the return of the property sold as described in above section, each one may demand its return proportionate to his share.

Part Four

Termination of Joint Ownership Through Division

Article 1951:

Division constitutes defining of share in the joint property, and delivery of the same, on the basis of the consent of the partners or the ruling of the court.

Article 1952:

Division by consent shall not be permissible in the absence of one of the partners but the tutor of the minor may serve as his agent in the division of the property subject to the agreement of the competent court in accordance with the provisions of the law.

Article 1953:

In case the partners are not obligated to keep the undivided property on the basis of the provision of law or agreement, each one of the partners may demand the division of the joint property from the court.

Prohibition of division of joint property on the basis of agreement for a period exceeding five years is not permissible; in case the period agreed upon is less than five years it shall be binding on the partner and his descendant.

Article 1954:

The property must be divisible and with division thereof its utility should not be eliminated.

Article 1955 :

In case the property is divisible, the court may, when one of the partners demands division thereof, assign a number of informed persons for ascertaining the share of each partner and dividing of the shares.

Article 1956:

The informed persons shall ascertain the shares on the basis of the smallest part even though the division may be partial. In case this is impossible they ascertain, and separate the part of each partner.

Article 1957:

Equation of parts in accordance with titles, in which no gross loss is inherent, is imperative.

Article 1958:

The dividing partner's right shall be upheld at the time of division in the property that is divided.

Article 1959:

Division takes place in two forms, by addition of every part in every one of the commonly owned goods which is referred to as division of addition, and by ascertaining of jointly held parts in a single commonly owned property which is referred to as division of subtraction.

Article 1960:

Reduction in parts may be made by additional payments on the part of the one who has acquired a larger part.

Article 1961:

In division by consent, option of condition, option of visualisation and option of defect shall be applicable in accordance with the agreement of the parties and provisions of the law.

Article 1962:

Where one of the partners builds for himself a structure in the jointly owned property without the permission of the rest of the partners, and the said structure goes to

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obligated to demolish the same.

Article 1963:

In claims pertaining to division, the primary court in whose area of jurisdiction the property to be divided is located shall be recognised as competent.

Article 1964:

The primary court mentioned in article 1963 of this law shall settle disputes arising from ascertaining parts and other disputes arising from division of property which fall in the area of its jurisdiction.

Article 1965:

Whenever during adjudication of the litigation pertaining to division by the court, other disputes arise, the court shall be obligated to suspend the litigation pertaining to division until the other disputes are finally settled.

Article 1966:

1. Where the dispute is settled and the parts are ascertained by consent, the court may order delivery of the ascertained parts to the partners.

2. In case the division does not take place among the partners by consent it shall take place through raffle, and the same shall be registered in the court

and a ruling shall be issued to delivery of parts to the partners.

Article 1967:

In case the division of the goods is impossible, or the division thereof results in drastic reduction in price of the goods, the goods shall be sold in accordance with the provisions of the civil procedural law.

Article 1968:

In litigation pertaining to division, entering of the creditors whose rights are restricted, and the creditors who object to the division and sales of the goods in the form of tender, is imperative, otherwise the division shall not be binding on them.

Article 1969:

In case debt is proven on the deceased after division of partrimony thereof, the repeal of the division is permissible unless the heirs pay the debt, or the creditor waive the debt in the benefit of the heirs, or some property, other than that divided, is left behind by the deceased which would suffice to meet the debt.

Article 1970:

The divider becomes entitled only to the part which belongs to him by reason of division, and shall own nothing in the remaining parts.

Article 1971:

The dividers stand mutual surety as regards aggression or right due by causes prior to division. Each one of them in proportion to his share, based on going costs of division of property, shall be obliged to pay compensation to the person so entitled. In case one of the dividers is poor, the amount of compensation he is required to pay shall be distributed among all dividers and persons entitled to compensation.

Article 1972:

Guarantee shall not be required in the following circumstances:

1. When as a result of express agreement due to the special cause that required surety, guarantee is excused.
2. When the right emanates from an error on the part of the divider.

Article 1973:

1. Voluntary division may be repealed when one of the dividers prove that in the division he is defrauded from more than one fifth of the cost. In defining the price of property, the price of the day of division shall be standard.

2. After the lapse of the year following the division, claims shall not be heard, and the defendant may suspend the litigation by paying cash or goods that will render the portion of the plaintiff complete.

Part Five

Distribution of benefits

Article 1974:

Benefits may be distributed in time or space, and both can be done either voluntarily, or legally.

Article 1975:

In distribution of space benefits the partners shall agree that each acquire a specific portion of the benefits of the property which corresponds to his portion in the undivided property, and in turn desist from utilisation of remaining portions of their part in the interest of the partners. The period of this agreement may not exceed from five years. In case the period is not defined, the agreement holds for one year, and when three years before the expiration of the year the partner does not communicate his dissatisfaction to other partners, the agreement shall be considered to have

been extended for the next year. If this distribution continues for a period of fifteen years in this manner, the distribution shall be considered final.

Article 1976:

1. Time distribution of benefits is that the partners agree to acquire benefits accruing from all of the undivided property alternately, each one for a period commensurate to his portion of the property

2. In case one of the partners demands distribution of benefits of undividable property, and the other partners reject this, the benefits shall be distributed by force.

Article 1977:

Distribution of benefits to others, capacity of distributors, their rights and liabilities, and the ways of proving these shall be subject to provisions pertaining to lease contract provided that the said provisions are not contrary to the nature of this distribution.

Part Six

Forced undividedness and ownership of residence floors

Topic One

Forced Undividedness

Article 1978:

In case the objective in provision of undivided property indicates that the said property should permanently remain so, partners may not demand division thereof.

Topic Two

Ownership of Floors

Article 1979:

In case one is the owner of the upper and the other owner of the lower floor of a building, the owner of the upper floor has the right to use the roof, and the roof is deemed as the property of the owner of the lower floor. The owner of the upper floor has the right of normal use of the roof of the lower floor; the right of the owner of the lower floor of the building is confined to the limits of protection of his right.

Article 1980:

In case the entrance door of the upper and lower floor of the building is a common one, the owners of both floors shall have the right to use it jointly and no one can not prevent the other from using it.

Article 1981:

In case the owner of the lower floor demolishes the said floor as an act of aggression, he shall be compelled to reconstruct the building.

Article 1982:

1. In case the lower floor of the building is destroyed without the action of the owner thereof, he shall be obliged to reconstruct it.

In case the owner of the lower floor refrains from reconstructing it, and the owner of the upper floor builds it with the permission of the owner of the lower floor or by virtue of permission of the court, he may retrieve the expenses he incurs from the owner of the lower floor.

2. In case the owner of the upper floor builds it without the permission of the lower floor or without the permission of the court, his right of recourse to the owner of the lower floor shall be limited to the value of the construction and this value shall be ascertained by

informed persons at prices of the time of construction, but the day he seeks recourse to the owner of the lower floor.

Article 1983:

The owner of the upper floor in both circumstances prescribed in article 1982 of this law, may bar the owner of the lower floor from residing in or use of the lower floor until such he receives what is due to him. Similarly, with the permission of the court, he may lease it, and recoup his right from the lease money.

Article 1984:

The owner of the upper floor may not construct new structure on it, or raise the height of his residence without the permission of the owner of the lower floor, except when it is proved that such an action will cause no damage to the lower floor. In such case the owner of the upper floor may build the structure or raise the height without the permission of the owner of the lower floor.

Chapter Two

Causes of possession

Part One

Taking Possession

Article 1985:

A person who acquires possessable movable goods prior to others, he shall be considered the owner thereof.

Article 1986:

In case the owner of the movable goods renounces his possession, the said goods become possessable goods.

Article 1987:

Possession is either real which is acquired by placing hand at the thing as legal which is realized by providing its cause.

Article 1988:

Whenever mine, treasure, or ancient relics are found in privately owned land, they shall belong to the state.

The owner shall receive reward in addition to expropriation of the land in accordance with the law.

Article 1989:

Whenever a person finds mine, buried treasure, or ancient relics on publicly owned land, the owner shall be the state, and the said person shall receive appropriate reward defined by concerned authorities.

Article 1990:

Rights of hunting in water and on ground, findings, and historical relics shall be defined by special laws.

Article 1991:

Unowned arable lands are the property of the state, possession thereof without the permission of the state, and in contravention of the provisions of the law, shall not be permitted.

Article 1992:

Uncultivated, nonusable land, when unowned, shall be deemed the property of the person who has taken possession of it with the permission of the government and constructed it. In case uncultivated and arid land and unowned land are built with the permission of the government, and its farmed, and constructions built upon it, the builder

shall be recognised as owner and shall be obliged to pay tax except when special law provides otherwise.

Part Two

Transfer of Ownership due to death

Topic One

Inheritance

Sub-topic One

General provisions

Article 1993:

The ownership of movable and immovable property, and the rights left behind by the deceased shall be transferred to heirs in accordance with the rules, and the following proportions:

Article 1994:

The right of inheritance is realised with the death of the bequeather, or when he is considered dead by the ruling of the judge.

Article 1995:

For realisation of the right to inheritance, real or legal life of the heir at the time of the death of the bequeather, or when the bequeather was ruled as dead,

is imperative.

Article 1996:

In case two persons die and it can not be ascertained who died first, they shall have no right in the patrimony of each other regardless of whether they died in the same incident, or in separate incidents.

Sub-topic Two

Patrimony and distribution thereof

Article 1997:

The following expenses shall be paid from the patrimony in the following way:

1. Funeral expenses of the deceased until the time of his burial.

2. The debts of the deceased.

3. Execution of the bequeathals of the deceased from the remaining third of the patrimony after the payment of the debts.

4. Distribution of the rest of the patrimony to the heirs in accordance with the provisions related to inheritance.

Article 1998:

1. Whenever in accordance with section four of article 1997 of this law no heir is found, the remaining patrimony shall be divided as follows:

1. To person to whose parentage the deceased has admitted other than himself.

2. Bequeathals which exceed the limits imposed on them.

2. In case the persons mentioned in this article are not found, the patrimony, or what is left of it, shall belong to the state.

Sub-topic three

Impediments to inheritance

Article 1999:

Of the impediments to inheritance is the premeditated murder of the bequeather whether the murderer is the real actor, accomplice or false witness, whose evidence has caused the issuance of the death sentence and execution thereof, provided that the murder be by virtue of no right, and without excuse, and the murderer is sane and has completed the eighteen years in age.

Article 2000:

1. The right of inheritance does not exist between moslem and non-moslem, but non-moslems may inherit from one another. The dispute between two countries shall not be an impediment to inheritance among moslems or non-moslems except when the law of the foreign country prohibits the right of inheritance to foreigner.

2. Aliens may not, on the basis of inheritance included in section one of this article, shall seek the right of ownership in fixed property.

Sub-topic Four

Causes of inheritance

Article 2001:

1. Causes of inheritance are marriage or blood relation.

Article 2002:

Inheritance is based on marriage connection, and is in accordance with the shares fixed by Shariat, shares of relatives or both, or maternal relation or observation of rules of deprivation of inheritance.

Article 2003:

In case one of the heirs has the right of inheritance from two sides, with due consideration to the provisions of this chapter, he shall get inheritance from both sides.

Part One

Inheritance by virtue of Farz (specific share of heir as determined by Shariat)

Article 2004:

Farz is the specific share of the heir in the patrimony, and in inheritance the shares of those entitled to Farz shall be given prior to others. Those entitled to farz are father, grand and great grand father, half brother on the mother's side, half sister on the mother's side, husband, wife, daughter or daughters of daughter, or daughters of son, or daughters thereof, sister, father's sister, mother of grandfather.

Article 2005:

1. Subject to the provision of article 2022 of this law, in case the deceased is survived by father, and son or grandson, eventhough of descending order, the father shall receive one sixth of the patrimony.

2. True grandfather is one in whose relations to the deceased no femal enters, and his protion in the manner

described in article 2004 of this law, shall be one sixth of the patrimony.

Article 2006:

When the offspring, be it son or daughter, when one, shall receive one sixth of the patrimony, and when several, shall receive one third. Male and female offsprings shall receive equal proportions.

In the second circumstance in case those entitled to Farz portions entail all of the patrimony or the maternal offsprings share the patrimony with brother or brothers, sister and sisters, either separately or jointly.

The third of the patrimony is then divided among them as described above.

Article 2007:

1. For the husband, when without children, or male offspring, eventhough it may be descendants further down, half the patrimony is given; and when children, or male children exist, eventhough of descending order, the husband shall receive one fourth of the patrimony.

2. Wife, eventhough conditionally divorced, when the husband dies prior to the expiration of the divorce period, or wives, when lacking children, or male offspring eventhough of descending order, shall receive one fourth of the patrimony, and in case children or male offspring, eventhough of descending order, exist shall be entitled

to one eighth of the patrimony.

3. When a person divorces his wife while suffering from fatal disease, the divorcee is entitled to a wife share provided she did not consent to the divorce, and the husband died before the expiration of the divorce period (three months).

Article 2008:

Daughters in accordance with the provision of article 2009 of this law shall be entitled to inheritance as follows:

1. One daughter shall be entitled to half of the patrimony; two or more shall be entitled to two thirds.

2. Daughters of son, when there is no daughter or no daughter of son of ascending order, shall be entitled to inheritance prescribed in above section. Daughters of son, one or more, in case of existence of daughter or daughter of son of ascending order, are entitled to one sixth of the patrimony.

Article 2009:

Sisters in accordance with the provisions of articles 2019 and 2020 of this law shall be entitled to inheritance as follows:

1. One sister receives half and two or more shall receive two thirds of the patrimony.

2. In case of non-existence of sister, ~~half~~ sisters on the father's side shall receive the portions prescribed in the above section, and in case one sister does exist, she shall receive one sixth of the patrimony, regardless of whether there is one or more half sisters on the father's side.

Article 2010:

When a woman has children, or son's children even though in descending order, or while two or more brothers or sisters, or half brothers or half sisters on the part of the father or the mother, is entitled to one sixth of the patrimony, and in other circumstances is entitled to one third of the whole of the patrimony except when she gets together with one of the spouses and the father. In which case she will be entitled to the remaining one third of the patrimony after the portion of the husband and the wife is given.

Grandmother refers to the mother of one of the parents or that of the grandfather even though in ascending order. Grandmother, be one or more, shall be entitled to one sixth of the patrimony, and share it equally.

Article 2011:

In case the portions of those entitled to Farz (fixed share in inheritance) exceed the patrimony, their shares of inheritance shall be divided according to their

Part two

Inheritance for relatives

Article 2012:

According to Shariat relatives are those who, when no persons entitled to Farz exist, are entitled to all the patrimony, otherwise, in case they are not deprived from the right of inheritance, to what remains after those entitled to Farz receive their shares.

Article 2013:

In case no person entitled to Farz exists, or the whole of the patrimony does not go to the persons entitled to Farz, then all or the patrimony, or what remains, after those entitled to Farz receive their shares, is given to the relatives.

Article 2014:

Relatives are divided in three groups; personal relatives, relatives by virtue of other, and relatives by virtue of relation with other.

Article 2015:

Personal relatives are those who in their relation to the deceased feels need for other, and women are not instrumental in this relationship.

Article 2016:

Personal relatives are of the following four categories:

1. Sons including sons and grand sons eventhough of descending order.
2. Paternity which includes father and grandfather, eventhough of ascending order.
3. Fraternity which includes brothers, paternal brothers and their sons eventhough of descending order.
4. Uncles which include paternal uncles of the deceased, paternal uncles of the father of deceased and paternal uncles of grandfather eventhough of ascending order, regardless of whether they are full uncles or paternal uncles, and similarly their sons, and the sons of their sons, eventhough of descending order.

Article 2017:

In case personal relatives are of the same category, the closest to the deceased is considered entitled to inheritance. In case they are of the same category, and equally close to the deceased, priority shall be given to closeness to the deceased, and in case a person is related to the deceased in two ways he shall have precedence to one related in a single way, and in case they are of the same category, and degree of closeness, they shall share the patrimony equally.

Article 2018:

Relation by virtue of other refers to the female that in relation to the deceased is in need of other, or shares the relationship with other.

Article 2019:

1. Relation by virtue of other constitute of :

1. daughters or sons
2. daughters of son, even of descending order, or grandson, eventhough of descending order while the sons are at the same level as daughters, or lower, and are not entitled to inheritance in any other way.
3. sisters with brothers and half sisters on father's side with half brothers on the part of the father.

2. In circumstances described in above section of this article ~~males~~ receive twice as much as female from the patrimony.

Article 2020:

Relation with other refers to the female who in her relationship needs other female, and the other female must not be related to her.

Article 2021:

1. Relations by virtue of other includes:

sisters or half sisters on father's side, with daughters or daughters of son, eventhough of descending order.

In such a case they become entitled to what remains of the patrimony after d&stribution of Farz shares.

2. Persons included in the above section of this article shall be given more credence to other relatives such as brothers and half brothers on the father's side and in right of precedence, closeness, and strength shall be subject to provisions governing them.

Article 2022:

In case father or grand father, or daughter or daughter of son, eventhough in descending order come together, they are entitled to a portion of the patrimony as Farz, and the remaining as relatives.

Article 2023:

1. Whenever grandfather comes together with brothers or sisters, and half brothers and sisters on the father side it entails two inheritance conditions:

1. becomes entitled to the portion of one brother when coming together only with males or with males and females or only with females that are relatives to the decendents of the heir.

2. In case the grandfather is not related with sisters or female decedents of the deceased he shall be entitled to the remaining patrimony after the holders of Farz shares.

2. Where the state of division or inheritance deprives the grandfather from inheritance as mentioned in the above clause or reduces his one sixth portion he shall be entitled to the sixth portion of patrimony through Farz method.

3. In state of division of patrimony no validity is given to paternal heirs who have been deprived of inheritance.

Part Three

Hajab (impediment to inheritance)

Article 2024:

Impediment is that where a person has the capacity to inherits but due to existence of another inheritor does not become entitled to inheritance. The one prevented becomes a cause for hindering another inheritor to inherit.

Article 2025:

Impediment is of two kinds:

1. Loss impediment which causes the entitled portion of inheritance to be reduced.

2. Deprivation impediment in which the heir is deprived of inheritance.

Article 2026:

Who has become deprived of inheritance due to one of inheritance impediments cannot cause any heirs to get deprived of inheritance.

Article 2027:

Six heirs shall never be deprived of inheritance due to inheritance impediments and they are father, mother, son, daughter, husband and wife.

Article 2028:

Five persons may face loss impediment and they are: mother, daughter, son, sister from father side, husband, and wife.

Article 2029:

Father can impede grandfather from inheritance, whether he becomes entitled to inheritance through shariat obligation or through parental lineage or both.

Article 2030:

The mother of deceased can prevent grandmother from inheritance, whether she is father's grandmother or

mother's grandmother or grandfather's mother.

Article 2031:

The son impedes the grandson from inheritance and similarly each grandson whose degree of relationship is nearer may cause the grandson, whose degree of relationship is more distant, to be deprived of inheritance.

Article 2032:

Sisters and brothers of the same parents or sister and brothers from father side or mother side shall be deprived of inheritance with the existence of father and grandfather, son and grandson even though their order is descending.

Article 2033:

Brother on the father side shall be deprived of inheritance with the existence of brother of the same parents and sister who is linked with others.

Article 2034:

The son of the brother with the same parents shall be deprived of inheritance with the existence of seven heirs who are as follows:

Father, grandfather, son, grandson, brother, paternal brother and parental sister or father who has become linked with other than relatives.

Article 2035:

The son of paternal brother shall be deprived of inheritance with the existence of the son of parental brother (of the same parents) in addition to the seven persons provided in Article 2034 of this law.

Article 2036:

Brothers on mother side shall be deprived of inheritance with the existence of the following six heirs:
Father, grandfather, son, grandson of daughter from father side, and granddaughter from the son side.

Article 2037:

Uncle shall be deprived of inheritance with the existence of the following ten heirs:
Father, grandfather, son, grandson, brother of same father and mother, brother from father side, sister of the same father and mother, from father side provided both types of sisters get related with non-cousins, and finally son of parental brother or from father side.

Article 2038:

Cousin (son of uncle) shall be deprived of inheritance with the existence of heirs mentioned in articles 2036 and 2037 of this law and, likewise, of the uncle.
Also the son of the uncle of father, in addition to persons included in this article, shall be deprived of inheritance with the existence of the cousin.

Article 2039:

Where the daughters of the deceased exist together with the daughters of the son of deceased and the daughters inherit two third of patrimony, the daughters of son shall be deprived of inheritance unless there exists a grandson. In this case this grandson shall deprive the daughters of son, who are placed at lower degree than him, of the inheritance.

Article 2040:

Where daughters of the same parents acquire two third or more of patrimony, paternal sisters will be deprived of inheritance unless there exists with them a paternal brother. In this case they shall become entitled to inheritance through him.

Article 2041:

Where sister of the same parents inherits half of the patrimony, the paternal sisters shall not be dropped but they shall become entitled to one sixth of patrimony.

Part Part

Return

Article 2042:

1. Where Zawelfroze (those heirs whose shares of inheritance are fixed in shariat) inherit not all of

patrimony and there are Hasaba (close relatives) the remaining patrimony shall be distributed to Zawelfroze proportionate to their portions.

2. Where there exists no parental relative or Zawelfroze or maternal offspring, the remaining patrimony shall be returned to one of the spouses.

Part Five

Zawel-ar-Ham (maternal offsprings)

Article 2043:

1. Where there exists no parental relative or Zawelfroze (heirs with fixed shares) all the remaining patrimony shall be paid to the maternal offsprings.

2. Zawel-ar-ham (maternal offsprings) constitute the following four classes who are considered prior to one another respectively as follows:

1. Daughters, children eventhough their order is decending, andoffsprings of son's daughters.

2. Incorrect grandfather even though his order is upgraded and incorrect grandmother even though her order is upgraded.

3. Sons of maternal brothers and their offsprings even though their order is decending offsprings of sisters of the same parents or paternal or maternal sisters

even though their order is decending and daughters of brothers with the same parents or paternal and maternal sisters and their offsprings even though their order is decending, and daughters of sons (with the same parents) of nephews and paternal sons even though their order is decending, and their offsprings even though their order is decending.

4. Members of the following six classes shall have priority over one another in getting inheritance as follows:

a. Maternal uncles of the deceased, his aunts, uncles (mother's brothers) and his aunts (mother's sisters) whether paternal or maternal.

b. Offsprings of the classes mentioned in clause (a) even though their order is decending and Uncle's daughters of the deceased, whether of the same parents or on the father side, and their sons' daughters, even though their order is decending and offsprings of all these who are not mentioned here even though their order is decending.

c. Maternal uncles of the father of the deceased, aunts, uncles (mother's brothers) and aunts (mother's sisters) of the father of deceased whether of the same parents, paternal or maternal and uncles of the mother deceased, aunts and uncles (mother's brothers) and aunts (mother's sisters) of the deceased, whether of the same parents, paternal or maternal.

d. Offsprings mentioned in clause (c) even though their order is decending, and daughters of the uncle of the deceased, of the same parent or on father side, and their sons' daughters even though their orders are decending and offsprings of the daughters of the said persons even though their order is decending.

e. Uncles of father, father of the mother of deceased, uncles of the father of the mother of deceased and uncles of the grandmother of the deceased, uncles of the mother of the father of deceased, and all their aunts (father's sisters), uncles (mother's brothers) and aunts (mother's sisters) whether of the same parents or on the father's side or mother's side.

f. Offsprings of those mentioned in clause (e) even though their orders are decending and daughters of parental uncles or paternal or maternal uncles of father and father of deceased and their sons' daughters even though their order is decending and offsprings of persons included in this part even though they are in decending order.

Article 2044:

In the first class of maternal offsprings preference for receiving inheritance shall be given to those whose degree of relationship to the deceased is closer.

If they are equal in degree of relationship preference shall be given to the maternal offsprings of Saheban Farz (those with fixed shares of inheritance). Where they are equal in degree and the Saheb Farz has no son or all offsprings are Saheban Farz they take part in the inheritance.

Article 2045:

In the second class of maternal offsprings the right of priority for inheritance shall be given to the person whose degree of relationship to the deceased is closer. When they are equal in degree of relationship the person who is linked with Saheb Farz (holder of fixed share in inheritance) shall have priority over others. Where in spite of the equality of degree of relationship no one is attributed to Saheb Farz or all are attributed to Saheban Feroze validity shall be given to relationships. And when they are common in direction of relationship they shall be recognized partners in the inheritance. Where they differ in direction of relationship, two third shall be paid to the person whose direction of relationship is towards father and one third to the person whose direction of relationship is towards mother.

Article 2046:

1. In the third class of maternal offsprings (Zawel-ar-ham) the priority right shall be given to those whose degree of relationship to the deceased is closer. In case of equality of degree of relationship, Hasaba offsprings shall be given priority over maternal offsprings. Where there is no difference in this respect, validity shall be given to the strength of relationship with the deceased. Person who is from real father and mother shall be preferred to the person with paternal originality. And person with paternal originality shall be preferred to person with maternal originality.

2. If they are equal as far as the degree and strength of relationship are concerned, they shall take part equally in inheritance.

Article 2047:

1. In the first category of class four mentioned in Article 2043 of this law if the relatives on the father side become single constituting maternal uncles and aunts of the deceased or relatives on the mother side become single constituting uncles (mother's brothers) of the deceased, validity shall be given to the strength of relationship and in this case person who is from real father and mother shall have priority over paternal

offspring and paternal offspring shall have priority over maternal offsprings.

If they are equal in relationship to the deceased they shall take part in inheritance.

2. Where relatives exist from both sides, two-thirds of the patrimony shall be given to the relatives of father side and one third to the relatives of mother side and the portions of each side shall be divided among them in accordance with the provisions of clause (1) of this article.

3. Provisions of clauses (1) and (2) of this article shall also apply on the third and fifth categories.

Article 2048:

1. In the second category the degree of relationship to the deceased shall be given validity even though they might not be from one side. In case of equality of degree and unity of side the strength of relationship shall be taken into consideration, whether the offsprings are Hasaba offsprings or maternal offsprings.

2. Where some of the children are Hasaba offsprings and some other maternal offsprings, preference shall be given to Hasaba offsprings and in case of difference in the sides of father and mother, two-third shall be paid to paternal offsprings and one third to maternal offsprings and the portions of each side shall be

divided among them in accordance with the above mentioned method.

3. Provisions of clauses (1) and (2) of this article shall also be applied to categories fourth and sixth.

Article 2049:

Where the heir is among the maternal offsprings, plurality of the degree of relationship shall not be valid unless difference of side is proved.

Article 2050:

In getting inheritance by maternal offsprings, the principal rule that male receives twice as much as the female shall be observed.

Part Six

Profession of blood lineage

Article 2051:

1. Where the deceased has professed the lineage of a person whose lineage is unknown and where the lineage of the said person is not proved otherwise, and the professor does not give up his profession either, the professed shall be entitled to the patrimony.

2. In order to acquire the right of inheritance it is imperative that the professed should be alive during the death of the professor or during the legal announcement of the death of professor, otherwise the impediments to inheritance shall have priority.

Part Seven

Miscellaneous Provisions

Newly born infant

Article 2052:

Where the newly born infant joins other heirs or causes restraint of loss for the heirs, he shall be paid the portion of one son or one daughter whichever is more than the other. Where the infant causes deprivation of inheritance, all the patrimony shall be left to him.

Article 2053:

Where the baby is born alive and active or where most part of body remains alive until it is delivered, the infant shall be entitled to inheritance. If child delivery takes place by a crime the infant, in any way, shall be entitled to inheritance and others may inherit from him/her.

Article 2054:

1. Where the deceased is survived by a wife, her infant shall become entitled to inheritance when he /she is born alive within a period of 365 days since the date of the death or separation.

2. The infant cannot inherit the property of mother than father except under the following two cases:

1- When the infant is born at most within a period of 365 days since the date of the death of father or date of separation while the mother dies in Eddat (a period of four months within which she is not permitted to remarry) or separates and the bequeather has died during the Eddat period.

2- When the infant is born at most within a period of 270 days from the date of the death of bequeather provided the marriage bond between the father and mother is established during the death of the father.

Article 2055:

Where the portion appropriated for the infant is less than the portion he is entitled to, the balance shall be taken from the portions of those who have received more than what they are entitled to. If the appropriated portion is more than the entitled portion the surplus shall be distributed to those entitled.

Person Missing

Article 2056:

1. The portion entitled by a person missing shall be set aside from the patrimony if a ruling is issued to his/her death according to the provision of Article 326 of this law.

In case he is proved alive he shall get his portion and in case ruling is issued to his death his portion shall be divided among other deserving heirs during the death of bequeather.

2. Where the missing is found alive after the ruling issued to his death, he shall take what remains from his portion with the heirs.

Part Three

Neuter

Article 2057:

One whose masculinity and femininity cannot be known shall be entitled to the least portion and the remaining patrimony shall be paid to other heirs.

Part Four

Bastard

Article 2058:

Bastard shall be entitled to the patrimony of his/her mother and relatives. Similarly mother and relatives of bastard shall be entitled to inherit the patrimony of bastard but father and relatives of bastard cannot inherit his patrimony.

Part Five

Events of Immersion, Fire and demolition

Article 2059:

Those who die in immersion, fire and demolition and when it is not known which one died before the other, they cannot receive inheritance from one another and their portions shall be divided among their living heirs.

Part Six

Ouster

Article 2060:

Ouster is that where heirs make compromise on ousting some of the heirs from inheritance against a specified thing.

If one of the heirs ousts the other heir he shall become his locum tenens and shall be entitled to his portion in the patrimony. If one of the heir is ousted by the remaining heirs his portion in the patrimony shall be divided among the remaining heirs proportionate to their shares in patrimony and if the goods are of their property and no mention is made in the ouster contract about the method of distribution, the portion of one ousted shall be equally divided among the heirs.

Sub-topic Five

Clearance of patrimony

Article 2061:

In case the bequeather does not appoint a tutor for clearance of the patrimony and one of the heirs demand settlement thereof, the court appoints a person to do so. In case all the heirs can not agree on appointment of a person, the court may, after hearing reasons of the heirs, appoint a person by its own will, so far as possible, from amongst the heirs.

Article 2062:

1. In case the bequeather has appointed a tutor for clearing the patrimony, the court is obligated to endorse

the appointment thereof.

2. All provisions pertaining to settler, are binding on the tutor of patrimony.

Article 2063:

The court in charge of financial matters, regularly registers the court's orders relating to the appointment of settlers in a special book in Abjadi letters, in a special log book. He is obliged to register all orders regarding appointment and dismissal in the observation column of the log.

Article 2064:

Registration of the orders issued on the appointment of the settler as regards persons who deal with the heirs on the immovable property, part of the patrimony, shall have the same effect as provisions contained in Article 2102 of this law.

Article 2065:

1. The settler, as soon as appointed, takes delivery of the patrimony, and under the supervision and control of the court, shall clear the same.

2. Expenses incurred in clearance, including the fee of the settler appointed by the court, shall be paid from the whole patrimony.

Article 2066:

The court is obliged to take immediate measures, when required, on the demand of the concerned person or the attorney general, or deemed essential by the court itself especially in regard to sealing of the goods, and putting intrust of cash money, documents and valuables.

Article 2067:

1. The settler is obliged to convert part of the patrimony to cash immediatly for paying the funeral and mourning expenses of the deceased in accordance with the status thereof. Similarly he is obliged to demand from the judge handling urgent cases to issue an order for paying maintenance to the family, heirs, from the patrimony in usual amounts until such time that the patrimony is cleared. Maintenance provided to each heir, shall be deducted from his portion of the inheritance.

2. All disputes arising from these expenses shall be tended to by the judge.

Sub-topic Six

Isolation of the patrimony

Article 2068:

1. From the date of issuance of order relating to the appointment of the settler the creditors may not

in any way interfere with the patrimony, or continue with the past interferences except in the presence of the settler .

2. any distribution which may have begun of the property of the bequeather, and its list is not yet closed, shall be stopped at the request of one of the concerned persons until such time that all credits due from the patrimony are not equalized .

Article 2069

The inheritor may not before receiving the inheritance title exercise possessory right in the patrimony.

Similarly, he may not receive credits due to the bequeather or exchange his debts with what is due to the bequeather .

Article 2070

The settler is obligated to adopt measures required for the protection of the patrimony, and take necessary actions that administration of the property requires .

Similarly, he is obliged to defend claims on patrimony and retrieve debts due to the bequeather .

Article 2071

From the view point of responsibility the settler has the status of hired advocate, even though he does not receive a fee. The judge is obliged to demand from the settler a statement of accounts at the times required .

Article 2072:

The settler is obliged to invite the creditors and debtors relating to the patrimony to define their rights and obligations vis-a-vis the patrimony through a declaration published in one of the newspapers, and installed on the bulletin boards of the court, and the entrance of the police centres. The creditors are obligated to define their demands within two months from the publication of the declaration.

Article 2073:

The settler is obligated to put at the disposal of the person in charge in the court the list of rights and obligations of the creditors and the debtors in regard to the patrimony within three months from the defined period, and inform all concerned persons about it. The settler may demand extending of this period from the court when necessary.

Article 2074:

The settler may seek assistance in description and pricing of the patrimony from informed and proficient persons.

Article 2075:

Any person who acquires something from the patrimony

through intrigue, eventhough he may be an heir, shall be convicted of and punished for the crime of breach of trust.

Article 2076:

Disputes pertaining to the validity of the definition of the patrimony shall be referred to the court within 30 days from the date of delivery of the list. In case the court after investigation recognizes the dispute as serious, it shall accept it. The case will be processed in accordance with the provisions of the civil procedures.

Sub-topic Seven

Equalisation of debts of the patrimony

Article 2077:

The settler, after the expiration of the period of the dispute, with the permission of the court, pays the debts which are not subject of dispute. Disputed debts shall be paid after the issuance of the final verdict.

Article 2078:

In case the settler is convinced of insufficiency of the patrimony, or the plausibility thereof, he shall suspend payment of debts until the issuance of the final verdict

of the court in regard to disputes relating to the debts against the patrimony, even though some of the debts may not be subject of dispute.

Article 2079:

The settler shall pay the debts of the bequeather from the royalties of the patrimony, from the cash money, and price of the movable goods amongst the patrimony. In case these are not sufficient, debts shall be paid from the cost of the immovable property.

Article 2080:

Sales of movable and immovable property included in the patrimony takes place at open bidding in accordance with regulations governing compulsory sales except when all of the heirs agree upon sales in another manner. In case the patrimony is claimed creditors, the agreement of the creditors is also imperative and the heirs may participate in the bidding.

Article 2081:

The court may, on the basis of the demand of all of the heirs, order mediate debts to be paid immediately and determine the sum that the creditors is entitled to.

Article 2082:

In case all of the heirs do not agree on rendering mediate debts to immediate debts, the court shall take over the distribution of the debts and the distribution of the patrimony appointing to each heir a part of the debts and a part of the the patrimony as a consequence of which it will be proportionate the share of each heir in the patrimony.

Article 2083:

The court determines sureties in the movable and immovable property in the patrimony for each creditor in a way that sureties determined for each of the creditors be preserved in the determined form. In case such an arrangement is not feasible the court determines surety for all of the patrimony.

Article 2084:

Each one of the heirs, after distribution of the mediate debts, pay his portion of the debt before the maturation thereof.

Article 2085:

The creditor who can not acquire his right due to commission thereof from the list of goods included in the

patrimony, and has no guarantee in the patrimony, may not seek recourse to the persons of good will who have won title to the said goods, but he may seek recourse to the heirs by reason of their wealth.

Article 2086:

The settler, after payment of the debts due from the patrimony, shall execute the will and perform other responsibilities.

Sub-topic Eight

Delivery of the patrimony and distribution thereof

Article 2087:

After fulfilling liabilities pertaining to the patrimony, the remaining thereof shall be distributed to the heirs in accordance with the proportions defined by the Shariat.

Article 2088:

The settler is obligated to deliver to each of the heirs the portion he is entitled to from the patrimony.

Article 2089:

The heirs may, after the lapse of periods, as required in the list of specifications of the patrimony, take tentative delivery of those goods and monies which are

needed at the time of clearance of patrimony, to put in use some of them with or without guarantees.

Article 2090:

The court gives to each of the heirs a document ascertaining his right in inheritance, description of the portion he shall receive, and the goods which will go to him in the clearance of the patrimony after the said person submits to the court a legal document, or as pertinent reasons, for his inheritance.

Article 2091:

Each one of the heirs may demand from the settler that he deliver his part in the patrimony separately to him, except when the inheritance must remain common by reason of prior agreement or provision of the law.

Article 2092:

In case the acceptance of the demand for part is imperative, the settler shall divide the patrimony in a friendly way, but such a division shall not be deemed final until all the heirs have approved it.

Article 2093:

In case the heirs, do not consent to it unanimously, the settler is obligated to put the case before the court at the expense of the patrimony in accordance with the law.

The expenses incurred during the processing of the case shall be deducted from the parts of the heirs.

Article 2094:

In case of division of the patrimony, provisions related to division particularly those related to guarantee, aggression, winning by reason of right, and fraud, shall apply.

Article 2095:

In case one of the heirs, at the time of division, is allotted the credit due to the patrimony, and the debtor becomes bankrupt after the division, the rest of the heirs do not stand surety except when otherwise agreed upon.

Article 2096:

Division of patrimony by will is valid when parts of each heir is fixed to the extent he is entitled.

Article 2097:

The division which is willed after death, may be repealed, but it shall be applicable after the death of the bequeather.

Article 2098:

In case the division after death does not embrace all of

the patrimony, the goods remaining shall be divided to all of the heirs in accordance with the regulations pertaining to inheritance.

Article 2099:

In case one or several possible heirs, assigned parts in the patrimony by will, die before the death of the bequeather, their parts shall be divided to other inheritors in accordance with regulations pertaining to inheritance.

Article 2100:

Regarding division of patrimony after death, all provisions pertaining to general division, except provisions regarding fraud, shall be applicable.

Article 2101:

In case the division does not include debts due from the patrimony, or when the debts are included and the creditors do not agree on dividing thereof, each one of the heirs may, when the debts are not paid by consent of the creditors, demand application of the division as willed by the bequeather, and to the extent possible, the credits on which the division is based.

Article 2102:

In case the patrimony is not settled in accordance with the past provisions the regular creditors may establish their rights, or what is prescribed to them on immovable property, part of the patrimony in their possession provided that the credit is ascertained in accordance with the provisions of the law.

Topic Two

Will

Sub-topic one

general provisions

Article 2103:

Will constitutes possession in the patrimony in a way that it would become effective after the death of the bequeather.

Article 2104:

A will is made in word or in writing; in case the bequeather is unable to write or speak, he may employ customary signs.

Article 2105:

The condition of validity of will is that it may not be prescribing an offence, or that it is not contrary to dictates of religion.

Article 2106:

The will of a non-moslem person is valid except when it is contrary to the principles of his own, and islamic shariat; or the law is express on invalidity and inapplicability thereof.

Article 2107:

With due consideration to the provisions of article 2105 and 2106 of this law the will may be subject to mediate or immediate condition.

Article 2108:

The maker of will should legally be in a position to bequeath and must be of majority age.

Article 2109:

A person included in the will, must be known and specified at the time the will is made.

Article 2110:

Commanding by will in the name of God for humanitarian purposes without defining directions, is valid, and shall be expended on welfare; similarly commanding by will for mosques, scientific institutions and public interests is valid. In such circumstances the property subject of will shall be spent on constructions and other

purposes needed in the interest of the needy and for other purposes, except when the manner of expenditure is otherwise in the custom, or stipulation.

Article 2111:

Commanding by will on definitive welfare institutions that will be established in the future is valid, and in case such institutions do not come to being, the property subject of will shall be expended for similar purposes.

Article 2112:

1. Will shall be valid despite difference in the religion and nationality; similarly the difference in country shall invalidate will except when the maker of will is a citizen of an islamic country, and the beneficiary of the will is non-moslem and a citizen of an non-moslem country, and the law of his country does not permit him to draw a will of this nature.

2. Alien may not, on the basis of the will mentioned in section one of this article, acquire immovable property.

Article 2113:

Property subject of will shall have the following specifications:

1. Must be of goods that may be inherited, or can become subject of contract while the bequeather lives.
2. In case the subject of will is goods, they must be of the type that remain with the bequeather.
3. In case the subject of the will is something of a definite nature, it should be in possession of the bequeather while making his will.

Article 2114:

1. Granting by will the rights transferred through inheritance is valid.
2. granting by will the benefits of the leased goods, even though the leasee has died, is valid.

Article 2115:

Commanding by will lending a specific amount to a person is valid; in case it amounts to more than one third of the patrimony, the will can be executed only with the consent of the heirs of the bequeather.

Article 2116:

In case the bequeater becomes absolutely insane, and dies in such a condition, the will thereof shall become void. Similarly in the case of a person willed, in

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case he dies before the bequeather, the will shall be void.

Article 2117:

In case the subject of will is a definite thing, and it perishes before the person willed has accepted it, the will shall become void.

Article 2118:

The will of a person whose property is immersed in debt is void except when the creditors forego their dues and permit the will to be made.

Article 2119:

1. With the premeditated murder of the bequeather by the beneficiary of the will, the will becomes void, be it voluntary or mandatory, regardless of whether the beneficiary is the actual murderer, accomplice, or false witness leading to death sentence and execution thereof provided that the murder takes place without right and without excuse, and the murderer has completed the age of 18.
2. Deprivation of the murderer from the benefits of the will defined in section one of this article shall not be revoked by permission of the heirs, and consent of the murdered before his death.

Article 2120:

In case the rights of the bequeather are affected by virtue of his stupidity, or ignorance, it shall not lead to revocation of the will.

Sub-topic two

Withdrawing of will

Article 2121:

The bequeather may, in express or implied manner, transgress from part or whole of the will.

Sub-topic three

Acceptance or rejection of will

Article 2122:

1. Will becomes binding after the express or implied acceptance of the person concerned.
2. In case the person concerned is unborn, faulty, or deprived from rights the acceptance or rejection of the will shall take place by the person appointed by the court as the guardian thereof.
3. In case the will concerns institutions, businesses, companies etc. the rejection or acceptance shall take place by the persons who represent them.

In case there is no person to represent, the will becomes binding without acceptance.

Article 2123:

In case the person subject of will dies before accepting or rejecting the will, heirs thereof shall be the locum tenens.

Article 2124:

In case the heirs of the bequeather or the executor of a will, declares the details of the will through an official notification to person to whom the will is directed and demand the expression of his will as to acceptance or rejection of the will, in case the person in question does not submit a written answer within thirty days without pertinent excuse the will is considered void.

Article 2125:

In case the person subject of will accepts a part of the will and rejects the other part, the will becomes binding on the part accepted, and void in the rest.

Similarly when some of the persons subject of will accept it, and some do not, the will becomes binding on persons accepting it, and void as regards the persons who have rejected it.

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Article 2126:

1. Will does not become void when rejected prior to the death of the bequeather.

2. In case a person subject of will, after the death of the bequeather, rejects whole or part of the will, and one of the heirs acknowledges this rejection the will becomes void, and when none of the heirs acknowledges the rejection, the rejection is null.

Article 2127:

1. In case a person subject of will is present at the time of the demise of the bequeather, he shall immediately become entitled to the benefits of the will, except when the will entitles him to the property after the lapse of a fixed period of time from the death of the bequeather.

2. Additions to the goods subject of will become the property of the person willed upon his acceptance of the will, and the said person from the moment of acceptance becomes responsible for the expenses required by the subject of the will.

Sub-topic Four
effects of will

Part One

Beneficiary of the will

Article 2128:

1. Bequeathal to undefined numbers is valid, and the benefits will go to needy persons. The goods subject of will shall be distributed through independent tutor or the court to the needy.

2. In the above circumstance the tutor or the court is not obligated to observe the condition of disbursing to all and equitably.

Article 2129:

In case the will is made in the name of a clan with words that without mentioning of names embrace all members of the clan, and later appear among the clan members which did not exist at the time of the bequeathal., all the goods subject of bequeathal shall belong to those who at the time of the will were covered by it.

Article 2130:

In case the will embraces definite persons, or a society or a direction, or definite persons and society and a

In every direction, every one of the persons defined and members of the society, be they defined or non-defined, and in every direction, receive a part of the subject of will.

Article 2131:

In case the will is drawn up for definite persons, the part of the persons who are not included in the will, shall be returned to the patrimony.

Article 2132:

In case the will pertaining to definite persons or a society becomes void, what is willed shall be returned to the patrimony of the deceased.

Article 2133:

Will pertaining to unborn is valid in the following circumstances:

1. When the bequeather, while drawing the will, is admitted of the inception, and the infant is born, alive and active, within 365 days, or less, from the date of the will.
2. When the bequeather has not admitted the inception but the infant is born, within 270 days from the date of will, alive, provided that the pregnant, at the time of drawing the will, was not in period of death, or of period of divorce. Otherwise if the infant is born within

365 days from the date of death or separation, alive, the will is valid.

Article 2134:

In case the will is made to offspring conceived of a definite person, apart from the conditions prescribed in article 2133 of this law, proof of paternity of the person defined is also a condition for the validity of the will.

Article 2135:

The yields of the willed property shall be kept until the live and active birth of the infant, and thence shall belong to him.

Article 2136:

1. Where the pregnant gives birth simultaneously to two more infants, or in a period less than six months, the property subject of will shall be divided among them equally except when expressly otherwise provided in the will.

2. Where one of the twins, or more infants, die, all the will shall be applicable to the baby remaining alive.

3. Where a baby dies after birth, in case the subject of will is goods, they shall belong to the heirs of the bequeather.

Part Two

The willed thing

Article 2137:

A will entailing about a third of the patrimony to heirs and non-heirs is valid, and shall be enforced without the permission of the heirs; a will entailing more than a third of the patrimony is also valid, but enforcement thereof shall be pending on the permission of the heirs after the demise of the testator provided that the person granting leave enjoy the capacity to endow, and is in knowledge of what he has granted.

Article 2138:

The will of a person who has not heir, and is not in debt, entailing all or part of the patrimony, shall be enforceable without the permission of the persons representing the treasury of the state.

Article 2139:

The will of the persons immersed in debt is valid, but shall not be enforced prior to his acquittal from debts. In case the indebted is acquitted from a part of the debt, or his patrimony is not immersed in debt, the will shall be enforceable in as much as of the patrimony that exceeds the debts.

Article 2140:

In case the debt does not cover all of ~~the~~ patrimony, and all or part thereof is paid from the testated patrimony, the beneficiary of the will may claim the two third of the patrimony after payment of debt.

Article 2141:

Where the will is made for an amount equal to the share of a definite heir the beneficiary of will shall become entitled to the share of that heir in addition to the fixed portion he is entitled to.

Article 2142:

In case the will entails the portion of one heir, when all heirs are entitled to equal parts in the patrimony, the beneficiary of the will receive one part; when the parts due to heirs differ, the beneficiary of the will shall receive a part equal to that of the heir which is entitled to a smaller part.

Article 2143:

In case the will entails a definite part of a debt or goods, and the patrimony includes money and goods which are absent, when the willed part can be paid from the part of the patrimony at the disposal of the heirs, the beneficiary of the will shall be entitled to it. Otherwise he shall receive one third of the patrimony at

and, and the remaining two thirds shall go to the heirs.
When the said goods or debts become available, the beneficiary of the will shall receive one third thereof.

Article 2144:

In case the willed patrimony includes debts or goods which are absent, the beneficiary of the will shall receive his share from the part of the patrimony at hand. Whenever the absent debts or goods from the patrimony becomes available, he shall receive his share thereof.

Article 2145:

In case a share in a definite type of indivisible property is willed, and some of the debts or goods included in the patrimony are absent, when the share of the beneficiary of the will can be given from one third of the part of the patrimony at hand, he shall receive the property willed. When the said thing comes at hand the beneficiary of the will shall receive one third thereof provided that this does not entail any loss to the heirs, otherwise the beneficiary of the will shall receive the price of the thing due to him.

Article 2146:

1. In the above cases when the debt is payable by

one of the heirs, it shall be paid off from his part in the patrimony, and thus that part of the patrimony shall be considered at hand.

2. In case the debt entails goods of the type other than those present, when it equals the share of the heir in part of the patrimony at hand, it shall be considered as present in the patrimony; when the share exceeds the part due to the heir, the debt shall be considered present to the extent of the share of the heir from the part of the patrimony at hand.

3. In circumstances prescribed in section 2 of this article the heir can not possess his share in the patrimony until he has paid his debt; when the heir does not pay his debt, the judge shall sell his share of the patrimony, and pay the debt from the sales proceeds thereof.

Article 2147:

In case the will entails definite goods, or a type of goods from the patrimony, and the said goods perish, or won by virtue of title, the beneficiary of the will shall not be entitled to anything. When a part of the said goods perish or won by reason of title, the beneficiary of the will shall be entitled to the remaining thereof,

provided it does not exceed one third of the patrimony; in case it does, he shall be entitled to one third of the patrimony.

Article 2148:

In case the will entails a part in definite indivisible goods, and the said goods perish, or won by reason of title, the beneficiary of the will shall not be entitled to anything. In case a part of it perishes or won by reason of right, the said person shall receive the share due to him by reason of will from the remaining portion, provided that it suffices, and that it is no more than one third of the patrimony, or else he shall receive a third of the remaining part, or a part of it that may not exceed one third of the patrimony.

Article 2149:

When the will entails a part in a kind of indivisible goods, and the said goods perish or won by reason of right, the beneficiary of the will shall not be entitled to anything. When a part of the said goods perish or won by reason of right the said person shall receive his right from the remaining of the goods, provided that it can be retrieved from one third of the goods; otherwise he shall receive one third thereof.

Article 2150:

A will entailing several indivisible goods, shall be reckoned as will entailing a single indivisible goods.

Part Three

Will entailing benefits

Article 2151:

1. In case the will entails benefits from a definite person for definite period, the said person is entitled to the said benefit for period defined. In case the period involved expires before the death of the testator, the will is considered as void; when a part of the period expires before the death of the testator, the said person is entitled to the benefit involved for the remaining period.

2. In case the period is defined, but the beginning thereof undefined, it shall start from the date of the death of the testator.

Article 2152:

1. In case one of the heirs prevents the beneficiary of the will from obtaining the benefit, for the entire or part of the period, he is bound to pay compensation in kind, except when all of the heirs agree to allot

another period for dispensing of the benefit equal to the period prescribed in the will.

2. In case all of the heirs are involved in preventing the beneficiary of the will to obtain the benefit willed to him, the latter is free to seek compensation, or obtain the said benefit in another period.

3. In case the testator, or a circumstance which renders utilisation of the thing, and deriving of benefit for the beneficiary of the will, bars obtaining of benefit, when the said circumstance is terminated, a new period for substitution of the benefit must be fixed.

Article 2153:

1. In case the benefit is willed to a race as a whole and which is not threatened with extinction, or for a welfare purpose, the beneficiaries shall enjoy the benefits on a permanent basis.
2. In case the benefit is willed to race whose extinction is foreseen, the beneficiaries of the will shall enjoy the benefits until such time as they live.
3. In case the willed benefits are for a definite period, even if the start and termination of the period is not prescribed, provisions of articles 2151 and 2152 shall apply.

Article 2154:

In case benefits are willed for certain race and for a certain period, and after that for ~~locum tenens~~ thereof, and the extinction of the said race is not likely, or for welfare purpose, but within 33 years from the death of testator, and the appointed person becomes not available, or they appear within the said period, and become extinct prior to the expiration of the said period, the benefit throughout this period, or part thereof, shall be assigned to the party considered of greater public benefit.

Article 2155:

In case the goods whose benefit is willed to another person, and may be utilised in ways other than ways willed, the beneficiary of the will may utilise them in a desirable way provided that this does not incur any damage on the goods.

Article 2156:

In case the will entails foodgrains and harvests, the beneficiary of the will shall be entitled to the foodgrains and harvests available at the time of the death of the testator, and what becomes available in the future, unless a reason to the contrary comes to existence.

Article 2157:

If will is made for the sale and mortgage of the property within a definite period and for a fixed rent and the said rent or price is grossly fraudulent and is much less than the like price but not less than one third of it, the will shall be enforced.

2 Where gross fraud exceeds one third the will shall not be enforced without the permission of the heirs as for as extra amount is concerned unless the reason willed pays the balance.

Article 2158:

Sharing of benefits in the form of foodgrains and harvests between the heirs and the beneficiary of will shall take place in accordance with portions due to each, either distributed by virtue of time and place, or distribution of the goods, provided that the said goods are divisible without any side incurring a loss.

Article 2159:

In case the benefits of the goods are willed to one person, and the goods themselves to another, taxes and duties on the goods, and inputs essential for deriving benefits, shall be the responsibility of the person receiving the benefits.

Article 2160:

Benefits willed shall terminate with the death of the beneficiary before receiving all or part of the benefits willed, by purchase of the goods whose benefits is willed by the beneficiary of the will, by annulling the transfer of right to heirs either by substitution or without, and with winning of the goods by reason of right.

Article 2161:

The heirs of the testator may sell their part in goods or benefits thereof without the permission of the beneficiary of the will.

Article 2162:

In case benefit is willed in absolute or permanent way or conditioned to the length of life of a definite person the said person may enjoy the benefit so long as he lives provided that he becomes entitled to the benefit willed within 33 years after the death of the testator.

Article 2163:

1. In case the will entails all or part of the benefits of the goods on a permanent or absolute way, or for the life of the beneficiary of the will for a period exceeding ten years, it shall be calculated as

expires, or the beneficiary of the will dies.

Article 2166:

In case the salary is willed from the benefits of the patrimony or benefits of certain goods thereof for a definite period, the patrimony or the said goods shall be priced, first without the salary, and then with the salary, and the difference between the two shall be the value of the benefits willed; when this does not exceed the value of one third of the patrimony, the will shall be enforceable; when it exceeds the value of one third of the patrimony, and the heirs do not permit payments in excess of one third, the will shall be enforceable to the extent of one third of the patrimony and the excess salary, or what of the patrimony or goods is drawn upon for it, shall be the right of the heirs of the testator.

Article 2167:

In case the will entails salary for a definite person from the capital or benefits, in absolute, permanent from or for the length of life of the beneficiary of the will, the length of the life of the person shall be reckoned by physicians, and when the will relates to the capital, a part of the patrimony which ensures

2. In case the will entails benefits for a period less than ten years, it shall be calculated on the value of the benefits willed for that same period.

Article 2164:

In case the will entails one right from the rights pertaining to the goods its value shall be calculated on the basis of the difference between the cost of the goods and rights, and their cost without the right willed.

Part Four

Willing of salary

article 2165:

Will entailing payment of salary from the capital for a definite period of time is valid, and shall be paid in amounts that guarantee the enforcement of the will in manner that does not sustain losses on the heirs.

2. In case what is essential for the enforcement of the will entails more than one third of the patrimony, and the heirs do not permit payments exceeding this, the will shall be enforceable to the extent of one third of the patrimony; in this and in benefits thereof the will shall remain in force until such time that the beneficiary of the will acquires right up to the extent of one third of the patrimony, or the period covered by the will

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yments of the benefits willed in accordance with provi-
of article 2165 shall be suspended, and when the be-
fits are willed from dividends, these shall be suspended
the extent prescribed in article 2166 of this law to
ffice the salary willed.

Article 2168:

r the circumstance prescribed in article 2167, when the
beneficiary of the will dies before the time predicted
y the physicians the benefits yet to be recouped shall
e the right of heirs thereof, or the person he assigns
y will; in case the property suspended for the purpose
s finished or the said person lives longer than
o eseen by the physicians the beneficiary of the will
ay not seek recourse to the heirs of the testator.

Article 2169:

In case the benefits of the suspended property for
enforcement of the will pertaining to salary from capital
does not suffice, to allow payment of salary a part of
the said property shall be sold. In case the benefits
exceed the amount of salary prescribed by will, the
excess shall belong to the heirs.

Article 2170:

In case the benefits exceed the amount of salary willed, the excess shall be kept until the period prescribed in the will; when the suspended property by reason of drought or similar causes does not yield as much benefits, in certain years, as to suffice payments willed, the deficit shall be made up of excess benefits kept from past years.

Article 2171:

In case it is defined in the will that the salary should be paid yearly, if facts indicate this, yearly excess benefits shall be paid to the heirs of the testator.

Article 2172:

1. In case salary is willed to a diction which is of continuous and permanent nature, from the patrimony a quantity shall be suspended that will allow the enforcement of the will, provided that it does not exceed ~~from~~ one third thereof. In case it does exceed one third of the patrimony, as regards the excess over one third, permission of the heirs is a condition.

2. In case the property thus suspended yield greater benefits than the salary willed, the beneficiary of the will shall be entitled to it; in case the benefits do

not amount to the salary, the beneficiary may not seek recourse to the heirs.

Article 2173:

In circumstances covered in articles 2165-2171 the heirs of the testator may establish control and exercise possession on the property suspended for enforcement of will provided that either at the consent of the beneficiary of the will, or by appointment of the judge all the willed salary be placed in trust; and if the beneficiary of the will dies before all the sum put in trust runs out, the remaining shall be returned to the heirs.

Article 2174:

With appropriation and laying in trust the rights due to the beneficiary of the will, all rights of the latter in the patrimony are ceased.

Article 2175:

Will entailing salary from capital with dividends thereof relating to persons who are nonexistent at the time of the death of the testator is not valid. The duration of life of the existing persons shall be reckoned by physicians, and the will, in accordance with regulations pertaining to will, shall be enforced in connection with defined persons.

Part Five

Provisions pertaining to increase in willed property

Article 2176:

In case the testator changes the attributions of the willed goods, or brings about an increase in it, such as reparations, which would not be independent on its own, the said goods, along with the increase, shall be deemed willed property.

Article 2177:

In case the increase in the goods is independent in itself, such as trees, and edifice, then the heirs, and the beneficiary of the will shall share the whole property in as much as the increase in value is concerned.

Article 2178:

1. In case the testator demolishes and rebuilds the willed property, even though with changes in attributions, the said property shall be considered as willed property in new condition.

2. In case the structure is built in manner different from original state, the heirs shall share the property with the beneficiary of the will in as much as the

Article 2179:

In case the testator demolishes the willed property, and merges the land thereof with other land, owned by him, the beneficiary of the will shall share the whole building and land, in as much as the value of the willed land is concerned.

Article 2180:

Except as provided for in foregoing articles, what is paid on the willed property by the testator, or what is added by him to the said property, and by current custom, or there are signs indicative of additions having been made by the testator, the increase shall become part of the willed property.

Article 2181:

In case the testator forms from the willed building and another building owned by him a single structure, so that sale or delivery of the willed property on its own will not be possible, the beneficiary of the will shall share the whole property with the heirs in as much as the value of the willed property is concerned.

Subtopic Five

Obligatory will

Article 2182:

Where the deceased has not made will for the offspring of his son, died during the life of deceased or declared dead together with the deceased, to be entitled to inheritance like what the said mentioned son would have been entitled to the patrimony if he had been alive during his death, the offspring shall become entitled to one third of the patrimony provided the offspring is not inheritor and the deceased has not given him, during his life time, goods in grant equal to the share he is deserving. Where he is given goods less than what he deserves, he shall be entitled to the amount which would complete the said share.

Article 2183:

The will provided in Article 2182 of this law shall be for the first stratum of daughter's offsprings and son's offsprings, even though their order are descending, in such a way that each ascendant shall prevent his descendant without others, descendant and the portion of each ascendant shall be divided to his descendant even though the division of inheritance is degraded like that with the deceased through ascendants and

Article 2184:

Abidance by provisions of article 1999 and article 2000 is imperative in mandatory will.

Article 2185:

In rights accruing from mandatory will, the offspring is not entitled to a share larger than what the principal, should he be alive, would receive from the bequeather.

Article 2186:

1. In case person bequeaths more than the share of a beneficiary of a mandatory will, the balance is considered voluntary; and if the will entails less than his share, completion of the share is mandatory.

2. In case for some persons, beneficiaries of mandatory will, there is bequeathals and for some not, the will shall apply to those given a bequeathal.

3. The share of the person not included in the will, and the balance of the share of those who are bequeathed less, shall be given from the remaining of third, and if the third does not suffice, it shall be given from third and what has been allocated for voluntary bequeathals

Article 2187:

Mandatory will shall override other wills.

Article 2188:

In case no bequeathals are made of mandatory beneficiaries,

and bequeathals are made for others, those who are entitled to mandatory bequeathals shall receive their shares from one third of what remains from the patrimony if that suffices, in accordance to the proportions deemed mandatory, and if that does not suffice, it shall be given from the one third of what remains from the patrimony, and that which is willed to others.

Article 2189:

In all circumstances covered in article 2186, 2187, and 2188 of this law, what remains from voluntary bequeathals, with due consideration to the provisions related to voluntary bequeathal, shall be distributed, to those entitled in accordance with proportions prescribed for them.

Subtopic Six

Insufficiency of will

Article 2190:

In case the will exceeds one third, and the heirs permits execution thereof, but the patrimony can not suffice the fulfilment of the will, and one third of the patrimony shall be divided among the beneficiaries of the will in accordance to their shares, provided that the person

who is bequeathed in goods, shall receive his share from the goods bequeathed to him.

Article 2191:

In case the will devoted to Thawab (for deeds to receive the blessing of God), and it entails in totality Farz, Wajeb or Nawafel (what the god has commanded, what is divinely recommended, or what is done purely in seeking the blessing of God) and the bequeather has not fixed proportions, the bequeathal shall be equally divided for these purposes; and if different shares are fixed for each, and the patrimony does not suffice, it shall be divided in accordance with the shares fixed.

Article 2192:

In case the will entails different kinds of Thawab, and the bequeather allocates equal proportions, then the subject of will shall be divided equally; in case different portions are fixed for different Thawab, and the bequeathal does not suffice all kinds of Thawab, then Farz shall be given precedence over Wajeb, and Wajeb over Nafil; and the portion for each Thawab shall be equally divided among beneficiaries.

Article 2193:

In case will entailing Thawab is combined with will entailing other purposes, the bequeathal shall be divided equally.

Article 2194:

In case will entailing sakry falls short, and some of the beneficiaries die, or a beneficiary becomes extinct, the said proportions shall belong to the heirs of the bequeather.

Subtopic Seven

Miscellaneous provisions

Article 2195:

1. Every lawful action emanating from a person suffering a fatal disease for the purpose of generosity, shall be valid after the death thereof, and shall be subject to provisions related to will, and words and tense shall not be considered as binding.

2. To prove that the lawful action took place at the time of death, is the responsibility of the heirs; to do this they can make use of all means and ways of proving. The heirs shall not be held for a date in the document, when this date is not definite.

Article 2196:

In case the heirs prove that the lawful possession was exercised by the bequeather while suffering from fatal disease, the said possessions shall be considered as act of generosity unless the person in whose benefit the possession is exercised proves otherwise. This provision applies when there exist no provisions to the contrary.

Article 2197:

In case a person exercises possession in the benefit of one of his heirs, and undertakes the upkeep and utilisation of the said goods, in one way or another, in the course of his life, the said possession is retained after death and provisions related to will shall apply, unless reasons to the contrary arise.

Topic Three

Addition to land

Article 2198:

In case new land comes into being from overflowing of the river, joining land owned by another person, the new land shall be considered property of the state.

Article 2199:

Lands newly discovered on the banks of still waters, shall

be the property of the owners of

adjoining lands; but they do not lose the ownership of the land they lose as a result of the rise in the level of water.

Article 2200:

Lands that are discovered on the banks of rivers shall be considered as the property of the state.

Article 2201:

The ownership of the land that comes to being as a result of river changing course, and the islands that are formed in its course shall be regulated through special law.

Article 2202:

All structures, trees planted, and other establishments created by action of the owner of land shall be considered his property.

Article 2203:

Every structure, trees planted, or other establishments created by the owner making use of materials owned by others, shall be considered the property of the owner of the land and shall be obliged to pay price of materials used and when pertinent reasons exist, compensation too, provided that retrieving of the materials would not be possible without infliction of grave damage to the said establishments.

Article 2204:

In case a person, using personally owned materials, builds a structure or other establishments on the land of another person, despite awareness of the ownership of the land by the other, without the consent of the owner of the land, the owner of the land may demand removal thereof at the expense of the builder or establisher. When pertinent reason exists compensation shall also be demanded.

In case the removal of the building or structure is not possible without infliction of damage to the land, the owner of the land may acquire the ownership of the things that ought to be removed against payment of cost.

Article 2205:

In case the person building the structure, or establishments included in article 2204 of this law, believes in good will that, he is rightful in building of the said establishments, the owner of the land may not demand the removal thereof, but may pay the cost of materials and wages of the workers or what is added in the price of the land by virtue of the new establishment whichever he pleases provided that the owner of the establishments does not demand removal thereof.

Article 2206:

In case the structure of establishments included in article 2205 of this law are so big that the owner of the land can not afford paying their cost, the owner of the land may demand acquiring the ownership of the land from the builder of the establishments against fair compensation.

Article 2207:

Whenever the establishments, making use of materials owned by the builder of the establishments, are built with the permission of the owner of the land, eventhough no agreement is reached on the specifications of these establishments, the owner of the land may not demand the destruction thereof, but is obligated to pay their costs when they remain; unless the builder of the establishments demand the destruction thereof.

Article 2208:

In case a person sows the land of another person without the permission of the owner of the land, and the seeds grow, the harvest belongs to the owner of the land.

Subtopic Two

Addition, linkage to movables

Article 2209:

In case two movable commodities, property of two different persons, mixed with good will and without prior agreement of the owners in a manner that they can not be separated without their perishing, the owner of the most of the mixed commodities, shall be recognised as the owner of the movable against payment of the cost thereof.

Topic Four

contract

Article 2210:

Ownership and other property rights in land and movables shall be transferred through contract, provided that the contract is concluded in a valid, conclusive, effective binding manner.

Article 2211:

Ownership of the movable which can not be defined without description of its kind can not be transferred without separation thereof. In accordance with the provisions of the law.

Article 2212:

The ownership of property and other property rights shall not be transferred when conditions set forth in the law in relations to registration of documents are not abided by.

Topic Five

Preemption

Subtopic one

general provisions

Article 2213:

Preemption constitutes the right of acquisition of all or some of the property sold from the buyer against payment of price and expenses incurred eventhough it may be mandatory.

Article 2214;

The right of preemption is acquired by reason of linkage of property of the person with the right of preemption with the property sold, be it linked by virtue of partnership or location.

Article 2215:

Partnership in preemption are two kinds; partnership in

the property sold, and partnership in rights thereof.

Article 2216:

Partnership in the property sold is that in which the preemptor has share in it.

Article 2217:

The joint owner of the land on which the compound wall stands, is considered to be part owner of the property.

Article 2218:

Partnership in the right of the property sold shall constitute partnership in the water right or right of way, be this share be specified to one or more.

Article 2219:

The neighbour of the property sold is considered as preemptor.

Article 2220:

In case the lower floor is owned by one, and the floor above it by another, the two owners are considered to be neighbours owning adjoining properties.

Article 2221:

1. In case cause for the right of preemption

converge^s, the stronger cause shall be given precedence; first comes the coowner of the property, then coowner of the land of the compound wall, then partowner of the special rights of the property sold, and after that the person owning the adjoining property.

2. In case one of the persons included in the above clause foregoes the right of preemption, or his right is revoked, it is transferred to the person next in the order of precedence.

Article 2222:

The right of preemption to partners is afforded in accordance with the number of partners not on the basis of the size of their share in the property; thus if one of the partners sells his share to one of the other partners, the latter will still be just one of the partners, and the property sold shall be divided among them.

Subtopic Two

Proving of preemption

Article 2223:

Preemption is proved after the sale and existence of pertinent reasons.

Article 2224:

The sale in which preemption is proved, must meet the following conditions:

1. The property must be owned, even though it is indivisible.
2. The sale should be valid and effective and when the sale is incomplete there should be no right of repeal, and there should be no option in the interest of the seller.
3. Substitution for the sale goods should be goods.

Article 2225:

In properties through which preemption is proved, it is a condition that they be property of the preemptor at the time it is won by reason of preemption right, and it is a condition that the preemptor has not consented to the sale either express or implied.

Article 2226:

In the following cases there is no right of preemption:

- In reward for no return, alms, inheritance of giving by will, or in lands for which there is no financial return.
- In movables fixed on the land and trees when sold without the land on which they stand, and when the movables and trees are sold along with the land, the right of preemption shall be fixed.

- 3- In structure and trees which stand on the land owned by the state
- 4- In endowment and for endowment.
- 5- In division of land among partners.
- 6- In sales in which the seller has the option of condition, except when the seller has foregone the option, and the sales has become binding.
- 7- In what is sold by open tenders or in accordance with procedures in force by the state.
- 8- In what is sold among ascendants and descendants, or between spouses or among relatives up to fourth grade, or between relatives up to second grade.
- 9- In what is sold for expropriation, or for construction of mosque, or for annexing thereto.
- 10- Other instances foreseen by special law.

Subtopic Three

Demand of preemption

Article 2227:

Preemption is demanded in three manners:

1. immediate exercise of right
2. demand by way of witnesses
3. demand by recourse to court

Article 2228:

The immediate exercise of right of preemption is that when preemptor in the session of contract immediately on becoming aware of the sale, the buyer and the price, without issuing anything that connotes foregoing of his right demands it and for fear of denial on the part of the buyer brings out witnesses to back his demand.

Article 2229:

Demand by way of witnesses is that when preemptor brings out witnesses on the seller if the property is in his possession, against the buyer even if the property is not in his possession, or at the time of sales contract to back his demand, even though the demand is not made in writing or through messenger; when he is able to bring out witnesses and does not do so, the right of preemption is revoked.

2. In case the preemptor brings out witness at the time of immediate demand in the presence of either the seller or the buyer, this connotes both kinds of demands.

Article 2230:

1. Demand for ownership is demand for hostility before the court.

2. In case the preemptor fails to obtain the object of sale by immediate exercise of right of demand and by demand by way of witnesses, he is obligated to issue an official warning pertaining to his desire to purchase the object of sale, by way of preemption, to the seller and the buyer within one month from the time he becomes aware of the deal.

Article 2231:

The official warning included in article 2230 must include the following points.

1. adequate description of the property whose acquisition through preemption is intended.
2. description of the price, official expenditures, conditions of sale, and names of each one of the buyer and the seller, along with their titles, professions, and places of residence.

Article 2232:

1. So long as the declaration of intention of a person in exercising the right of preemption is not registered, it can not be used against another person.
2. In case the buyer refuses to accept the demand of the preemptor, the latter is obligated to, within 30 days after the declaration of his intention, deposit the price

of the object of sale in a treasury or bank in the area where the property is located, before the case is referred to the court, otherwise his right of preemption shall be revoked.

Article 2233:

1. Litigation pertaining to preemption against the seller and the buyer shall be submitted, within 30 days after the declaration mentioned in article 2232 of this law, to the court, in whose area of jurisdiction the property in question is located; otherwise the right of preemption shall be revoked.

2. Litigation pertaining to preemption shall be ended too immediately.

Article 2234:

In case the object of sale is in the hands of the seller, so long as the buyer is not present, no evidence will be heard against him. In case preemption is proved by all conditions and causes, the judge revokes the purchase of the buyer, and rules purchasing by the preemptor.

Article 2235:

the verdict that is ruled unequivocally in proof of preemption, is recognised as the ownership document of preemptor this provision does not revoke regulations pertaining to registration of documents.

Subtopic four
provisions relating to preemption

Article 2236:

The preemptor in all rights and obligations shall be

considered locum tenens of the buyer against the seller.

Article 2237:

Taking possession of land whether by judicial order or by consent shall be considered as new purchase for the preemptor. He shall enjoy the option of sight and option of defect even though the buyer and seller themselves made the two options a condition.

Article 2238:

Where the preemptor is ordered to buy the selling property and its price is to be paid by the buyer mediately, the preemptor shall be obligated to pay the cost immediately. If the price is paid to the seller, the buyer's obligation shall be fulfilled. In case the price is paid to the buyer, the seller cannot demand it from the buyer prior to the expiration of the period agreed upon.

Article 2239:

Where the land after its possession through pre-emption is taken away by others by reason of title, the preemptor can return only to the seller.

Article 2240:

The preemptor can repeal all actions of buyer taken on the preempted land including endowment of the land or its devotion to become a mosque unless the sale of contract is made so in the beginning.

Article 2241:

Where buyer after the official announcement of the preemptor puts up a building or house or plants trees on the preempted land, the preemptor can abandon the preempted land or acquire it against payment of the price determined and cost of the construction materials or the trees or obligate the buyer to tear down the building and uproot the trees.

Article 2242:

Where the buyer adds something to the preempted land prior to the official announcement of the preemptor, the preemptor shall have the option either to abandon the land or acquire it against paying its cost and the payment of additional price.

Article 2243:

Where the buyer or another person demolish the building built on the preempted land or uproot its planted trees, the preemptor can acquire the said land against the price equivalent to the remaining portion.

Article 2244:

1. Where the preempted house is torn down by itself or the trees planted at the preempted garden gets dried

without the fault of anybody, the preemptor can acquire them against the payment of their price.

2. Where the buyer has made use of the materials of demolished house or of the wood of trees dried, the equivalent of what is used shall be deducted from its price.

Article 2245:

Where a part of the preempted land is destructed by natural catastrophies or the like, the price of the destructed part shall be deducted from the real price.

Article 2246:

Where the preemptor constructs a building or plants trees on the land after it is acquired by preemption and then the land is taken by reason of title he can demand only the cost of the land not the loss incurred from demolition of the building built and the trees planted on the land.

Article 2247:

1. Preemption shall not accept partition. Preemptor cannot compel the buyer to acquire part of the preempted land and abandon another part.

2. Where there is only one seller and there are many buyers, the preemptor can acquire the portion of some of them and abandon the portion of some others.

Sub-topic Five

Repeal of preemption

Article 2248:

Preemption shall be repealed with the abandonment of the demand for preemption or with violation of one of the conditions set for its validity. Similarly, it shall be repealed with the abandonment of demanding witness and with expiration of the warning period or period of bringing suit.

Article 2249:

Where the preemptor, having priority over others due to some reason, repeals his preemption right and abandon it prior to issuance of order, his right shall be repealed and other preemptors next to him can acquire the land if they demand preemption with all its conditions. In case the preemptor repeals his right after the issuance of order, the right shall not be repealed and other preemptors cannot acquire the preemption right.

Article 2250:

Preemption shall not be repealed with the death of the buyer.

Article 2251:

Preemption shall not be repealed with the death of the preemptor prior to taking possession of the preempted land through judicial order or by consent even though the preemptor has died prior or after demanding it. In this case the preemption right shall be transferred to his heirs.

Article 2252:

Where the strong preemptor buys the preempted land from the buyer, his right of preemption and those next to him in terms of preemption or those equal to him shall be repealed.

Article 2253:

Where the preemptor leases the preempted land or takes part in sale bidding or its lease or demands its sale from the buyer for the first price offered, his right of preemption shall be repealed.

Article 2254:

1. Where the preemptor is informed of the excess

rate over the actual cost and he gives up his right of preemption and then it is proved to him that the rate of price is less than what he was informed or previously, his right of preemption shall not be repealed.

2. Where the preemptor acquires knowledge about the name of the buyer and gives up his right of preemption and then it is proved that the buyer is other than the one whom he was introduced to previously, or he is notified of the sale of a part of the preempted land and as a result he gives up the right of preemption and then it becomes apparent that the whole preempted land has been sold, the right of preemption shall not be repealed.

3. In all circumstances provided in the above clauses of this article warning periods and dismissal of claims provided in this chapter shall be observed.

Article 2255:

In all circumstances the right of preemption shall be repealed after the expiration of four months from the registration date of the sale contract.

Topic Six

Possession

Subtopic one

Acquisition, transfer and elimination of possession

Article 2256:

Possession is an actual state that stems from a person's dominance over a thing or from a right of rights of a person as an owner of the thing or owner of the right or the thing.

Article 2257:

Person who makes a thing lawful can return from it. ~~this~~ lawfulness shall not be considered as a reason for dispossession of the person of lawful-maker.

Article 2258:

Where possession is associated with coercion or takes place secretly or imbued with deception his effect on the person coerced or from whom possession is hidden or one whom is deceived shall not be established except from the date of the elimination of the said defects.

Article 2259:

Undistinguished minor can take possession through the person who is considered his legal representative.

Article 2260:

If another person directly embarks upon taking possession in the name of the possessor, the possession shall remain as it is and the said person shall have the status of a subordinate and shall be obligated to obey the possessor in matters relating to the thing or rights under possession.

Article 2261:

Possession may be transferred from the possessor to another person when both parties have agreed to it and the said person has the competency to own the thing or rights under possession.

Article 2262:

Transfer of possession is also permissible without material delivery if the possessor on the account of person whom he is representing or person to whom possession is to be transferred continues with his occupancy.

Article 2263:

The occupier of real estate can add his own occupancy

period to the occupancy period of the person from whom the real estate has been transferred whether the transfer is due to sale, gift, will, inheritance or other reasons. In this case the total period of occupancy amounts to the extent that it would prevent the hearing of claim. Claim for absolute property, claim for inheritance and claim for endowment cannot be heard against the occupier.

Article 2264:

Demanding bids, deposit, mortgage, lending and gift shall be recognized as admission to lack of property of the demander. The claim of the said person for the property itself shall not be heard on occupancy though preventing hearing of claim.

Article 2265:

1. The occupier who gives up the occupancy on the basis of mortgage or lending, cannot resort to lapse of time of occupancy for the prevention of hearing claim against mortgager or lender.

2. Where a person denies mortgage or lending during the occupancy period and the claimant gives up claim in spite of the presence of the claimant and the possibilities and expediency, his claim shall not be heard after the expiration of the said period.

Article 2266:

Where the possessor gives up his present dominance over the thing or right or he loses this dominance in another way, possession shall be eliminated.

Article 2267:

Possession cannot be lost due to a temporary obstacle unless the said obstacle continues for a complete period of one year and is the result of the new possession taking place without the intention of the possessor or without his knowledge. The year shall start, if possession has taken place actually, from the date of the start of new possession and if it has taken place secretly it shall start from the date of the knowledge of the first possessor.

Subtopic Two

Protection of Possession

Article 2268:

1. Where a person loses the possession of a real estate he can demand its return in one year after the lack of possession. In case lack of possession has happened secretly the year shall start from the day of discovery of lack of possession.

2. Where a person has acquired possession as a result of representing another person, he can not demand the return of possession.

Article 2269:

Where a person during loss of possession taken place in less than one year still holds the possession, he cannot demand return of possession from the person whose possession is based on legal document.

Article 2270:

1. Where no one of both possessors has any legal document or their documents are equal with each other, preference shall be given to the person whose document is of prior date.

2. In case of the above clause, if the legal documents are of the same date, priority shall be given to that possession whose date is prior to the other.

Article 2271:

Possessor can claim return of possession during the legal period against the person who has taken possession of the usurped thing though the latter person may have been of good will.

Article 2272: Where a person has acquired the possession of a real estate and his possession continues for one complete year and then his possession is agressed, he can file a claim for the prevention of this aggression in one year time.

Article 2273:

Where a person holds the possession of a real estate for one complete year and due to reasonable causes fears new aggression threatening his possession, he can present the issue to the competent court and demand the stoppage of such actions provided the said actions are not executed and one year has not passed from the start of the action which would result in occurrence of damage. Otherwise, he can file the claim for prevention of aggression.

Article 2274:

Where many persons dispute among themselves on the possession of a single right, the possession of that person shall be given temporarily validity who holds physical possession of the said right unless his possession appears defective.

Article 2275:

Person who possesses a right shall be recognized its owner unless it is proved to the contrary.

Article 2276:

1. Person who holds a right without knowing violating the right of others, shall be recognized as having good will unless his ignorance stems from a gross error.

2. If the possessor is a legal person, validity shall be given to the intention of person representing it legally.

3. The existence of good will is always assumed unless there is a reason to negate it.

Article 2277:

Good will is negated when the possessor knows that his possession is a violation of the right of others or when the defects of his possession is announced to him on the basis of the warning or claim of the claimant.

Article 2278:

Possession shall remain in the same manner as it was acquired in the beginning so long as there exists a reason to the contrary.

Subtopic three

Effects of possession

Article 2279:

The ownership claim, except inheritance, against a person who has continually occupied a real estate or held other goods for a continuing period of 15 years and possessed them without any dispute and objection, shall not be heard.

Article 2280:

1. Inheritance claim shall not be heard without legal excuse against the person who has occupied a real estate for a period of 33 years and possessed it without any dispute and objection.

2. Possession of state properties, historical remains and endowed property shall not be permissible on the basis of lapse of time.

Article 2281:

Where withdrawal of ownership, inheritance or endowment claim is based on a legal reason such as absence, fault or insanity and where there is not guardian or executor of will, such claim can be heard. However it shall not be heard when the absent becomes present. minor becomes

major and the insance becomes sane and then they withdraw the claim during the period fixed.

Article 2282:

the ownership claim by the children, relatives husband and wife of the seller who had been present during the sale of what is occupied and kept silence on the sale shall not be heard against the occupier even though 15 years may have not passed since the time of the sale of the property.

Article 2283:

Where occupancy of a person was proved during a limited period of time in the past and is also proved at present, this state of affairs shall be considered an evidence for the duration and holding of occupancy during the time between the two said periods unless there is a reason to the contrary.

Article 2284:

No one can acquire a right on the basis of lapse of time contrary to the legal document he is holding. In this case no one can change or cause to change his possession or the principle on which the possession is based.

Article 2285:

Provisions of lapse of time repealing the claim of lapse of time shall be applied against the acquirer of right on account of period and its stoppage and termination, and resort to it before the court and likewise desisting from it and agreement on amending it provided its provisions are not contrary to the nature of lapse of time acquiring right and the provisions of articles 2286 and 2287 of this law.

Article 2286:

the period of lapse of time acquiring right, to whatever extent it may be, shall be stopped with the existence of reasonable causes.

Article 2287:

Where the possessor gives up its possession or loses it, even though it may happen so by the act of others, the lapse of time acquiring right shall be terminated unless the possessor rejects his possession in one year time since the termination of possession or file a claim to restore it within the same period.

Subtopic four

Owning movable goods on the basis of possession:

Article 2288:

1. Person who possesses movable goods or real right of movable goods on the basis of document valid in the name of its carrier, on account of good reason coupled with good will, shall be recognized its owner.

2. Good reason shall be referred to document which has been issued by the person other than the owner or holder of the right.

Article 2289:

The owner of movable goods or the owner of document valid for its carrier can pay compensation to the good-will possessor for the loss or theft of the goods since the date when the loss or theft occurred.

Article 2290:

Where the goods stolen or lost, while in the possession of the person, are available and are purchased from market by open bid or from the merchant trading similar goods, he can demand the cost paid for the stolen goods from the seller and in case the goods are lost he can demand the price from the person who is to return them.

Subtopic five

Owning the fruit

Article 2291:

1. Possessor with good will shall be recognized as the owner of fruit and what is in his possession.

2. Natural or industrial fruit shall be obtained from the date of its collection but civil benefit considered as collected day by day.

Article 2292:

Possessor who is of bad will shall be considered responsible for all the fruit he has acquired or for the fault in acquiring them since the date of having bad will.

Subtopic six

Return of property

Expenses

Article 2293:

The owner to whom a property is returned shall be obligated to pay to the possessor all the spendings which he has made with good will, and in case of beneficial expenses the provisions of articles 2205 and 2206 of this law shall be enforced.

Article 2294:

Possessor cannot demand from the owner expenses which are counted as taxes but he has the right to take away what is newly constructed and return the thing to its primary state unless the owner agrees to pay the cost.

Article 2295:

Where a person has taken possession of a property from its owner or from its previous possessor and can prove that he has paid the expenses to his predecessor he can demand the said expenses from the person to whom the goods are delivered.

Article 2296:

The court can fix the size of expenses and instalments of payment together with necessary securities.

Subtopic seven

Responsibility for the loss of a thing under possession

Article 2297:

Where possessor makes use of a thing to the extent he considers it his right, he shall not be recognized responsible to the person, obligated to return the thing, for any kind of substitution due to the use of the thing.

Similarly, he shall not be recognized responsible for the consequences of damage and destruction of the said thing except to the extent he obtained benefit from it.

Article 2298:

Where the possessor is of bad will he shall be held responsible for the loss and damage incurred to the thing as a result of unforeseen causes except when it is proved that the thing would be lost or damaged even if it were with its owner.

Third Chapter

Sub-rights stemming from right of ownership

First part

Right of benefit

First topic

general provisions

Article 2299:

Legal profiting is the right of the beneficiary for using and utilization of the property until it remains in its state even though its area may not be within his ownership.

Article 2300:

Acquiring benefits from properties, whether immovable or movable, shall be permissible without their area.

Article 2301:

Getting benefit is permissible against substitution or without it.

Article 2302:

The right of benefiting shall be acquired through a legal action or preemption or lapse of time.

Article 2303:

Making will on right of benefiting in accordance with the provision and rules provided in chapter of will is permitted.

Article 2304:

Observance of conditions included in the contract of charity holding the right of benefiting is imperative with due consideration to the rights and obligations of the beneficiary.

Article 2305:

The fruit of a thing from which profit is obtained shall be the right of the beneficiary during the period of profiting. Similarly, the natural fruit present at the start of the profiting period shall be considered the right of the beneficiary without disturbing the acquired

rights of others but the fruit which is present during the expiration of the profiting period shall be considered the right of the owner provided each pays the expenses made by the other.

Article 2306:

1. Where the contract of benefiting is made absolutely unlimited, the beneficiary shall be obligated to normally use the thing from which he is getting benefit.

2. In case the contract is limited, the beneficiary has the right to use the thing in accordance with the instruction of the owner or similar to it or less than it. Exceeding that limit shall not be permissible.

Article 2307:

The owner can make protest to the beneficiary against the illegal use or improper use of the thing. Where the beneficiary does not accept it, the court can take the thing out of the possession of the beneficiary and deliver it to another person so that he may shoulder the responsibility of administering it. Similarly, it can issue order for the termination of the right of benefiting without disturbing the rights of others.

Article 2308:

1. The expenses deemed necessary for protecting and taking care of the property from which benefit is gained shall be borne by the beneficiary.

2. Non-ordinary efforts and large improvements not stemming from the fault of the beneficiary, shall be carried out by the owner and the beneficiary shall be bound to pay the profit earned from the spendings made. If the beneficiary made the said spendings he can demand their return from the owner at the end of the benefiting period.

Article 2309:

Where the property from which benefit is gained is lost without the aggression and fault of the beneficiary for its protection, he shall not stand surety.

Article 2310:

Where benefiting is limited to a specified period and the beneficiary after the passage of the said period retains the thing with himself and does not return it to the owner and then it gets lost, the beneficiary shall be obligated to pay its cost even though he may not have used the said thing after the expiration of the benefiting period and the owner has not demanded its return either.

Article 2311:

The beneficiary is bound to pay attention to the protection of the property from which benefit is gained.

Article 2312:

Where the thing is destroyed or needs great improvements action on which is considered the responsibility of the owner or where action is needed to save the thing from occurrence of unexpected danger, the beneficiary in this case shall be obligated to inform immediately the owner. Likewise, he shall be bound to inform the owner of any claim of right made by others on the said property.

Article 2313:

The beneficiary who has borrowed movable property cannot destroy it while benefiting from it is not possible without destroying it. In this case the beneficiary shall be obligated to return its like or its price to the owner after gaining the profit. Similarly, where the said property is lost after getting benefit from it, the beneficiary shall be obligated to pay compensation even though its loss may not be the result of his fault.

Topic Two:

Termination of the right of benefiting

Article 2314:

Article 2314:

The right of benefiting shall be terminated with the expiration of the set benefiting period or with the death of the beneficiary or loss of the property from which benefit is gained.

Article 2315:

Where the set period for benefiting expires or the beneficiary dies during the said period and the land is occupied with crop which is not ripened yet, the crop shall be left to the beneficiary or his heirs against similar compensation until the crop is ripened and reaped.

Article 2316:

The right of benefiting shall be terminated if 15 years have passed and the right is not exercised.

Part Two

Right of use and residence

Article 2317:

The right of benefiting is sometimes limited to the right

of use or right of residing and sometimes to both.

Article 2318:

The scope of the right of usage or residence shall be deemed limited to the extent of need of the owner of right and that of his family members. Nevertheless, whatever is covered by the document of creation of right shall be observed.

Article 2319:

1. Person who acquires the right of residence on the basis of the contract or will and if the area of the house does not exceed one third of the property of testator, he can reside with his family in the house in the course of his life provided the will is enforced. And in case a period is set he can reside in the house until the set period expires and after that the right of residence will be transferred to the heirs of the testator. If the area of the house exceeds one third of the property of the testator, the person to whom the will is made can reside in the area which does not exceed one third of the property left. The area exceeding one third of the property shall be used by the heirs unless the heirs permit the will to include all the house.

Article 2320:

If the house determined for the right of residence needs

construction, the construction shall be made by the person who holds the right of residence in it. Whatever he constructs from his own pocket shall be recognized his property and the property of his heirs and if the holder of right refuses to make the construction, the interested person can demand the court to get him construct the building and /or demand the court to issue a permit about the mortgage of the said residence to another person so that he would embark on putting up the building from the proceed of mortgage and return it to the holder of the right of residence after the expiration of mortgage period.

Article 2321:

Desisting from the right of usage or right of residence in the interest of another is permitted but on the basis of expressed condition and strong reason.

Article 2322:

Provisions concerning the right of benefiting shall be enforceable to the right of usage and right of residence until they are not contrary to the provisions of this part and contrary to the nature of these two rights.

Part Three

The right of Heker (long term lease)

Article 2323:

The right of Heker (long term lease) is the real right the purpose of which is to keep the land for construction and plantation or for one of the two against a fixed rent.

Article 2324:

The period of Heker shall not exceed 50 years . Where the period of Heker is fixed for more than 50 years or where this period is not determined at all it shall be valid for a period of fifty years.

Article 2325:

The contract of Heker is not permitted but on the basis of need or expediency and in accordance with the permit of the provincial court in whose jurisdiction lies all or most part of the land. The contract shall be written in the presence of the chief of court or the member appointed by the chief of the court and the document is then prepared according to the provisions of law.

Article 2326:

The holder of the right of Heker can bring changes in the land under Heker in order to transfer the ownership or institute profiting. In all these cases the land or building, trees and other untransferable goods shall be restored to the real owner or his heirs after the termination of the right of Heker and in observance with the provision of Article 2324 of this law.

Article 2327:

The holder of the right of Heker can bring a change in the possession and plantation only or together with the right of Heker.

Article 2328:

The holder of the right of Heker is obligated to pay the fixed rent to the owner in the same instalments agreed upon.

Article 2329:

The contract of Heker shall not ^{be} permitted for a rent lesser than the like rent. Increase or decrease in the periodical rent can take place when a change of one fifth is brought in the increase or decrease of the like rent and five years have lapsed since the date of the last calculation.

Article 2330:

In computing the increase or decrease of rent the rate of mortgage of land can be resorted to and due consideration may be given to the location of land and the extent of the people's tendency. In computing the rent, no validity is given to whatever the holder of the right of Heker has constructed on the land and to the rights and losses of the holder of the right of Heker as incurred in the said land.

Article 2331:

The new computation shall be valid as of the date of agreement made by both parties or from the date of bringing suit demanding computation.

Article 2332:

The holder of the right of Heker is obligated to take such measures which would be necessary for productivity of land. Nevertheless the conditions agreed upon, the nature of land, the purpose for which the land is made ready and the tradition of the locality shall be observed.

Article 2233:

1. The right of Heker shall be terminated with the expiration of the period set.

2. The right of Heker shall be terminated prior to expiration of the period when the holder of the right of Heker dies before construction of building and plantation of trees on the said land unless all heirs demand the extension of Heker.

Article 2234:

Where Heker takes place in the endowed land and the quality of endowment is eliminated from the land endowed upon the request of the endower, the Heker shall be terminated and if the period of endowment is decreased by the endower, Heker shall continue until the termination of endowment provided the remaining period is less than the period of Heker otherwise Heker shall be extended up to the end of Heker period according to provision of Heker.

Article 2235:

Where the holder of the right of Heker makes no payment for the mortgage of land for two consecutive years⁵, the owner of land can demand the repeal of the contract.

Article 2336:

The owner of land during the cancellation of contract or at the end of Heker period shall have the option to decide either to tear down the building and cut off the

trees planted by the holder of the right of Heker or keep them against payment of the minimum cost unless agreement is to the contrary.

Article 2337:

Where the right of Heker is not exercised for a period of fifteen years the right of Heker shall be terminated.

Article 2338:

Provisions of the contract of Heker as included in this law shall also apply to the right of Heker of the land proved during the enforcement of this law.

Article 2339:

1. Foreigners, real and legal persons, cannot make use of the right of Heker provided in this law.

2. The treatment which is made by the State of Afghanistan to the diplomatic missions of the friendly countries and international organizations residing in Afghanistan with regard to land shall not be subject to the provisions of the right of Heker.

Fourth Section

Abstract rights

First topic

Right of easement :

Article 2340:

Easement is the right held by a person to make use of the land of another.

Article 2341:

The right of easement can be held over the public property provided it is not contrary to the use of the said property for which it is appropriated.

Article 2342:

Right of easement can be acquired by a legal commitment or by inheritance. The lapse of time does not cause the right of easement to be acquired except the right of passage.

Article 2343:

The right of apparent easement can also be determined by the original owner.

Article 2344:

The allotment by the original owner can exist when the owners of two separated lands erect visible signs between the said lands which, in the event when the two lands are assumed to be property of two persons, would indicate the right of easement and this can be verified by set ways of verification. In this circumstance if the ownership of the two lands is transferred to two other persons the said right of easement shall bind the new owners in profit and loss except when expressed condition exists to the contrary.

Article 2345:

1. Where restrictions are made which would limit the right of the owner of the land in erecting buildings such as restriction in height or in area of construction, they (restrictions) shall be deemed as rights of easement in the interest of other lands for which the restrictions are formulated unless agreement has been made to the contrary.

2. Where restrictions formulated are not observed correction can be demanded from the court and the court shall have the authority to order compensation provided there are reasonable causes.

Topic Two

The right of water

Article 2347:

The water of rivers and their tributaries are considered public property and every body has the right to irrigate his land from that water or draw a ditch for irrigation purposes except when it is contrary to public interests or special laws.

Article 2348:

Person who constructs a special ditch for the purpose of irrigating his land can make use of the ditch, and others may not have the right to make use of the said ditch without the permission of the person who has constructed it.

Article 2349:

The right to make use of water of the public ditch and to distribute its water without undermining the public interests shall be based on the amount of land intended to get irrigated.

Article 2350:

The owner of the land who irrigates its land through

instruments and machinery or directly from the ditch, cannot compel the owners of lands under water to pass the course of water over their lands unless he has the right to flow water over their lands.

Topic Three

The right of way, water passage, and flood passage:

Article 2351:

1. If the right of way, right of water way and right of flood way are fixed in the older days they shall remain so unless they are illegal.

In this case priority shall not be valid, and in case of existence of clear harm, such rights shall be repealed.

2. If the flood passage of a residence is led to the public way or private way which would do harm to the people, the harm shall be eliminated though it may be such from olden times.

Article 2352:

If a person held a right of way, water passage or flood passage over the land of another, the owner of the land cannot deprive him of such rights.

Article 2353:

No one can lead, without any right, the flood passage of

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a new building to the residence of another except when he has obtained his permission.

Article 2354:

Construction of gutter or cess pool in the public way, if it generates harm to the public, shall not be permitted. Likewise, the construction of the above in the private way shall not be permitted without the permission of the municipality or the dwellers of the street.

Topic Four

Provisions of easement

Article 2355:

The holder of the right of easement can embark on such action which is essential in exercising and protection of his right of easement. He should exercise the said right in such a manner which may not do harm to others.

Article 2356:

The owner of a land with easement right shall not ^{be} obligated to perform any action unless exercise of the right of easement may necessitate so.

Article 2357:

The expenses of actions considered necessary for exercising

the right of easement or for protection of such right shall be borne by the holder of the right of easement unless a condition is made to the contrary.

If the said actions are useful for the owner of the land of easer, the obligations for protection of the right of easement may be fulfilled proportionate to the profit which each one may get from it.

Article 2358:

Where the owner of the land with right of easement is obligated to perform actions provided in Article 2357 of this law with his own expenses, he can transfer, whenever he wishes, the ownership of all or part of the land to the holder of the right of easement and thus discharge himself of such obligations.

Article 2359:

The owner of serviant cannot take such actions which may lead to damage the exercise of the right of easement. Similarly he cannot change the place of the right of easement except that the place is changed by the occurrence of events in such a way that it would increase the obligations of easement or when exercise of the right of easement prevents changes in the land. In this case the owner of the land can demand the transfer of easement to another place.

Article 2360:

1. Where the land holding the right of easement is partitioned, each part shall hold the right of easement provided this does not bring additional obligation to the serviant.

2. If the right of easement is actually useful for only one part and is not useful for all parts the owner of serviant can demand the right of easement from other parts.

Article 2361:

1. Where the serviant is divided into parts, the right of easement shall remain in all parts.

2. Where the right of easement is not exercised on some parts of the land and where there is no possibility for its excercise either, the owners of the said parts can demand the repeal of the said right from the part of his property.

Topic Five

Termination of easement

Article 2362:

1. The right of easement shall terminate with the expiration of the time set or with the elimination of

2. Where the ownership of the two lands vested in one person gets disintegrated for any reason which is referred to the past time, the right of easement may return.

Article 2363:

Where the right of easement is not exercised within a period of 15 years, it shall be terminated.

Article 2364:

Where the land holding the right of easement is included in the property of a number of partners as a common property, use of the right of easement by one of the partners shall cut the lapse of time with regard to other partners. Similarly, the stoppage of the lapse of time in the interest of one of the partners shall become subject to the interests of the remaining partners.

Article 2365:

Where circumstances change in such a way that use from the right of easement becomes impossible, the right of easement shall be deemed terminated. Where the circumstances return in such a way which render the use of the right of easement possible, the right of easement shall also return except when it has come under the lapse of time due to its non-exercise.

Article 2366:

The owner of serviant can releass himself of all or part of easement when the profit accuring from the land holding the right of easement has stopped or when a limited profit has remained which would not be proport- ionate with the obligations of the serviant.

Title Two

Subjective real rights

First Chapter

The right of property detention

Article 2367:

With exception of the circumstances expressed in this law with regard to possessory and official mortgages, such as the contract which causes the creation of subjective real rights, and with exception of provisions regarding the right of property detention as means of guaranty, the following provisions shall be observed with regard to the rights of special detention;

Article 2368:

The right of property detention is a subjective right which is excercised for the purpose of guaranteeing a debt.

Article 2369:

The seller of a good can resort to the right of property detention against the buyer or the creditors

Article 2370:

In case of the cancellation of mortgage, the mortgagee can detain the goods mortgaged or the down payment until the rent or the earnest is returned.

Article 2371:

The mortgagee can detain the goods mortgaged until the payment of the debt against which the goods are mortgaged, though the contract or mortgage may be incomplete. He cannot detain the mortgaged goods against the loan which he had given prior to the contract of mortgage to the mortgager.

Article 2372:

Person with whom a property is deposited can detain the said property until he is paid the expenses that he incurred for protection and safekeeping of the property.

Article 2373:

A wager whose effect of action exists in the goods can detain the goods until he receives the wage from the employer.

Article 2374:

Person who is deputed to purchase goods can detain the goods bought until the bill is paid by the principal.

Article 2375:

The right of detainment of a thing shall end with the payment of its cost in accordance with the provisions of law

Chapter Two

Right of allotment

Part Two

Creation of right of allotments:

Article 2376:

1. Any creditor holding the enforceable right on debtor can obtain the right of allotment over the properties of his debtor for the purpose of guaranteeing his debt and the expenses incurred.

2. The creditor cannot resort to the right of allotment in the patrimony left after the debt of the debtor.

Article 2377:

Obtaining of the right of allotment is permitted with the agreement of the both hostile parties but its obtaining

without the signature of the debtor is not permitted.

Article 2378:

Obtaining of the right of allotment is only permissible over properties which are fixed and in the ownership of the debtor and their sale are permitted in an open bid manner.

Article 2379:

The creditor who intends to acquire the right of allotment in the properties of his debtor shall be obligated to present a petition, along with the copy of order in this connection, to the chief of provincial court in whose jurisdiction lie the said properties. The petition should include the names, titles, and occupations of the creditor and debtor. It should also carry the date of the order issued by the ruling court and the amount of debt and the properties in question and their location should be carefully fixed and described.

The petition shall be presented to the court along with papers from which the costs of the properties could be determined.

Article 2380:

The chief of the court shall write under the petition his order regarding the right of allotment and shall be obligated to take into consideration the proportion between the quantity of the debt and the costs of the properties. Upon the demand of circumstances, he can

limit the right of allotment to some of the properties provided the quantity determined is deemed sufficient by him to meet the payment of the debt and its expenses.

Article 2381:

1. The staff of the court are obligated to insert the order issued in the copy of the order which is attached with the petition presented.

2. The creditor shall be obligated to inform the debtor of the said order within a period of seven days since the date of issuance of the order.

Article 2382:

The debtor can protest against the order issued by the person or the specialized provincial court and the event shall be registered in the court's Registration Book or the court may rule repealing the order issued.

Article 2383:

The creditor can protest in the respective specialized provincial court against the issuance of order rejecting the demand for right of allotment.

Section TWO

Effects of reduction and termination of the right of allotment:

Article 2384:

1. Where the right of allotment is obtained on properties whose cost is more than the sufficient guaranty, persons concerned can demand to reduce it to a suitable limit so that a part or all of the properties would be allotted or that the right of allotment be transferred to another property whose cost is sufficient to meet the guaranty made for the debt.

2. Expenses necessary for demanding reduction shall be borne by the claimant.

Article 2385:

The creditor who obtains the right of allotment shall have the same religious real rights as necessary for official mortgage. As regard to the right of allotment all provisions shall be observed which are observed with regard to official mortgage provided that the provisions which are special to the right of allotment are not disregarded.

Chapter Three
Rights of priority
First Part
General provisions

Article 2386:

Priority is the right of precedence which is provided by the law for a definite right on the basis of its quality. The right of priority shall be proved by the express provision of law.

Article 2387:

Where the law has not limited the determination of the rights from the priority point of view, all rights whose degree of priority is expressed in this chapter shall be considered unpreceded.

Article 2388:

Where rights concurrently exist whose degree of priority is expressed on the first level in this law, each shall be paid in proportion to its size unless the law provides otherwise.

Article 2389:

The common rights of priority shall be related to all the assets of the debtor but the

Article 2390:

1. the right of priority cannot affect person whos acquires with goodwill movable property;
2. the mortgagee of land with regard to the movable goods existing on the land mortgaged, and the owner of hotel with regard to the goods deposited with the hotel by the passengers shall be considered as holders of goodwill.

Article 2391:

If the creditor is afraid of the division of property by dealings of the debtor with the movable goods over which the right of priority is fixed in the interest of the creditor due to reasonable causes, he can demand its protection.

Article 2392:

With regard to the rights of priority over land, the provisions of official mortgages are enforced to the extent they are not contrary to the nature of the said rights.

With regard to the right of particular priority the provisions of cleaning and others such as renewing and destroying are enforced.

Article 2393:

1. In the rights of public priority securing of deed is not considered necessary even though it is with regard to land. Similarly, securing of any deed in rights of priority over land which is given against the state rights is not considered imperative.

2. These rights as far as ranking is concerned shall be recognized prior to right of priority of other real estate and to any kind of the right of official mortgage in whatever date it may be registered but within themselves that right of priority shall be prior to other rights of priority which has been created for the guaranty of the right of state and other public priority rights.

Article 2394:

Provisions observed in official mortgage with regard to loss or damage of a thing shall also be observed with regard to the priority rights.

Article 2395 :

Provisions pertinent to termination of right of official mortgage and right of possessory mortgage shall be applied in the same manner to the right of priority unless the law has expressly ordered to the contrary.

Part two

types of rights of priority

Article 2396:

Rights provided in the following articles shall be considered prior to the rights of priority provided in the special laws!

Article 2397:

Expenses which are borne by the court for protection of the goods of debtor and their sale in the interest of the creditors shall be recognized prior to the proceeds of the sale of the said goods.

2. Expenses provided in clause (1) of this article shall be paid prior to any other right even though it may be prior to others or guaranteed by official mortgage including rights of creditors in whose interest the expenses have been made. And expenses incurred in selling the said goods shall have priority over expenses made in action taken for distribution.

Article 2398:

1. The sum of money belonging to the state and earned through taxation and other levies shall have the right of priority with due conservation of the respective laws and regulations.

2. The sum mentioned in the above clause of this article shall be collected from the sale of goods, in whatever hands they may be, prior to all debts except for expenses mentioned in Article 2397 of this law even though they may have had priority or been guaranteed by official mortgage.

Article 2399:

1. The sums of money spent on protection of movable goods and their repairs shall have priority over other dues.

2. The sum of money mentioned in the above clause of this article shall be paid immediately from the price of the said goods after expenses mentioned in Articles 2397 and 2398 of this law. And in case of plurality of such rights the expenses of each shall be paid contrary to the order of the date.

Article 2400:

1. Following rights shall have priority over all the movable goods and landed property of the debtor:

1- The sums of money to which employees, workers, contractors and other contract-base employees are entitled because of their salaries and wages of the last 12 months.

entitled for the last six-months activities, essential materials and foodstuffs and his clothes and those for whose maintenance the debtor is responsible.

3- the maintenance of the last six months of the relatives of debtor for which he is responsible.

2. the sums mentioned in the above clause of this article shall be collected right after the expenses included in Articles 2397, 2398, 2399 of this law and in case of plurality of proportion each shall be taken into consideration.

Article 2401:

1. The sums spent on cultivation, fertilizer and other materials promoting the fertility of land and the sums spent on insecticides and drugs used against animal and plant diseases or on cultivating and reaping of harvests shall have priority over the output which is spent on its production and all shall be placed on one level.

2. The sums included in the above clause of this article shall be paid after the payment of the above rights.

3. The sums deemed payable for agricultural implements shall be given privilege over the said implements on the same level.

Article 2402:

the rent of two years of buildings and agricultural lands or shherent of the whole period of lease, if it is less than two years, and all other rights of the lessor which is due to the lessee as a result of the lease contract, shall have priority over the movable goods dispossessable and owned by the lessee and are existing on the property leased and over agricultural yields.

Article 2403:

The priority right provided under article 2402 of this law, while the said movables are the property of the wife or husband of the lessee or others, shall also be deemed proven provided the lessor, while placing the said goods over the land, has no knowledge of the right of others on it. This shall not disturb the provisions regarding movable goods stolen or lost.

Article 2404:

the right of priority of movables and products owned by the lessee is proved over the right of sub-lessee provided the lessor has expressly forbidden sub-leasing. And if sub leasing is not expressly forbidden, the right of priority shall only be applicable on sums the sub-lessee owes the lessee and that is so after the warning issued by the lessor in this connection.

Article 2405:

The rights provided in article 2402 of this law shall be collected after the payment of the rights provided in Articles 2397 and 2402 from the proceeds of the goods having right of priority unless the rights provided in articles 2397 and 2401 for lessor who is holder of good will are deemed non-applicable.

Article 2406:

1. Where the goods whose right of priority is proven are transferred from the leased property inspite of the objection of the lessor or without his knowledge and no sufficient goods remain in the said property to meet the guaranty for the rights of priority, the right of priority of the goods transferred shall remain applicable but the perpetuity of this right shall not damage the rights of others acquired with good will on the said goods.

2. If the lessor is dispossessed in the legal period the right of priority shall remain up to three years. Nevertheless, if the said property is sold to a buyer having good will in the public market or in an open bid or to a professional businessman, the lessor shall be obligated to pay the price to the buyer.

Article 2407:

the sums, to which the owner of a hotel is entitled from the rent, services and expenses of the hotel shall be given priority over the goods of the passenger staying in the said hotel or its annexes.

Article 2408:

The owner of hotel shall have the right of priority over the goods brought in hotel by a passenger even though they are not the property of the passenger provided that the knowledge of the owner of hotel to the ownership of others is not proven during the entry of the goods or that the goods are not stolen or wasted. Until the owner of hotel completely receives his dues he can oppose the transport of the goods of the passenger from the hotel. In case the goods are transferred from the hotel without the knowledge of the owner of hotel inspite of his opposition, the right of priority of the owner of the hotel shall remain applicable; but this right does not affect the rights acquired by the third person having good will.

Article 2409:

From the priority point of view the right of owner of hotel shall be placed at the same degree as the right of the lessor and in case both rights conflict, that right

other unless it is not enforceable due to other reason.

Article 2410:

When the seller of a movable thing is entitled to due to the value of the thing and its accessories, he shall have the right of priority over the selling thing until it preserves its quality. With due consideration to articles especially pertaining to trade, the said priority shall not disturb the rights of the third person who has acquired them with good will.

Article 2411:

The right of priority provided in Article (2410) of this law shall be, from point of view of degree, after the rights of priority of movables provided in articles preceding the above article. Nevertheless, as far as the rights of lessor and owner of hotel are concerned, it shall be enforced if their knowledge of the sale of goods leased is proved.

Article 2412:

Partners who divide movable goods among themselves shall have priority right for the purpose of maintaining the right of recourse to each other and receiving compensation for what is due.

2. The right of priority of dividers shall be at the same level as the right of priority of seller and in case these two rights are vested together preference shall be given to the one with prior date.

Third Part

the rights of priority over landed property

Article 2413:

1. The price of land and its annexes to which the seller is entitled shall have priority right over the said land.

2. The right of priority should be registered even though the selling property may have been registered and its ranking shall be binding as of the date of registration.

Article 2414:

1. The contractors and architects assigned with construction of a building or other installations, their restoration, repairs and preservation shall have priority right over the said building or installations within the limit of the size of increase to be made in the price of the landed property during sale as a result of the said actions.

2. The right should be registered in the official document and the amount of money should be inserted in it. Similarly, the documents should be registered in accordance with the law of registration of documents and the degree of this priority shall be valid as of the date of registration.

Article 2415:

When partners divide among themselves a jointly owned property, each shall be given the right of priority to turn to each other to secure his portion. The right of demand, to the extent equivalent to the portion, is also included in this right.

This right should be registered and its degree shall be valid as of the date of registration.

Article 2416:

This law shall be in force thirty days after it is published in the official gazette. With the enforcement of this law, the Marriage Law of Asad 17, 1350 shall be recognized as abrogated.