

Federal Law No. (5) of 1985

On the Issuance of the Civil Transactions Law of the United Arab Emirates

We, Zayed bin Sultan Al Nahyan, President of the United Arab Emirates,
Having reviewed the provisions of the provisional Constitution,
And Federal Law No. (1) of 1972 regarding the competencies of Ministries
and the powers of Ministers, and its amending laws,
And based on the proposal of the Minister of Justice, the approval of the
Council of Ministers and the Federal National Council, and the ratification
of the Federal Supreme Council,

Have issued the following law:

Article (1)

The accompanying law shall be applied to civil transactions in the United Arab Emirates. As for commercial transactions, the existing laws and regulations concerning them shall continue to be in effect until the Federal Commercial Law is issued.

Article (2)

This law shall be published in the Official Gazette and shall come into force three months after the date of its publication.

Zayed bin Sultan Al Nahyan

President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi,

On: 3 Rabi' Al-Thani 1406 H,

Corresponding to 15/12/1985 AD

Preliminary Part: General Provisions

Chapter One: Provisions for the Application and Validity of the Law in Terms of Time and Place:

Section One: The Law and its Application

Article (1)

Legislative provisions shall apply to all matters they address in their letter and spirit. There shall be no room for independent legal reasoning (ijtihad) where the text is definitive in its meaning. If the judge finds no provision in this Law, he shall rule according to Islamic Sharia, taking into consideration the selection of the most appropriate solutions from the schools of Imam Malik and Imam Ahmad bin Hanbal. If he does not find any, then from the schools of Imam Shafi'i and Imam Abu Hanifa, as required by the interest. If he does not find any, the judge shall rule according to custom (urf), provided that it is not contrary to public order or morals. If the custom is specific to a particular Emirate, its ruling shall apply to that Emirate.

Article (2)

For understanding, interpreting, and construing the text, reference shall be made to the rules and principles of Islamic jurisprudence (fiqh).

Article (3)

Provisions concerning personal status, such as marriage, inheritance, and lineage, provisions relating to systems of governance, freedom of trade, circulation of wealth, rules of individual ownership, and other rules and foundations upon which society is based, shall be considered part of public order, provided they do not conflict with the definitive provisions and fundamental principles of Islamic Sharia.

Section Two: Temporal Application of the Law

Article (4)

1 - A legislative provision may not be repealed or its operation suspended except by a subsequent legislative provision that expressly so provides, or that contains a provision that conflicts with the provision of the previous legislation, or that reorganizes the subject matter for which the previous legislation had established rules.

2 - If a legislative provision repeals another legislative provision and then the subsequent legislative provision is repealed, this repeal shall not result in the reinstatement of the former provision unless expressly stated.

Article (5)

1 - Provisions relating to legal capacity shall apply to all persons who meet the conditions stipulated in those provisions.

2 - If a person had full capacity under old provisions and then becomes of incomplete capacity under new provisions, this shall not affect their previous dispositions.

Article (6)

1 - New provisions relating to the statute of limitations for a claim shall apply from the time they come into force to every limitation period that has not been completed.

2 - However, the old provisions shall apply to matters concerning the commencement, suspension, and interruption of the statute of limitations for the period prior to the new provisions coming into force.

Article (7)

1 - If the new provision prescribes a shorter limitation period than that prescribed by the old provision, the new period shall run from the time the new provision comes into force, even if the old period had begun before that.

2 - However, if the remainder of the period prescribed by the old law is shorter than the period prescribed by the new provision, the limitation shall be completed upon the expiry of that remainder.

Article (8)

The provisions in force at the time the evidence was prepared, or at the time it should have been prepared, shall apply to the rules of evidence.

Article (9)

Time periods shall be calculated according to the solar calendar unless the law provides otherwise.

Section Three: Spatial Application of the Law

Article (10)

The law of the United Arab Emirates shall be the reference for qualifying relationships when it is required to determine the type of these relationships in a case involving a conflict of laws, in order to know the law applicable among them.

Article (11)

1 - The civil status and legal capacity of persons shall be governed by the law of the state to which they belong by nationality. However, in financial transactions concluded in the United Arab Emirates and producing their effects therein, if one of the parties is a foreigner of incomplete capacity and the lack of capacity is due to a hidden reason not easily discernible by the other party, this reason shall not affect their capacity.

2 - The legal system for foreign juristic persons, such as companies, associations, foundations, and others, shall be governed by the law of the state where such persons have their actual principal administrative center. If they conduct activities in the United Arab Emirates, the national law shall apply.

Article (12)

1- The substantive conditions for the validity of a marriage shall be referred to the law of the country in which the marriage was concluded.

2- As for the form, a marriage between two foreigners or between a foreigner and a national shall be considered valid if concluded in accordance with the forms of the country where it took place, or if the forms prescribed by the law of each of the spouses were observed.

Article (13)

1 - The law of the state where the marriage was contracted shall apply to the personal and financial effects resulting from the marriage contract.

2 - Divorce, dissolution, and separation shall be governed by the law of the state where the marriage was contracted.

Article (14)

In the cases stipulated in the two preceding articles, if one of the spouses is a national at the time of contracting the marriage, the law of the United Arab Emirates alone shall apply, except for the condition of capacity for marriage.

Article (15)

The obligation of maintenance among relatives shall be governed by the law of the person liable for it.

Article (16)

Substantive matters relating to guardianship, curatorship, custodianship, and other systems established for the protection of persons devoid of or with incomplete capacity, and absent persons, shall be governed by the law of the person who is to be protected.

Article (17)

- 1 - Without prejudice to paragraphs (3) and (4) of this article, inheritance shall be governed by the law of the state to which the deceased belonged at the time of his death.
- 2- Financial rights located in the territory of the State and belonging to a foreigner who has no heir shall devolve to the State.
- 3- The substantive provisions of a will and other dispositions effective after death shall be governed by the law designated by the will or disposition, or the law of the state to which the person making the disposition belonged by nationality at the time of his death if the will or disposition does not designate a law.
- 4- The form of a will and other dispositions effective after death shall be governed by the law designated by the will or disposition, or the law of the state to which the person making the disposition belonged by nationality at the time it was made, or the law of the state where the disposition was made.
- 5- However, the law of the United Arab Emirates shall be the law applicable to a will made by a foreigner concerning his real estate located in the State.

Article (18)

- 1 - Possession, ownership, and other real rights shall be governed by the law of the situs with respect to immovable property, and with respect to movable property, the law of the place where such movable property is located at the time the cause arose which resulted in the acquisition or loss of possession, ownership, or other real rights.
- 2 - The law of the state where property is located shall determine whether such property is immovable or movable.

Article (19)

- 1 - Contractual obligations, in both form and substance, shall be governed by the law of the state where the contracting parties have a common domicile, if they are domiciled in the same state. If their domiciles are

different, the law of the state where the contract was concluded shall apply, unless the parties agree or the circumstances indicate that another law is intended to be applied.

2 - However, the law of the location of the immovable property shall apply to contracts concluded concerning it.

Article (20)

1 - Non-contractual obligations shall be governed by the law of the state in which the event giving rise to the obligation occurred.

2 - The provisions of the preceding paragraph shall not apply to obligations arising from an unlawful act with respect to events that occur abroad and are lawful in the United Arab Emirates, even if they are considered unlawful in the country where they occurred.

Article (21)

The rules of jurisdiction and all procedural matters shall be governed by the law of the state in which the action is brought or the proceedings are conducted.

Article (22)

The provisions of the preceding articles shall not apply if there is a provision in a special law or in an international treaty in force in the country that conflicts with them.

Article (23)

The principles of private international law shall be followed in matters for which no provision is made in the preceding articles concerning conflict of laws.

Article (24)

The law of the United Arab Emirates shall be applied in the case of stateless persons or persons who are proven to have multiple nationalities

at the same time. However, for persons who are proven to have at the same time the nationality of the United Arab Emirates and the nationality of another state, the law of the United Arab Emirates shall be applied.

Article (25)

If it appears from the provisions contained in the preceding articles that the law to be applied is the law of a certain state in which laws are multiform, the internal law of that state shall determine which of its laws should be applied. If there is no provision in it, the prevailing law or the law of the domicile shall be applied, as the case may be.

Article (26)

1 - If it is decided that a foreign law is to be applied, only its internal provisions shall be applied, and not those relating to private international law.

2 - However, the law of the United Arab Emirates shall be applied if the provisions of international law relating to the applicable law refer to its rules.

Article (27)

The provisions of a law designated by Articles (10), (11), (18), (19), (20), (21), (22), (23), (24), (25), and (26) of this Law may not be applied if these provisions are contrary to Islamic Sharia, public order, or morals in the United Arab Emirates.

Article (28)

The law of the United Arab Emirates shall be applied if it is impossible to prove the existence of the applicable foreign law or to determine its meaning.

Chapter Two: Some Interpretive Principles of Fiqh

Article (29)

Ignorance of Sharia provisions is not an excuse.

Article (30)

An exception is not subject to analogy, nor is its interpretation to be expanded.

Article (31)

What is established by an express command takes precedence over what is required by a condition.

Article (32)

That without which an obligation cannot be fulfilled is itself an obligation.

Article (33)

A ruling revolves with its effective cause, in presence and absence.

Article (34)

Fungible goods do not perish.

Article (35)

Certainty is not removed by doubt.

Article (36)

The presumption is that things remain as they were.

Article (37)

The presumption is freedom from liability.

Article (38)

The presumption for contingent attributes is their non-existence.

Article (39)

What is established at a certain time is deemed to remain so, unless there is evidence to the contrary.

Article (40)

The presumption is to attribute an event to its nearest time.

Article (41)

What is established contrary to analogy cannot be used as a basis for analogy for other things.

Article (42)

1 - There shall be no harm and no reciprocation of harm.

2 - Harm shall be removed.

3 - Harm is not to be removed by a similar harm.

Article (43)

Necessities permit prohibitions.

Article (44)

Warding off harm takes precedence over acquiring benefits.

Article (45)

Necessity does not invalidate the right of another.

Article (46)

- 1 - Custom is a governing principle, whether general or specific.
- 2 - Custom is considered if it is consistent or prevalent.
- 3 - The literal meaning is abandoned based on the indication of custom.

Article (47)

The usage of the people is an argument that must be followed.

Article (48)

What is impossible by custom is like what is impossible in reality.

Article (49)

Consideration is given to the prevalent and common, not the rare.

Article (50)

What is known by custom is like what is stipulated by a condition.

Article (51)

Specification by custom is like specification by text.

Article (52)

If a prohibitor and a requirer conflict, the prohibitor is given precedence.

Article (53)

A subordinate is a subordinate and is not singled out for a ruling.

Article (54)

If the principal falls, the branch falls.

Article (55)

What has fallen does not return, just as what is non-existent does not return.

Article (56)

If a thing becomes void, what is within it becomes void.

Article (57)

If the principal becomes void, recourse is had to the substitute.

Article (58)

Actions concerning the subjects are contingent upon the public interest.

Article (59)

A question is repeated in the answer.

Article (60)

No consideration is given to delusion.

Article (61)

No consideration is given to a conjecture that is clearly erroneous.

Article (62)

What is established by proof is like what is established by sight.

Article (63)

A person is bound by his admission.

Article (64)

The branch may be established without the establishment of the principal.

Article (65)

The apparent state of affairs is a valid basis for defense, not for entitlement.

Article (66)

Benefit goes with liability.

Article (67)

Liability accompanies gain.

Article (68)

An order to dispose of another's property is void.

Article (69)

Whoever hastens something before its due time shall be punished by its deprivation.

Article (70)

Whoever seeks to undo what he himself has concluded, his endeavor shall be rejected.

Chapter Three: Persons

Section One: Natural Person

Article (71)

1 - The personality of a human being begins with their live birth and ends with their death.

2 - The law designates the rights of an unborn child.

Article (72)

1 - The facts of birth and death are established by their entry in the registers designated for that purpose.

2 - If this evidence is not available or it is shown that what is entered in the registers is incorrect, proof may be made by any means of legal evidence.

Article (73)

The provisions relating to foundlings are regulated by a special law.

Article (74)

The provisions relating to missing persons and absentees are regulated by a special law.

Article (75)

1 - The nationality of the United Arab Emirates is regulated by law.

2 - "Citizen" wherever it appears in the Civil Transactions Law means anyone who holds the nationality of the Emirates, and "foreigner" means anyone who does not hold that nationality.

Article (76)

1 - A person's family consists of his wife and relatives.

2 - Relatives are considered to be all those who share a common ancestor.

Article (77)

1 - Direct kinship is the link between ascendants and descendants.

2 - Indirect kinship (collateral) is the bond between persons who share a common ancestor without one being an ascendant or descendant of the other, whether they are within the prohibited degrees of marriage or not.

Article (78)

In calculating the degree of direct kinship, each descendant is considered a degree when ascending to the ancestor, excluding this ancestor. In calculating the degree of indirect kinship, the degrees are counted upwards from the descendant to the common ancestor, then downwards from him to the other descendant, and each descendant, except for the common ancestor, is considered a degree.

Article (79)

A relative of one spouse is considered to be in the same degree of kinship with respect to the other spouse.

Article (80)

1 - Every person shall have a name and a surname, and his surname shall be attached to the names of his children.

2 - A special law shall regulate how names and surnames are acquired and changed.

Article (81)

1 - The domicile is the place where a person usually resides.

2 - A person may have more than one domicile at the same time.

3 - If a person has no place where he usually resides, he is considered to have no domicile.

Article (82)

The place where a person carries on a trade, profession, or craft is considered a domicile with respect to the management of business related to that trade, profession, or craft.

Article (83)

- 1 - The domicile of a minor, an interdicted person, a missing person, and an absent person is the domicile of their legal representative.
- 2 - A minor authorized to trade shall have a special domicile for the acts and dispositions for which the law considers him competent to perform.

Article (84)

- 1 - An elected domicile may be chosen for the performance of a specific legal act.
- 2 - The existence of an elected domicile may only be proven in writing.
- 3 - The domicile elected for the performance of a legal act shall be the domicile for all matters relating to that act, including enforcement procedures, unless it is expressly stipulated that this domicile be limited to certain acts and not others.

Article (85)

- 1 - Every person who reaches the age of majority, enjoying their mental faculties and not being interdicted, shall have full capacity to exercise their rights as provided for in this law and the laws derived from it.
- 2 - A person reaches the age of majority upon completing twenty-one lunar years.

Article (86)

- 1 - A person who lacks discernment due to young age, mental deficiency, or insanity shall not have the capacity to exercise civil rights.

2 - Anyone who has not completed the age of seven is considered to lack discernment.

Article (87)

Anyone who has reached the age of discernment but not the age of majority, and anyone who has reached the age of majority but is a spendthrift or simple-minded, shall be of incomplete capacity according to what the law decides.

Article (88)

Persons devoid of or with incomplete capacity shall be subject, as the case may be, to the provisions of guardianship, curatorship, or custodianship, in accordance with the rules prescribed by law.

Article (89)

No one may renounce their personal freedom or their legal capacity, or modify its provisions.

Article (90)

Anyone who suffers an unlawful infringement of a right inherent in their personality may request the cessation of this infringement with compensation for any damage they may have suffered.

Article (91)

Anyone whose use of their name or surname, or both, is disputed by another without justification, or whose name or surname, or both, is usurped without right, may request the cessation of this infringement with compensation for any damage they may have suffered.

Section Two: Juristic (Moral) Persons

Article (92)

Juristic persons are:

- (a) The State, Emirates, municipalities, and other administrative units under the conditions determined by law.
- (b) Administrations, departments, public authorities, establishments, and public institutions to which the law grants juristic personality.
- (c) Islamic bodies recognized by the State as having juristic personality.
- (d) Endowments (Waqf).
- (e) Civil and commercial companies, except those excluded by a special provision.
- (f) Private associations and foundations established in accordance with the law.
- (g) Any group of persons or property to which juristic personality is granted by virtue of a legal provision.

Article (93)

1 - A juristic person enjoys all rights except those inherent in the nature of a natural person, within the limits prescribed by law.

2 - It shall have:

- (a) An independent financial status.
- (b) Legal capacity within the limits determined by its instrument of incorporation or as prescribed by law.
- (c) The right to sue.
- (d) An independent domicile. The domicile of a juristic person is considered to be the place where its administrative center is located. For juristic persons whose main center is abroad and have an activity in the State, their administrative center with respect to the law of the State is considered the place where the local administration is located.

3 - It must have a representative to express its will.

Article (94)

Juristic persons are subject to the provisions of their own special laws.

Chapter Four: Things and Property

Article (95)

Property is any thing or right that has a material value in commerce.

Article (96)

Property may be appraisable (mutawam) or non-appraisable. Appraisable property is that which a Muslim is permitted to benefit from according to Sharia, and non-appraisable is that which he is not permitted to benefit from according to Sharia.

Article (97)

Anything that can be possessed, materially or immaterially, and lawfully benefited from, and is not outside the scope of commerce by its nature or by law, may be the subject of financial rights.

Article (98)

Things that are outside the scope of commerce by their nature are those that no one can exclusively possess. Things that are outside the scope of commerce by law are those that the law does not permit to be the subject of financial rights.

Article (99)

1 - Fungible things are those whose units or parts are similar or close enough that some can replace others in custom without any significant difference, and are valued in commerce by number, measure, volume, or weight.

2 - Non-fungible things are those whose individual items vary in characteristics or value to a significant extent, or whose individual items are rare in circulation.

Article (100)

1 - Consumable things are those whose characteristics can only be utilized by being consumed or spent.

2 - Non-consumable things are those that can be utilized repeatedly while their substance remains.

Article (101)

Anything that is fixed in its place, stable therein, and cannot be moved without damage or change in its form is immovable property. Everything else is movable property.

Article (102)

Movable property placed by its owner in immovable property he owns, for the service or exploitation of that immovable property, is considered immovable by destination, even if it is not permanently attached to the immovable property.

Article (103)

1 - All immovable and movable property belonging to the State or public juristic persons, which is allocated for public benefit either in fact or by virtue of law, is considered public property.

2 - In no case may this property be disposed of, seized, or acquired by prescription.

Chapter Five: The Right

Section One: Scope of the Use of a Right

Article (104)

A legal right precludes liability. Whoever exercises his right in a lawful manner is not liable for any harm that results therefrom.

Article (105)

- 1 - Private harm is tolerated to prevent public harm.
- 2 - A more severe harm is removed by a lesser harm.

Section Two: Abuse of a Right

Article (106)

- 1 - Liability shall be imposed on anyone who uses his right in an unlawful manner.
- 2 - The use of a right is unlawful if:
 - (a) The intention to transgress is present.
 - (b) The interests sought to be achieved by this use are contrary to the provisions of Islamic Sharia, the law, public order, or morals.
 - (c) The interests sought are disproportionate to the harm inflicted on others.
 - (d) It exceeds what is customary and usual.

Section Three: Categories of Rights

Article (107)

A right may be personal, real, or intellectual.

Article (108)

A personal right is a legal bond between a creditor and a debtor, by virtue of which the creditor demands from his debtor the transfer of a real right, the performance of an act, or the abstention from an act.

Article (109)

1 - A real right is a direct authority over a specific thing granted by law to a specific person.

2 - A real right may be principal or accessory.

Article (110)

1 - Principal real rights are the right of ownership, disposition, usufruct, use, habitation, Musataha (surface right), easements, and Waqf (endowment), and whatever is considered as such by a provision of law.

2 - Accessory real rights are mortgage, pledge, and lien (privilege).

Article (111)

1 - Intellectual rights are those that relate to an intangible thing.

2 - The provisions of special laws shall be followed regarding the rights of authors, inventors, artists, trademarks, and all other intellectual rights.

Section Four: Proof of a Right

1 - Means of Proof

Article (112)

The means of proving a right are:

- (a) Writing.
- (b) Testimony.
- (c) Presumptions.

(d) Inspection and Expertise.

(e) Admission.

(f) Oath.

2 - General Rules of Proof

Article (113)

The creditor must prove his right, and the debtor may negate it.

Article (114)

Writing, testimony, conclusive presumptions, inspection, and expertise are evidence binding on others, while admission is evidence limited to the person making it.

Article (115)

Any testimony that brings a benefit to the witness or wards off a loss from him shall be rejected.

Article (116)

The testimony and oath of a mute person by his customary signs shall be accepted if he is illiterate.

Article (117)

The burden of proof lies on the claimant, and the oath on the one who denies.

Article (118)

Evidence is to prove what is contrary to the apparent, and the oath is to maintain the original state.

Article (119)

The oath is accepted from one who takes it to clear himself, not to bind another.

Article (120)

- 1 - The oath is not administered except at the request of the litigant.
- 2 - The judge may - on his own initiative - administer the oath to a litigant in the following cases:
 - (a) If he claims a right in an estate and proves it, he shall take the oath of corroboration (istithaq), which is that he has not received his right from the deceased, nor has the deceased exonerated him, nor referred him to another, and that the deceased has no pledge against this right.
 - (b) If his entitlement to property is established, he shall swear that he has not sold this property, gifted it, or disposed of it in any way.
 - (c) If he returns a sold item for a defect, he shall swear that he did not accept the defect, either by word or by indication.
 - (d) When ruling in favor of pre-emption, he shall swear that he has not waived his right of pre-emption in any way.

Article (121)

The statement of a translator registered in the special register shall be accepted in accordance with what the law regulates.

Article (122)

There is no argument with a contradiction, but it has no effect on the court's judgment if it is proven afterwards, and the interested party has the right to recourse against the witness for compensation.

3 - Application of the Rules and Provisions of Proof

Article (123)

The courts shall follow, in the rules and procedures of proof and the collection of evidence of a right, the provisions stipulated in their special laws, in so far as they do not conflict with the preceding provisions.

Book One: Obligations or Personal Rights

Part One: Sources of Obligation or Personal Rights

Article (124)

Obligations or personal rights arise from legal acts, legal facts, and the law. The sources of obligation are:

- 1 - Contract.
- 2 - Unilateral Act.
- 3 - Harmful Act (Tort).
- 4 - Beneficial Act.
- 5 - The Law.

Chapter One: The Contract

Section One: General Provisions

Article (125)

A contract is the connection of an offer made by one of the contracting parties with the acceptance of the other and their agreement in a manner that establishes its effect on the subject matter of the contract and results in the obligation of each of them for what is due to the other.

More than two wills may coincide to create a legal effect.

Article (126)

A contract may cover the following:

- (a) Property, whether movable or immovable, tangible or intangible.

- (b) Usufruct of properties.
- (c) A specific work or a specific service.
- (d) Any other thing not prohibited by a provision of the law or contrary to public order or morals.

Article (127)

Contracting to commit a sin is not permissible.

Article (128)

- 1 - The general rules contained in this chapter shall apply to nominate and innominate contracts.
- 2 - The rules specific to certain contracts are determined by the special provisions governing them in this law or in other laws.

Section Two: Elements, Validity, Enforceability, and Options of a Contract

1 - Formation of the Contract

Article (129)

The necessary elements for the formation of a contract are:

- (a) The mutual consent of the two parties to the contract on the essential elements.
- (b) The subject matter of the contract must be something possible, specific, or specifiable, and permissible to be dealt with.
- (c) The obligations arising from the contract must have a lawful cause.

Article (130)

A contract is formed as soon as the offer is linked with the acceptance, taking into account any specific conditions for its formation that may be prescribed by law.

Article (131)

Offer and acceptance are any expression of will used to create the contract. What is issued first is the offer, and the second is the acceptance.

Article (132)

The expression of will can be verbal or in writing, and it may be in the past tense as well as in the present or imperative tense if the present is intended, or by a customary sign, even from a person who is not mute, or by actual exchange indicating mutual consent, or by adopting any other conduct where the circumstances leave no doubt as to its indication of mutual consent.

Article (133)

A future-tense expression that signifies a mere promise forms a binding promise of a contract if the parties so intend.

Article (134)

- 1 - The display of goods and services with a statement of the price is considered an offer.
- 2 - Publishing, advertising, stating current prices, and any other statement related to offers or requests directed to the public or to individuals shall not, in case of doubt, be considered an offer, but rather an invitation to contract.

Article (135)

- 1 - No statement is attributed to a silent person, but silence in the context of need is a statement and is considered acceptance.
- 2 - Silence is considered acceptance in particular if there has been a previous dealing between the contracting parties and the offer is related to this dealing, or if the offer is purely for the benefit of the offeree.

Article (136)

The contracting parties have the option after the offer until the end of the session. The offer is nullified if the offeror withdraws it after the offer and before acceptance, or if one of the contracting parties issues a statement or performs an act indicating withdrawal, and any subsequent acceptance is of no effect.

Article (137)

Engaging in something other than the intended purpose during the contract session constitutes a withdrawal from the intended purpose.

Article (138)

Repeating the offer before acceptance nullifies the first one, and the last offer is the one that is considered.

Article (139)

- 1 - If a time for acceptance is specified, the offeror is bound to maintain his offer until this time expires.
- 2 - The time limit may be inferred from the circumstances of the case or from the nature of the transaction.

Article (140)

- 1 - The acceptance must be consistent with the offer.
- 2 - If the acceptance is coupled with an addition to, a restriction on, or a modification of the offer, it is considered a rejection that includes a new offer.

Article (141)

- 1 - A contract is not formed unless the two parties agree on the essential elements of the obligation and on all other lawful conditions that both parties consider essential.
- 2 - If the parties agree on the essential elements of the obligation and all other lawful conditions that they consider essential, and they reserve

detailed matters to be agreed upon later, and do not stipulate that the contract is not formed in the absence of agreement on these matters, the contract is considered to have been formed. If a dispute arises over the matters not agreed upon, the judge shall rule on them according to the nature of the transaction and the provisions of the law.

Article (142)

1 - Contracting between absent parties is considered concluded at the place and time when the offeror becomes aware of the acceptance, unless there is an agreement or a legal provision to the contrary.

2 - It is presumed that the offeror has become aware of the acceptance at the place and time at which this acceptance reached him, unless there is proof to the contrary.

Article (143)

Contracting by telephone or any similar method is considered, with respect to place, as if it were concluded between contracting parties who are not in the same session at the time of the contract. As for time, it is considered as if it were concluded between parties present in the session.

Article (144)

A contract in auctions is not concluded until the bid is awarded. A bid is nullified by a higher bid, even if it is invalid, or by the closing of the auction without it being awarded to anyone.

Article (145)

Acceptance in contracts of adhesion is limited to mere submission to standard terms set by the offeror for all his clients and is not open to discussion.

Article (146)

1 - An agreement whereby both or one of the contracting parties undertakes to conclude a specific contract in the future is not formed unless all the essential matters of the contract to be concluded and the period within which it must be concluded are specified.

2 - If the law requires a specific form for the completion of the contract, this form must also be observed in the agreement that includes the promise to conclude this contract.

Article (147)

If a person promises to conclude a contract and then defaults, and the other party sues him seeking the fulfillment of the promise, and the conditions necessary for the formation of the contract, especially those related to form, are met, the judgment, once it has the force of res judicata, shall substitute for the contract.

Article (148)

1 - The payment of a deposit is considered evidence that the contract has become final and cannot be revoked, unless the agreement or custom provides otherwise.

2 - If the contracting parties agree that the deposit is a penalty for withdrawal from the contract, each of them has the right to withdraw. If the one who paid the deposit withdraws, he loses it, and if the one who received it withdraws, he returns it and its equivalent.

2 - Agency in Contracting

Article (149)

Contracting is done in person, and it may be done through agency, unless the law provides otherwise.

Article (150)

1 - Agency in contracting can be conventional or legal.

2 - The instrument of deputation issued by the principal determines the scope of the agent's authority when the agency is conventional, and the law determines that authority if the agency is legal.

Article (151)

Whoever personally enters into a contract for his own account is solely bound by the resulting provisions.

Article (152)

1 - If the contract is concluded through an agent, the person of the agent, not the principal, is the one to be considered when examining defects of consent or the effect of knowledge of certain special circumstances or the presumption of knowledge thereof.

2 - However, if the agent is an attorney acting according to specific instructions issued to him by his client, the client may not invoke the agent's ignorance of circumstances that he himself knew or was supposed to know.

Article (153)

If the agent concludes a contract in the name of the principal within the limits of his agency, the provisions of this contract and the rights (obligations) arising therefrom are attributed to the principal.

Article (154)

If the contractor does not declare at the time of concluding the contract that he is contracting as an agent, the effect of the contract is not attributed to the principal as a creditor or debtor unless it is necessarily assumed that the person with whom the agent contracted knew of the agency, or it was indifferent to him whether he dealt with the principal or the agent.

Article (155)

If both the agent and the person with whom he contracted are unaware at the time of concluding the contract of the termination of the agency, the effect of the contract concluded by the agent is attributed to the principal or his successors.

Article (156)

A person may not contract with himself in the name of the one he represents, whether the contract is for his own account or for the account of another person, without the authorization of the principal. However, the principal may in this case ratify the contract, all this being subject to contrary provisions of the law or commercial rules.

3 - Capacity to Contract

Article (157)

Every person is capable of contracting unless his capacity is removed or limited by law.

Article (158)

A minor lacking discretion has no right to dispose of his property, and all his dispositions are void.

Article (159)

1 - The financial dispositions of a minor with discretion are valid when they are purely beneficial to him and void when they are purely detrimental to him.

2 - As for dispositions that are between beneficial and detrimental, they are contingent upon the ratification of the guardian within the limits in which he is permitted to act initially, or the ratification of the minor after reaching the age of majority.

3 - The age of discretion is seven full Hijri years.

Article (160)

1 - The guardian may authorize a minor who has completed eighteen Hijri years to receive all or part of his property to manage it.

2 - The court, after hearing the statements of the tutor, may authorize a minor who has completed eighteen Hijri years to receive all or part of his property to manage it.

3 - The law specifies the special provisions for that.

Article (161)

An authorized minor, in dispositions falling under the authorization, is like an adult who has reached the age of majority.

Article (162)

A minor, whether under guardianship or tutorship, may not engage in trade unless he has completed eighteen Hijri years of age and the court has given him absolute or restricted permission to do so.

Article (163)

1 - The judge may authorize a minor with discretion when the guardian refuses to give permission, and the guardian may not place him under interdiction thereafter.

2 - The judge may, after giving permission, reinstate the interdiction on the minor.

Article (164)

The guardian of a minor's property is his father, then his father's appointee, then the true grandfather, then the judge or the tutor he appoints.

Article (165)

The law determines the necessary capacity required of a guardian to exercise the rights of guardianship over property.

Article (166)

Management contracts issued by the tutor regarding the minor's property are valid and enforceable according to the conditions and situations prescribed by law.

Article (167)

Dispositions issued by the tutor regarding the minor's property that do not fall under acts of management are valid and enforceable according to the conditions and situations prescribed by law.

Article (168)

1 - Minors, insane persons, and mentally deficient persons are interdicted by their nature.

2 - As for the prodigal and the person of forgetfulness, the judge places them under interdiction and lifts the interdiction from them according to the rules and procedures established by law.

3 - The interdiction decision shall be communicated to the interdicted person and its reason shall be announced to the public.

Article (169)

Adult insane and mentally deficient persons who are interdicted are treated as minors without legal capacity.

Article (170)

1 - Dispositions made by a prodigal or a person of forgetfulness after the registration of any request for interdiction, the interdiction judgment, the request for the restoration of guardianship, or the judgment issued for its restoration, shall be subject to the same provisions as the dispositions of a person with diminished capacity.

2 - However, a disposition made before the registration is not void or voidable unless it was the result of exploitation or collusion.

Article (171)

1 - The court may authorize a person interdicted for prodigality or forgetfulness to receive all or part of his property to manage it.

2 - The law specifies the special provisions for that.

Article (172)

The laws specify the procedures to be followed in interdicting interdicted persons, managing their assets, investing them, disposing of them, and other matters related to guardianship, tutorship, and curatorship.

Article (173)

If a person is deaf-mute, deaf-blind, or blind-mute, and is unable to express his will because of this, the judge may appoint a judicial assistant to help him in the dispositions where his interest requires it, in the manner specified by law.

Article (174)

Dispositions issued by guardians, tutors, and curators are valid within the limits set by law.

Article (175)

If a person with diminished capacity resorts to fraudulent means to conceal his lack of capacity, he is liable for compensation.

4 - Defects of Consent:

(a) Duress:

Article (176)

Duress is the unlawful coercion of a person to perform an act against his will. Duress can be compelling or non-compelling, and it can be physical or moral.

Article (177)

Duress is compelling if it is a threat of a serious, imminent danger to person or property, and it is non-compelling if it is a threat of something less than that.

Article (178)

A threat to inflict harm on parents, children, a spouse, or a close relative, and a threat of danger that tarnishes honor is considered duress and may be compelling or non-compelling depending on the circumstances.

Article (179)

Compelling duress negates consent and corrupts choice. Non-compelling duress negates consent but does not corrupt choice.

Article (180)

Duress varies according to the persons, their age, their weakness, their positions, and the degree of their being affected and pained by the duress, whether severe or weak, and any other circumstance that would affect the gravity of the duress.

Article (181)

It is required that the coercer be able to inflict what he threatened, and that it is highly probable in the mind of the coerced person that the duress will occur immediately if he does not do what he was coerced to do.

Article (182)

Whoever is coerced by either type of duress to conclude a contract, his contract is not enforceable. But if the coerced person or his heirs ratify it after the duress is removed, explicitly or implicitly, the contract becomes enforceable.

Article (183)

If a husband coerces his wife by beating her or preventing her from seeing her family or the like, to make her waive a right she has or to give him property, her disposition is not enforceable.

Article (184)

If the duress is exerted by someone other than the contracting parties, the person who was coerced into contracting may not claim the non-enforceability of the contract unless he proves that the other contracting party knew or was supposed to know of this duress.

(b) Misrepresentation and Gross Lesion:

Article (185)

Misrepresentation (Taghrir) is when one of the contracting parties deceives the other by fraudulent means, verbal or physical, which leads him to consent to what he would not have consented to without it.

Article (186)

Intentional silence about a fact or circumstance is considered misrepresentation if it is proven that the person who was deceived would not have concluded the contract had he known of that fact or circumstance.

Article (187)

If one of the contracting parties deceives the other and it is established that the contract was concluded with gross lesion, the deceived party may rescind the contract.

Article (188)

Gross lesion in real estate and other properties is what does not fall under the valuation of assessors.

Article (189)

If lesion, even if minor, affects the property of a person interdicted for debt or a person in their death illness, and their debts absorb all their assets, the contract is suspended, pending the removal of the lesion or its ratification by the creditors; otherwise, it is void.

Article (190)

If the misrepresentation is made by someone other than the contracting parties and the deceived person proves that the other contracting party knew of the misrepresentation, he may rescind it.

Article (191)

A contract cannot be rescinded for gross lesion without misrepresentation, except in the case of the property of an interdicted person, endowment property, and state property.

Article (192)

The right to rescind for misrepresentation and gross lesion is forfeited by the death of the person who has the right to request rescission, by the disposal of the subject matter of the contract in whole or in part in a manner that implies ratification, by its perishing in his possession, its consumption, its defectiveness, and its increase.

(c) Mistake:

Article (193)

A mistake is only considered in what is contained in the wording of the contract or indicated by the circumstances and conditions of the case, the nature of things, or custom.

Article (194)

If the mistake occurs in the nature of the contract, a condition of its formation, or in the subject matter, the contract is void.

Article (195)

A contracting party may rescind the contract if he makes a mistake in a desired matter, such as a quality in the subject matter, the identity of the other contracting party, or a quality in him.

Article (196)

A contracting party may rescind the contract if he makes a mistake of law and the conditions of a mistake of fact according to Articles (193) and (195) are met, unless the law provides otherwise.

Article (197)

A mere mistake in calculation or writing does not affect the contract but must be corrected.

Article (198)

A person who has made a mistake may not rely on it in a manner that conflicts with what is required by good faith.

5 - Subject Matter and Cause of the Contract:

(a) Subject Matter of the Contract:

Article (199)

Every contract must have a subject matter to which it is attributed.

Article (200)

1 - In financial transactions, it is required that the subject matter be valuable property.

2 - It may be a tangible object, a usufruct, or any other financial right, and it may also be an act or an omission.

Article (201)

If the subject matter is inherently impossible at the time of the contract, the contract is void.

Article (202)

1 - A future thing may be the subject matter of financial considerations if there is no ambiguity (gharar).

2 - However, it is not permissible to deal in the estate of a living person, even with his consent, except in cases stipulated by law.

Article (203)

1 - In contracts of financial exchange, it is required that the subject matter be specified in a way that negates gross uncertainty, by referring to it or its specific location if it exists at the time of the contract, or by stating its distinguishing features along with its quantity if it is quantifiable, or by any other means that eliminates gross uncertainty.

2 - If the subject matter is known to the contracting parties, there is no need to describe and define it in another way.

3 - If the subject matter is not specified in the aforementioned manner, the contract is void.

Article (204)

If the subject of the disposition or its consideration is money, its amount and type must be stated, without any effect from the rise or fall in the value of this money at the time of payment.

Article (205)

1 - It is required that the subject matter be capable of being governed by the contract.

2 - If the law prohibits dealing in something, or if it is contrary to public order or morals, the contract is void.

Article (206)

A contract may be coupled with a condition that confirms its purpose, is suitable for it, is established by custom and practice, or is beneficial to one of the contracting parties or to others, provided that it is not prohibited by the Legislator or contrary to public order or morals; otherwise, the

condition is void and the contract is valid, unless the condition was the motive for contracting, in which case the contract is also void.

(b) Cause of the Contract:

Article (207)

- 1 - The cause is the direct purpose intended by the contract.
- 2 - It must be existing, valid, permissible, and not contrary to public order or morals.

Article (208)

- 1 - A contract is not valid if it does not have a lawful benefit for the contracting parties.
- 2 - It is presumed in contracts that this lawful benefit exists unless there is proof to the contrary.

6 - Valid, Void, and Defective Contracts:

(a) The Valid Contract:

Article (209)

A valid contract is a contract that is lawful in its essence and description, being issued by a person with capacity, attributed to a subject matter capable of being governed by it, having an existing, valid, and lawful purpose, with valid descriptions, and not coupled with a condition that corrupts it.

(b) The Void Contract:

Article (210)

- 1 - A void contract is one that is not lawful in its essence and description, in that an element, its subject matter, its purpose, or the form required by

law for its formation is defective. It does not produce any effect and cannot be ratified.

2 - Any interested party may invoke the nullity, and the judge may declare it null of his own accord.

3 - An action for nullity is not heard after the lapse of fifteen years from the time the contract was concluded, but any interested party may raise the defense of nullity of the contract at any time.

Article (211)

1 - If a part of the contract is void, the entire contract is void, unless the portion of each part is specified, in which case it is void in the void part and remains valid in the remainder.

2 - If a part of the contract is suspended, it is suspended in the suspended part pending ratification. If ratified, the entire contract is enforced. If not ratified, it is void only in that part, with its share of the consideration, and remains in effect in the enforceable part with its share.

(c) The Defective Contract:

Article (212)

1 - A defective (fasid) contract is one that is lawful in its essence but not in its description. If the cause of its defect is removed, it becomes valid.

2 - It does not confer ownership of the subject matter of the contract except upon possession.

3 - It has no effect except within the scope determined by the provisions of the law.

4 - Each of its contracting parties or their heirs has the right to rescind it after notifying the other contracting party.

7 - The Suspended Contract and the Non-Binding Contract

(a) The Suspended Contract:

Article (213)

A disposition is suspended in its effect pending ratification if it is made by an unauthorized person (faduli) regarding the property of another, or by an owner regarding his property to which another person has a right, or by a person with diminished capacity regarding his property when his disposition is between beneficial and detrimental, or by a person under duress, or if the law so provides.

Article (214)

Ratification of the contract is for the owner, the person who has a right in the subject matter of the contract, the guardian, the tutor, the person with diminished capacity after reaching full capacity, the person under duress after the duress is removed, or the person authorized by law.

Article (215)

- 1 - Ratification can be by any act or statement that indicates it explicitly or implicitly.
- 2 - Silence is considered ratification if it customarily indicates consent.

Article (216)

For the validity of ratification, it is required that the disposition be capable of ratification at the time it was made and at the time of ratification. It is also required that the person who has the right to ratify, the parties to the contract, the subject matter of the disposition, and its consideration, if it is a tangible object, exist at the time of ratification.

Article (217)

- 1 - If the suspended disposition is ratified, it becomes effective retroactively to the time it was made, and the subsequent ratification is considered as a prior authorization.

2 - If ratification is refused, the disposition is void.

(b) The Non-Binding Contract:

Article (218)

1 - A contract is non-binding with respect to one or both of its parties, despite its validity and enforceability, if it stipulates the right to rescind it without mutual consent or litigation.

2 - Each of them may independently rescind it if it is by its nature non-binding with respect to him, or if he has stipulated for himself an option to rescind it.

8 - Options that Affect the Binding Nature of the Contract

(a) Option of Condition:

Article (219)

In binding contracts that are subject to rescission, the contracting parties or either of them may stipulate in the contract or thereafter an option of condition for himself or for another for a period they agree upon. If they do not agree on a period, the judge may determine it according to custom.

Article (220)

If the option is stipulated for both contracting parties in contracts of financial exchange, the two considerations do not leave their ownership. If it is made for one of them, his property does not leave his ownership, and the property of the other does not enter his ownership.

Article (221)

1 - The holder of the option of condition has the right to rescind or ratify the contract.

2 - If he chooses ratification, the contract becomes binding retroactively to its inception. If he chooses rescission, the contract is rescinded and considered as if it never was.

Article (222)

If the option is stipulated for both contracting parties, and one of them chooses rescission, the contract is rescinded even if the other ratifies it. If one chooses ratification, the other retains his option for the duration of the option period.

Article (223)

- 1 - Rescission or ratification is by any act or statement that indicates either of them, explicitly or implicitly.
- 2 - If the period passes without choosing rescission or ratification, the contract becomes binding.

Article (224)

1 - For the validity of rescission, it is required that it be chosen within the option period and that the other party be aware of it if the rescission is verbal. Mutual consent or litigation is not required.

2 - As for ratification, it is not required that the other party be aware of it.

Article (225)

The option is forfeited by the death of its holder during its period, and the contract becomes binding on his heirs. The other party retains his option, if he has one, until the end of its period.

(b) Option of Inspection:

Article (226)

The option of inspection is established in contracts that are subject to rescission for the person to whom the disposition is made, even if he did

not stipulate it, if he has not seen the subject matter of the contract and it was specifically designated.

Article (227)

The option of inspection remains until the inspection is completed within the agreed period or something occurs that forfeits it.

Article (228)

The option of inspection does not prevent the enforceability of the contract, but it prevents it from being binding on the person for whom the option is stipulated.

Article (229)

1 - The option of inspection is not forfeited by waiver.

2 - It is forfeited by inspecting the subject matter of the contract and accepting it explicitly or implicitly, as well as by the death of its holder, by the perishing of the subject matter of the contract in whole or in part, by its defectiveness, and by the disposal of it by the holder of the option in a manner that does not allow for rescission or in a manner that creates a right for another.

Article (230)

Rescission by the option of inspection is done by any act or statement that indicates it, explicitly or implicitly, provided that the other contracting party is aware.

(c) Option of Designation:

Article (231)

It may be agreed that the subject matter of the contract shall be one of two or three things, and the option to designate it from among them shall be for one of the contracting parties, provided that the consideration for each and the option period are specified.

Article (232)

If the contracting parties do not specify a period for the option, or if the specified period for one of them expires without him making a choice, the other party may request the judge to specify a period for the option or to determine the subject matter of the disposition.

Article (233)

The contract is not binding on the person who has the right of option until this right is exercised. If the choice is made, explicitly or implicitly, the contract becomes enforceable and binding in what has been chosen.

Article (234)

The designation of the option relates back to the time the contract was formed.

Article (235)

1 - If the option of designation is for the buyer and one of the two things perishes in the hands of the seller, the buyer has the option to take the other thing for its price or to leave it. If both things perish together, the sale is void.

If the perishing occurs after the buyer has taken possession of the sold item and one of the two things perishes in the hands of the buyer, the perished item is designated for the sale, and the buyer is liable for its price, and the other item is designated as a trust.

If the two things perish successively, the first one perishes as sold and the second as a trust. If they perish at the same time, the buyer is liable for half the price of each.

2 - If the option of designation is for the seller and one of the two things perishes before or after possession, the seller has the option to bind the buyer to the remaining thing or to rescind the contract. If both things perish before possession, the contract is void.

If the two things perish after possession successively, the first one perishes as a trust and the second as sold. If they perish at the same time, the buyer is liable for half the price of each.

Article (236)

If the person who has the option of designation dies during the choice period, his right is transferred to his heirs.

(d) Option for Defect:

Article (237)

The right to rescind the contract by the option for defect is established in contracts that are subject to rescission, without it being stipulated in the contract.

Article (238)

For a defect to establish the option, it is required that it be old, affecting the value of the subject matter of the contract, that the buyer be unaware of it, and that the seller has not stipulated an exemption from it.

Article (239)

1 - If the defect meets the conditions specified in the preceding article, the contract is not binding on the party with the option before taking possession and is subject to rescission after it.

2 - The rescission of the contract before taking possession is effected by any means indicating it, without the need for mutual consent or litigation, provided the other contracting party is aware of it. After taking possession, it is effected by mutual consent or litigation.

Article (240)

Rescission of the contract due to a defect results in the return of its subject matter to its owner and the recovery of what was paid.

Article (241)

1 - The option for a defect is waived by surrender, by acceptance of the defect after becoming aware of it, by disposing of the subject of the contract even before being aware of it, by its destruction or diminution after taking possession, and by its increase before taking possession with a

connected increase not generated from it by the act of the buyer, and after taking possession with a separate increase generated from it.

2 - The option for a defect is not waived by the death of its holder and is established for their heirs.

Article (242)

The holder of the option for a defect also has the right to retain the subject of the contract and claim a reduction in price.

Section Three: Effects of the Contract:

1 - Regarding the Contracting Parties:

Article (243)

1- The effect of the contract on the subject matter and its consideration is established upon its conclusion without being dependent on taking possession or anything else, unless the law provides otherwise.

2- As for the rights of the contract (its obligations), each contracting party must fulfill what the contract has obligated them to do.

Article (244)

A commutative contract concerning tangible assets, if it fulfills the conditions of its validity, requires the establishment of ownership for each of the contracting parties in the consideration for their property and the obligation of each to deliver their contracted property to the other.

Article (245)

A commutative contract concerning the benefits of tangible assets, if it fulfills the conditions of its validity, obligates the disposer of the asset to deliver it to the beneficiary and the beneficiary to deliver the consideration for the benefit to the owner of the asset.

Article (246)

1 - The contract must be performed in accordance with its contents and in a manner consistent with the requirements of good faith.

2 - The contract is not limited to obligating the contracting party to what is stated therein but also includes its requisites according to the law, custom, and the nature of the transaction.

Article (247)

In bilateral contracts, if the reciprocal obligations are due, either contracting party may refrain from performing their obligation if the other contracting party does not perform what they have committed to.

Article (248)

If the contract is made by way of adhesion and includes abusive terms, the judge may modify these terms or exempt the adhering party from them in accordance with the dictates of justice, and any agreement to the contrary shall be void.

Article (249)

If exceptional, general events occur which could not have been foreseen, and as a result, the performance of the contractual obligation, although not impossible, becomes onerous for the debtor to the extent that it threatens them with grave loss, the judge may, according to the circumstances and after balancing the interests of the two parties, reduce the onerous obligation to a reasonable limit if justice so requires, and any agreement to the contrary shall be void.

2 - Effect of the Contract with Respect to Third Parties:

Article (250)

The effect of the contract extends to the contracting parties and their general successors, without prejudice to the rules relating to inheritance, unless it is clear from the contract, the nature of the transaction, or a provision of the law that this effect does not extend to the general successors.

Article (251)

If the contract creates personal rights related to something that is subsequently transferred to a special successor, these rights are transferred to this successor at the time the thing is transferred if they are its requisites and the special successor was aware of them at the time of the transfer.

Article (252)

The contract does not create any obligation on a third party, but it may grant them a right.

Article (253)

1 - If a person undertakes to make a third party commit to something, the third party is not bound by their undertaking. If the third party refuses to commit, the undertaker must compensate the person with whom they contracted.

However, they may be released from compensation by performing the obligation they undertook themselves.

2 - If the third party accepts this undertaking, their acceptance only takes effect from the time it is issued, unless it is shown that they intended, expressly or implicitly, for the effect of this acceptance to be retroactive to the time the undertaking was made.

Article (254)

1 - A person may contract in their own name for rights stipulated for the benefit of a third party if they have a personal interest, whether material or moral, in their performance.

2 - This stipulation results in the third party gaining a direct right against the promisor to enforce the stipulation, and they can demand its fulfillment, unless otherwise agreed. The promisor may raise against the beneficiary the defenses arising from the contract.

3 - The stipulator may also demand the performance of what was stipulated for the benefit of the beneficiary, unless it is apparent from the contract that the beneficiary alone has the right to do so.

Article (255)

1 - The stipulator, but not their creditors or heirs, may revoke the stipulation before the beneficiary declares to the promisor or the stipulator their desire to benefit from it, unless this contravenes the requirements of the contract.

2 - Revocation of the stipulation does not release the promisor from their obligation to the stipulator, unless it is expressly or implicitly agreed otherwise.

The stipulator may substitute another beneficiary for the first one, just as they may claim the benefit of the stipulation for themselves.

Article (256)

In a stipulation for the benefit of a third party, the beneficiary may be a future person or a future entity, and they may also be a person or entity not designated at the time of the contract, provided that their designation is possible at the time the contract produces its effect according to the stipulation.

Section Four: Interpretation of Contracts

Article (257)

The basis of a contract is the consent of the contracting parties and what they have committed to in the contract.

Article (258)

- 1 - In contracts, consideration is given to intentions and meanings, not to words and structures.
- 2 - The default meaning of words is their literal sense, and a figurative meaning may not be adopted unless it is impossible to apply the literal meaning.

Article (259)

An indication is disregarded in the face of an explicit statement.

Article (260)

It is better to give effect to words than to disregard them, but if it is impossible to give effect to the words, they are disregarded.

Article (261)

Mentioning part of an indivisible whole is like mentioning the whole.

Article (262)

An absolute term applies in its absolute sense if there is no evidence of restriction, either in text or by indication.

Article (263)

A description of something present is redundant, but of something absent, it is considered.

Article (264)

What is customary among merchants is like a condition stipulated between them.

Article (265)

- 1 - If the wording of the contract is clear, it is not permissible to deviate from it through interpretation to ascertain the will of the contracting parties.
- 2 - However, if there is room for interpretation, the common intention of the contracting parties must be sought without being limited to the literal meaning of the words, being guided in this by the nature of the transaction and the honesty and trust that should exist between the contracting parties according to prevailing business custom.

Article (266)

- 1 - Doubt is interpreted in favor of the debtor.
- 2 - However, the interpretation of ambiguous phrases in adhesion contracts may not be detrimental to the interest of the adhering party.

Section Five: Dissolution of the Contract (Cancellation)

1 - General Provisions:

Article (267)

If the contract is valid and binding, neither of the contracting parties may revoke, modify, or rescind it except by mutual consent, litigation, or by virtue of a provision of the law.

Article (268)

The contracting parties may cancel the contract by mutual consent after its conclusion.

Article (269)

Cancellation is a rescission for the contracting parties and a new contract for third parties.

Article (270)

Cancellation is effected by offer and acceptance in the session and by conduct, provided that the subject of the contract is existing and in the hands of the contracting party at the time of cancellation. If part of it has perished, the cancellation is valid for the remainder in proportion to its share of the consideration.

Article (271)

It may be agreed that the contract shall be considered rescinded automatically without the need for a court order upon failure to fulfill the obligations arising from it. This agreement does not exempt from giving notice unless the contracting parties have expressly agreed to waive it.

Article (272)

1 - In bilateral contracts, if one of the contracting parties fails to fulfill their obligation under the contract, the other contracting party, after giving notice to the debtor, may demand performance of the contract or its rescission.

2 - The judge may compel the debtor to perform immediately or grant them a specified period. The judge may also rule for rescission and compensation in any case if there is cause for it.

Article (273)

1 - In bilateral contracts, if a force majeure event occurs that makes the performance of an obligation impossible, the corresponding obligation is extinguished with it, and the contract is rescinded automatically.

2 - If the impossibility is partial, what corresponds to the impossible part is extinguished. This provision applies to temporary impossibility in continuous contracts. In these two cases, the creditor may rescind the contract, provided the debtor is aware of it.

2 - Effects of Dissolution of the Contract:

Article (274)

If the contract is rescinded or annulled, the contracting parties are restored to the state they were in before the contract. If this is impossible, compensation shall be awarded.

Article (275)

If the contract is dissolved due to nullity, rescission, or any other reason, and each of the contracting parties must return what they have taken, each of them may retain what they have taken as long as the other contracting party has not returned to them what they received or provided a guarantee for this return.

Chapter Two: Unilateral Disposition

Article (276)

A disposition may be made by the unilateral will of the disposer without being dependent on the acceptance of the donee, unless it involves obligating a third party to something, in accordance with what the law provides, all of this unless the law provides otherwise.

Article (277)

The provisions relating to contracts shall apply to unilateral dispositions, except those related to the necessity of two corresponding wills to create a contract, unless the law provides otherwise.

Article (278)

If a unilateral disposition fulfills its essential element and conditions, the disposer may not revoke it, unless the law provides otherwise.

Article (279)

- 1 - If the unilateral disposition is a transfer of ownership, its effect is not established for the donee except with their acceptance.
- 2 - If it is a waiver that implies a transfer of ownership or a release from a debt, its effect is established for the donee, but it is reversed by their rejection in the session.
- 3 - If it is a pure waiver, its effect is established for the donee and is not reversed by rejection.
- 4 - All of this unless the law provides otherwise.

Article (280)

- 1 - A promise is what a person imposes on themselves for another, relating to the future, not as a monetary obligation. It may concern a contract or an act.
- 2 - A promise binds its maker unless they die or become bankrupt.

Article (281)

- 1 - Whoever makes a public promise of a reward for a specific act and sets a deadline for it is obligated to give the reward to whoever performs that act, even if they performed it without regard to the promise of the reward.
- 2 - If the promisor does not set a deadline for performing the act, they may revoke their promise by a public announcement, provided that this does

not affect the right of anyone who completed the act before the revocation of the promise. A claim for the reward will not be heard if it is not filed within three months from the date of the announcement of the promisor's revocation.

Chapter Three: Harmful Act

Section One: General Provisions:

Article (282)

Any harm to another obligates its doer, even if not discerning, to guarantee the damage.

Article (283)

1 - Harm can be direct or by causation.

2 - If it is direct, guarantee is required without condition. If it is by causation, it is conditional on transgression, intent, or the act leading to the harm.

Article (284)

If the direct actor and the causer come together, the ruling is attributed to the direct actor.

Article (285)

If one person deceives another, they are liable for the damage resulting from that deception.

Article (286)

A person whose property is destroyed by another is not entitled to destroy that person's property; otherwise, each of them shall be liable for what they destroyed.

Article (287)

If a person proves that the damage arose from an external cause in which they had no hand, such as a natural disaster, a sudden accident, force majeure, the act of a third party, or the act of the injured party, they shall not be obligated to guarantee, unless the law or agreement provides otherwise.

Article (288)

Whoever causes harm while in a state of legitimate defense of themselves, their honor, or their property, or of another's life, honor, or property, is not responsible for that harm, provided they do not exceed the necessary measure; otherwise, they become obligated to guarantee to the extent they exceeded.

Article (289)

1 - The act is attributed to the doer, not the one who ordered it, unless the doer was compelled. The compulsion considered in physical acts is only compelling coercion.

2 - However, a public official is not responsible for their act that harmed another if they performed it in execution of an order issued to them by their superior, when obedience to this order is mandatory for them or they believed it was mandatory, and they provide proof of their belief in the lawfulness of the act that occurred, and their belief was based on reasonable grounds, and that they exercised due care and caution in their work.

Article (290)

The judge may reduce the amount of the guarantee or not award a guarantee at all if the injured party contributed by their act to causing the damage or increased it.

Article (291)

If multiple persons are responsible for a harmful act, each of them is responsible in proportion to their share in it. The judge may rule for equal, joint, or several liability among them.

Article (292)

The guarantee shall in all cases be assessed by the extent of the harm suffered by the injured party and the loss of profit, provided that this is a natural result of the harmful act.

Article (293)

1 - The right to a guarantee includes moral damage. Infringement on another's freedom, honor, reputation, social status, or financial standing is considered moral damage.

2 - A guarantee may be awarded to spouses and close family members for the moral damage they suffer due to the death of the victim.

3 - The guarantee for moral damage is not transferable to a third party unless its value has been determined by agreement or a final court judgment.

Article (294)

The guarantee may be in installments, and it may also be a fixed annuity. In these two cases, the debtor may be obliged to provide security as estimated by the judge or an acceptable guarantee.

Article (295)

The guarantee is assessed in cash. However, the judge may, according to the circumstances and at the request of the injured party, order the restoration of the situation to what it was or rule for the performance of a specific matter related to the harmful act, by way of compensation.

Article (296)

Any condition providing for exemption from liability arising from a harmful act is void.

Article (297)

Civil liability does not preclude criminal liability when its conditions are met, and the criminal penalty has no effect on determining the scope of civil liability and assessing the guarantee.

Article (298)

1 - A claim for a guarantee arising from a harmful act shall not be heard after the lapse of three years from the day the injured party became aware of the occurrence of the harm and of the person responsible for it.

2 - However, if this claim arises from a crime and the criminal case is still admissible after the expiry of the periods mentioned in the preceding paragraph, the claim for guarantee shall not be barred from being heard.

3 - A claim for guarantee shall not be heard in any case after the lapse of fifteen years from the day the harmful act occurred.

Section Two: Liability for Personal Acts:

1 - Harm to a Person

Article (299)

Compensation is required for injury to a person.

However, in cases where blood money (diyah) or a lesser indemnity (arsh) is due, it is not permissible to combine either of them with compensation unless the parties agree otherwise.

2 - Destruction of Property:

Article (300)

Whoever destroys or damages the property of another shall be liable for its like if it is fungible, and its value if it is non-fungible, taking into account the general provisions for indemnification.

Article (301)

If the destruction is partial, the destroyer shall be liable for the decrease in value. If the decrease is substantial, the owner of the property has the option to either take the value of the decrease or leave the damaged property and take its value, taking into account the general provisions for indemnification.

Article (302)

1 - If someone destroys another's property under the assumption that it is their own, they are liable for what they destroyed.

2 - If they destroy another's property with the owner's permission, they are not liable.

Article (303)

If a discerning or non-discriminating child, or those in their category, destroys another's property, they are liable for the guarantee from their own assets.

3 - Usurpation and Trespass:

Article (304)

1 - The hand is liable for what it has taken until it is returned.

2 - Whoever usurps another's property must return it to them in the state it was in at the time of usurpation, and at the place of usurpation.

3 - If they consume it, destroy it, lose it, or it is destroyed by their trespass or without their trespass, they are liable for its like or its value on the day of usurpation and at the place of usurpation.

4 - They are also liable for its benefits and accretions.

Article (305)

If someone destroys the usurped property in the hand of the usurper, the person from whom it was usurped has the option to either hold the usurper liable, who may then have recourse against the destroyer, or to hold the destroyer liable, and the destroyer has no recourse against the usurper.

Article (306)

If the usurper disposes of the usurped property, whether for consideration or gratuitously, and the usurped property is destroyed in whole or in part in the hand of the person to whom the usurper disposed of it, the person from whom it was usurped has the option to hold either of them liable. If they hold the usurper liable, their disposition is valid. If they hold the person to whom the usurper disposed of it liable, that person has recourse against the usurper in accordance with the provisions of the law.

Article (307)

1 - The usurper of a usurper has the same status as a usurper.

2 - If the usurper of a usurper returns the usurped property to the first usurper, they alone are absolved. If they return it to the person from whom it was usurped, both they and the first usurper are absolved.

3 - If the usurped property is destroyed or damaged in the hand of the usurper of a usurper, the person from whom it was usurped has the option to hold either the first usurper or the second usurper liable.

They may also hold the first liable for a portion and the second for the other portion. If they hold the first usurper liable, that usurper has recourse against the second. If they hold the second liable, that usurper has no recourse against the first.

Article (308)

The judge may, in all cases, sentence the usurper to compensation that they deem appropriate if they see justification for it.

Article (309)

Whoever has in their possession a trust and is negligent in its preservation, trespasses against it, withholds it from its owner without right, denies it, or dies leaving it unknown, shall be liable for it with its like or value, as the case may be.

Article (310)

Whoever steals property or commits highway robbery and takes property must return it to its owner if it exists, or its like or value if it has been consumed, even if they are sentenced to a penalty.

Article (311)

1 - If the usurped property changes by itself, the person from whom it was usurped has the choice between recovering the usurped property or its substitute.

2 - If the usurped property changes in a way that changes its name, the substitute is guaranteed.

3 - If the usurped property changes due to the usurper adding something of their own property to it, the person from whom it was usurped has the choice between paying the value of the addition and recovering the usurped property itself, or holding the usurper liable for its substitute.

4 - If the usurped property changes by a decrease in its value as a result of the usurper's use, the usurper shall return the property itself while being liable for the value of the decrease.

Article (312)

The ruling for anything equivalent to usurpation is the same as the ruling for usurpation.

Section Three: Liability for the Acts of Others:

Article (313)

1 - No one is liable for the act of another. However, the judge may, at the request of the injured party, if they see justification, oblige any of the following, as the case may be, to pay the guarantee awarded against the person who caused the harm:

(a) A person who is legally or contractually obligated to supervise a person in need of supervision due to their minority or their mental or physical condition, unless they prove that they performed their duty of supervision or that the harm would have occurred even if they had performed this duty with the required care.

(b) A person who has actual authority to supervise and direct the person who caused the harm, even if they were not free in their choice, if the harmful act was committed by the subordinate in the performance of their function or because of it.

2 - The person who paid the guarantee has the right to recourse for what they paid against the person sentenced to pay it.

Section Four: Liability for Animals, Things, and Use of Public Roads

1 - Offense by an Animal:

Article (314)

The offense of a non-rational animal is not a basis for liability, but its harmful act is guaranteed by the person in possession of it, whether owner or not, if they were negligent or trespassed.

2 - Collapse of a Building:

Article (315)

1 - Damage caused to others by the collapse of a building, in whole or in part, is guaranteed by the owner of the building or the person in charge of it, unless it is proven that they did not trespass or were not negligent.

2 - A person who is threatened by damage from a building may demand that the owner take the necessary measures to avert the danger. If the owner fails to do so, the judge may authorize the person to take these measures at the owner's expense.

3 - Things and Machines:

Article (316)

Anyone who has under their control things that require special care to prevent their harm, or mechanical devices, is liable for the damage caused

by these things or devices, except for what cannot be guarded against, without prejudice to any special provisions in this regard.

4 - Use of a Public Right:

Article (317)

The use of a public right is restricted by the safety of others. Whoever uses their public right and harms another with damage that could have been guarded against is liable.

Chapter Four: Beneficial Act

Section One: Gain without Cause:

Article (318)

It is not permissible for anyone to take another's property without a legal cause. If they take it, they must return it.

Article (319)

1 - Whoever gains property from another without a gaining transaction must return it if it exists, and its like or value if it does not exist, unless the law provides otherwise.

2 - If a person's property leaves their possession unintentionally and becomes connected, by fate or destiny, to the property of another in a way that cannot be separated without harm to one of the owners, the lesser in value follows the greater after payment of its value. If they are equal in value, they are sold for them, and they share the price, unless there is an agreement or a provision in the law that provides otherwise.

Section Two: Receipt of What is Not Due:

Article (320)

Whoever pays something thinking it is due, then it becomes clear that it is not due, has the right to recover it from the one who received it if it exists, and its like or value if it does not exist.

Article (321)

It is valid to recover what is not due if the payment was made in performance of a debt whose cause has not been realized or a debt whose cause ceased after it was realized.

Article (322)

It is valid to recover what was paid in fulfillment of a debt whose term has not yet come due, and the payer was unaware of the existence of the term.

Article (323)

If payment is made by someone other than the debtor, and as a result, the creditor, acting in good faith, has divested themselves of the debt instrument or the securities they obtained, or has abandoned their claim against the actual debtor for the period prescribed for it to be heard, they are not obliged to return what they received. The one who paid has recourse against the actual debtor for the debt and for compensation, if any.

Article (324)

Whoever receives something without right must return it to its owner with the gains or benefits they have earned. The judge may compensate the rightful owner for what the receiver failed to earn.

Section Three: Management of Affairs (Fadalah):

Article (325)

Whoever performs a beneficial act for another without their command, but it is authorized by the judge, necessitated by necessity, or dictated by custom, is considered their representative, and the following provisions apply to them.

Article (326)

The rules of agency apply if the principal ratifies what the manager of affairs (faduli) has done.

Article (327)

The manager of affairs must continue the work they have started until the principal is able to undertake it themselves. They must also notify the principal of their intervention whenever they are able to do so.

Article (328)

The manager of affairs is responsible for any damages incurred by the principal, and the judge may determine the guarantee if the circumstances justify it.

Article (329)

If the manager of affairs entrusts all or part of the work to another, they are responsible for the actions of their deputy, without prejudice to the principal's right of direct recourse against this deputy.

Article (330)

The manager of affairs is bound by the same obligations as an agent to return what they have acquired through the management of affairs and to provide an account of what they have done.

Article (331)

The principal must fulfill the undertakings made by the manager of affairs on their behalf, compensate them for the undertakings they have committed to, reimburse them for necessary and beneficial expenses justified by the circumstances, and compensate them for the damage they suffered as a result of their work. The manager of affairs is not entitled to a wage for their work unless it is part of their profession.

Article (332)

1 - If the manager of affairs dies, their heirs are bound by the same obligations as the heirs of an agent upon the termination of the agency by the agent's death.

2 - If the principal dies, the manager of affairs remains obligated to the heirs for what they were obligated to their predecessor.

Section Four: Paying Another's Debt:

Article (333)

Whoever pays another's debt at their command has recourse against the one who commanded for what they paid on their behalf and stands in the place of the original creditor in claiming it, whether they stipulated recourse or not.

Article (334)

Whoever pays another's debt without their command has no recourse for what they paid against the debtor except in the cases stipulated in Article (325), nor against the creditor unless they release the debtor from the debt, even after receiving their debt from the payer.

Article (335)

If a mortgagor pays another's debt to release their mortgaged property securing this debt, they have recourse for what they paid against the debtor.

Section Five: Common Provision:

Article (336)

A claim arising from a beneficial act shall not be heard after the lapse of three years from the day the creditor became aware of their right of recourse, and in all cases, the claim shall not be heard after the lapse of fifteen years from the day the right of recourse arose.

Chapter Five: The Law

Article (337)

Rights that arise directly from the law alone are governed by the legal provisions that created them.

Part Two: Effects of a Right

Chapter One: General Provisions:

Article (338)

A right must be fulfilled once it meets the legal conditions for its being due. If the debtor defaults, it must be compulsorily enforced against them, either in kind or by compensation, in accordance with the legal texts.

Article (339)

- 1 - Enforcement is voluntary if it is done by fulfillment or its equivalent.
- 2 - It is compulsory if it is done in kind or by way of compensation.

Article (340)

If a right lacks legal protection for any reason, there is no compulsion in its enforcement, and it becomes a moral obligation on the debtor.

Article (341)

If a debtor fulfills what is morally obligatory for them, their fulfillment is valid and is not considered payment of what is not due.

Chapter Two: Means of Enforcement:

Section One: Voluntary Enforcement:

1 - Fulfillment:

(a) Parties to Fulfillment:

Article (342)

1 - Fulfillment is valid from the debtor, their representative, or any other person who has an interest in the fulfillment.

2 - It is also valid from a person who has no interest in the fulfillment, by order of the debtor or without their order. However, the creditor may refuse fulfillment from a third party if the debtor objects to it and informs the creditor of their objection.

Article (343)

For a debt to be discharged, it is required that the payer be the owner of what they paid. If the debtor is a discerning minor, an adult who is insane, or under interdiction for prodigality or heedlessness, and they pay the debt they owe, their payment is valid unless the fulfillment causes harm to the payer.

Article (344)

Fulfillment to some creditors is not enforceable against other creditors if the debtor is interdicted for debt and the payment is from the interdicted property, or is in a terminal illness, and the fulfillment harms the rest of the creditors.

(b) The Payee:

Article (345)

Fulfillment shall be made to the creditor or their representative. A person who presents to the debtor a receipt issued by the creditor is considered to have the capacity to receive the debt, unless it has been agreed that fulfillment shall be made to the creditor personally.

Article (346)

If the creditor is not fully legally competent, the debtor's obligation is not discharged except by fulfillment to their guardian. If fulfillment is made to the creditor and what was paid is lost in their hands or lost by them, their guardian may claim the debt from the debtor.

(c) Refusal of Performance

Article (347)

If the creditor, without justification, refuses to accept a properly offered performance where it should be accepted, or refuses to perform the acts without which performance cannot be completed, or declares that they will not accept the performance, the debtor shall serve a formal notice on them by a declaration, setting a reasonable period for them to do what is necessary to receive their right.

Article (348)

The consequence of serving a formal notice on the creditor is that the object of the obligation shall become the responsibility of the creditor if it was previously the responsibility of the debtor, and the debtor shall have the right to deposit it at the creditor's expense and to be compensated for any damage incurred.

Article (349)

If the subject of performance is a specifically identified thing that must be delivered at its location, the debtor may, after serving notice on the creditor to take delivery, obtain permission from the judge to deposit it. If this thing is real property or something intended to remain where it is, the debtor may request that it be placed under custody.

Article (350)

If the subject of performance is a perishable thing or entails exorbitant costs for its deposit or custody, the debtor may, after obtaining the judge's permission, or without permission in case of necessity, sell it at its known market price. If this is not possible, it shall be sold by public auction, and the deposit of the price shall substitute for the deposit of the thing itself.

Article (351)

Deposit, or any equivalent procedure, is also permissible if the debtor is unaware of the creditor's identity or domicile, or if the creditor is under legal disability and has no representative to accept performance on their

behalf, or if the debt is disputed among several persons, or if there are other serious reasons justifying this procedure.

Article (352)

A real tender, with respect to the debtor, is equivalent to performance if it is followed by a deposit that fulfills its legal conditions, or is followed by any similar procedure, provided that the creditor accepts it or a final judgment confirming its validity is issued.

Article (353)

1 - If the debtor offers the debt and follows the offer with a deposit or a similar procedure, they may retract this offer as long as the creditor has not accepted it or a final judgment confirming its validity has not been issued. If they retract, the liability of their co-debtors and guarantors is not discharged.

2 - If the debtor retracts the offer after the creditor has accepted it or after it has been ruled valid, and the creditor accepts this retraction, the creditor may not thereafter invoke the securities that guaranteed their right, and the liability of the co-debtors and guarantors is discharged.

(d) Subject, Time, Place, Expenses, and Proof of Performance:

Article (354)

1 - If the debt is determined by specific identification, the debtor may not perform with something else in its place without the creditor's consent, even if this substitute is equal in value to the due object or has a higher value.

2 - However, if it is not determined by specific identification, the debtor may perform with a similar thing, even if the creditor does not consent.

Article (355)

1 - The debtor may not compel the creditor to accept partial performance of their right unless there is an agreement or a legal provision permitting it.

2 - If a part of the debt is disputed and the creditor agrees to receive the acknowledged part, the debtor may not refuse to perform this part.

Article (356)

If the debtor is obliged to pay any expenses along with the debt, and what they have paid does not cover the debt plus those expenses, the amount paid shall be deducted from the expenses account first, then from the principal of the debt, unless otherwise agreed.

Article (357)

If there are multiple debts owed by the debtor to a single creditor, of the same kind, and what the debtor has paid is not sufficient to cover all these debts, the debtor may, at the time of performance, designate the debt they wish to settle, unless there is a legal or contractual impediment to such designation.

Article (358)

If the debt is not designated in the manner specified in the preceding article, the payment shall be applied to the debt that has fallen due. If there are multiple due debts, it shall be applied to the one most burdensome to the debtor. If the debts are equally burdensome, it shall be applied to the debt designated by the creditor.

Article (359)

1 - Performance must be made immediately upon the obligation becoming final on the debtor, unless there is an agreement or a legal provision to the contrary.

2 - However, a judge may, in exceptional cases, if not prohibited by a legal provision, grant the debtor a reasonable extension or installments to fulfill their obligation if their situation so requires and this deferral does not cause serious harm to the creditor.

Article (360)

1 - If the debt is deferred, the debtor may pay it before the due date if the term is for their benefit, and the creditor is compelled to accept.

2 - If the debtor pays the debt before the due date and the payment is then reclaimed, the debt reverts to being deferred as it was.

Article (361)

1 - If the subject of the obligation is determined by specific identification, it must be delivered at the place where it was located at the time the obligation arose, unless there is an agreement or a legal provision to the contrary.

2 - In other obligations, performance shall be made at the debtor's domicile at the time of performance, or at the debtor's place of business if the obligation is related to such business.

Article (362)

If the debtor sends the debt with their messenger to the creditor and it is lost in the messenger's hands before arrival, it is lost from the debtor's property. If the creditor orders the debtor to pay the debt to the creditor's messenger and they do so, its loss is from the creditor's property, and the debtor is discharged from the debt.

Article (363)

The costs of performance shall be borne by the debtor unless otherwise agreed or provided by law.

Article (364)

1 - A person who has performed part of a debt may request a receipt for what they have paid, along with an endorsement on the debt instrument acknowledging this payment. If the entire debt is paid, they may request the return or cancellation of the debt instrument. If the instrument is lost, they may request a written acknowledgment from the creditor of the instrument's loss.

2 - If the creditor refuses to comply with the preceding paragraph, the debtor may deposit the due object judicially.

2 - Performance by Equivalent:

(a) Accord and Satisfaction:

Article (365)

The creditor may accept another thing or a right performed by the debtor as satisfaction of their debt. The agreement for satisfaction is subject to the general provisions of contracts stipulated in this law.

Article (366)

- 1 - The provisions of sale shall apply to accord and satisfaction if the consideration for performance is a specific object in lieu of the debt.
- 2 - The provisions of performance in settling a debt shall also apply to it.

Article (367)

The original debt and its guarantees are extinguished by accord and satisfaction, and the creditor's right is transferred to the substitute consideration.

(b) Set-off:

Article (368)

Set-off is the satisfaction of a debt owed to a creditor with a debt owed by them to their debtor.

Article (369)

Set-off is either legal, occurring by force of law; voluntary, occurring by agreement of the parties; or judicial, occurring by a judge's ruling.

Article (370)

For a legal set-off to occur, it is required that both parties are creditor and debtor to each other, that the two debts are similar in kind, description, maturity, and enforceability, and that its application does not harm the

rights of third parties, whether the cause of the two debts is the same or different.

Article (371)

An agreed set-off may take place if one of the conditions for a legal set-off is not met.

Article (372)

A judicial set-off is effected by a judge's ruling if its conditions are met, upon an original or incidental claim.

Article (373)

If a depositary has a debt against the depositor, or if a usurper has a debt against the owner of the usurped property, and the debt is of the same kind as the deposit or the usurped property, set-off shall not occur except by agreement of the two parties.

Article (374)

If a creditor destroys an object belonging to the debtor's property, and it is of the same kind as the debt, it is set-off by way of retribution. If it is not of the same kind, set-off shall not occur except by agreement of the two parties.

Article (375)

Set-off is effected upon the request of the interested party and takes place up to the amount of the smaller of the two debts.

Article (376)

If an action for a debt is barred by the statute of limitations at the time set-off is claimed, this does not prevent the set-off from occurring, as long as the period barring the action had not been completed at the time when set-off became possible.

Article (377)

If a debtor pays a debt owed by them and had the right to claim set-off with a right of their own, they may not invoke the guarantees of this right to the detriment of third parties unless they were unaware of its existence and had an acceptable excuse for it.

(c) Merger of Liabilities:

Article (378)

1 - If the capacities of creditor and debtor for a single debt are united in one person, this debt is extinguished to the extent that the liabilities have merged.

2 - Merger of liabilities does not occur if the creditor is an heir to the debtor and participates with the other creditors in claiming their debt from the estate.

Article (379)

If the cause of the merger of liabilities ceases to exist with retroactive effect, the debt reverts to its prior state.

Second Branch: Compulsory Enforcement

1 - Specific Performance:

Article (380)

1 - The debtor shall be compelled, after being served a formal notice, to perform their obligation in kind whenever possible.

2 - However, if specific performance is oppressive to the debtor, the judge may, at the debtor's request, limit the creditor's right to monetary compensation if this does not cause them serious harm.

Article (381)

1 - If the subject of the right is an act, and its nature or the terms of the agreement require that the debtor perform it personally, the creditor may refuse performance by anyone else.

2 - If the debtor does not perform the act, the creditor may request permission from the judge to perform it, and may also perform it without permission in case of necessity. In both cases, the performance shall be at the debtor's expense.

Article (382)

A judge's ruling shall substitute for performance if the subject of the right is an act and its nature so permits.

Article (383)

1 - If the debtor is required to preserve a thing, manage it, or exercise diligence in performing their obligation, they shall have fulfilled the obligation if they exercise the care of an ordinary person in its performance, even if the intended purpose is not achieved, unless the law or agreement provides otherwise.

2 - In all cases, the debtor remains responsible for their fraud or gross negligence.

Article (384)

If the subject of the right is to refrain from an act and the debtor breaches it, the creditor may request the removal of what was done in violation, or may request permission from the judge to carry out this removal at the debtor's expense.

Article (385)

If specific performance is completed or the debtor insists on refusing performance, the judge shall determine the amount of compensation the debtor is liable for, taking into account the harm suffered by the creditor and the obstinacy shown by the debtor.

2 - Enforcement by Compensation:

Article (386)

If it becomes impossible for the debtor to perform the obligation in kind, they shall be ordered to pay compensation for non-performance of their obligation, unless they prove that the impossibility of performance arose from an external cause for which they are not responsible. The same shall apply if the debtor delays in performing their obligation.

Article (387)

Compensation is not due until after the debtor has been served a formal notice, unless otherwise provided by law or in the contract.

Article (388)

It is not necessary to serve a formal notice on the debtor in the following cases:

- (a) If the performance of the obligation has become impossible or futile due to the debtor's action.
- (b) If the subject of the obligation is compensation arising from an unlawful act.
- (c) If the subject of the obligation is the return of a thing that the debtor knows is stolen, or a thing they received without right, knowing this.
- (d) If the debtor declares in writing that they do not intend to perform their obligation.

Article (389)

If the compensation is not predetermined by law or in the contract, the judge shall assess it to be equal to the actual damage incurred at the time it occurred.

Article (390)

1 - The contracting parties may predetermine the amount of compensation by stipulating it in the contract or in a subsequent agreement, subject to the provisions of the law.

2 - The judge may, in all cases, at the request of either party, modify this agreement to make the assessment equal to the damage. Any agreement to the contrary shall be void.

Third Branch: Lawful Means of Protecting Enforcement

1 - Guarantee of the Debtor's Assets for Performance:

Article (391)

1 - All of the debtor's assets guarantee the performance of their debts.

2 - All creditors are equal in this guarantee, subject to any contrary provisions of the law.

2 - Indirect Action:

Article (392)

1 - Every creditor, even if their right is not yet due, may exercise in the name of their debtor all of that debtor's rights, except for those that are strictly personal to them or are not subject to attachment.

2 - The creditor's use of their debtor's rights is only acceptable if they prove that the debtor has not used these rights and that their negligence is likely to lead to or increase their bankruptcy. The debtor must be joined in the action.

Article (393)

The creditor is considered a representative of their debtor in exercising their rights. Any benefit resulting from the exercise of these rights enters the debtor's assets and serves as a guarantee for all their creditors.

3 - Action for Simulation:

Article (394)

1 - If a simulated contract is concluded, the creditors of the contracting parties and specific successors, provided they are in good faith, may adhere to the simulated contract. They may also adhere to the hidden contract and prove by all means the simulation of the contract that harmed them.

2 - If the interests of the concerned parties conflict, with some adhering to the apparent contract and others to the hidden contract, preference shall be given to the former.

Article (395)

If the contracting parties conceal a real contract with an apparent one, the contract that is effective between the contracting parties and their general successors is the real contract.

4 - Action for Non-Enforceability of the Debtor's Disposition against the Creditor:

Article (396)

If the debt, whether due or deferred, encompasses the debtor's property by exceeding or equaling it, the debtor is prohibited from making a gratuitous transfer that is not obligatory for them and not customary. The creditor may request a judgment that this disposition is not enforceable against them.

Article (397)

If creditors demand their debts from a debtor whose property is encompassed by debt, the debtor may not make a gratuitous transfer of their property nor dispose of it for consideration, even without preference. The creditors may request a judgment that this disposition is not enforceable against them and may request the sale of their property and a pro-rata distribution of the proceeds according to the provisions of the law.

Article (398)

If a creditor claims that the debt encompasses the debtor's property, they only need to prove the amount of debts owed by the debtor. It is up to the debtor themselves to prove that they have property valued at more than the debt.

Article (399)

Once a disposition is declared non-enforceable, the creditors who are harmed by it shall benefit from this declaration.

Article (400)

1 - An action for non-enforceability of a disposition shall not be heard after the lapse of three years from the day the creditor became aware of the reason for the non-enforceability.

2 - In any case, it shall not be heard after the lapse of fifteen years from the time the disposition was made.

5 - Interdiction of the Bankrupt Debtor:

Article (401)

A debtor may be placed under interdiction if their due debts exceed their assets.

Article (402)

1 - The interdiction shall be by a judgment issued by the judge of the debtor's domicile, upon the request of the debtor or one of the creditors. The case shall be heard expeditiously.

2 - Any creditor may, by virtue of the interdiction judgment, obtain an order from the competent judge to attach all of the debtor's assets, except for what is not subject to attachment. The attachment on the debtor's assets shall remain in place for the benefit of the creditors until the interdiction ends.

Article (403)

In any case, before placing a debtor under interdiction, the judge shall, in their assessment, consider all the circumstances surrounding the debtor, the extent of their responsibility for the causes that led to the request for interdiction, the legitimate interests of their creditors, and any other circumstance that may affect their financial situation.

Article (404)

1 - On the day the interdiction action is registered, the court clerk shall record the substance of the action in a special register arranged by the names of the debtors against whom interdiction is sought. They shall also note in the margin of the said registration the judgment issued in the case and any judgment confirming or annulling it, all on the day the judgment is issued.

2 - The clerk shall also send a copy of these registrations and annotations to the office of the Ministry of Justice for entry in a public register organized in accordance with a decision issued by the Minister.

Article (405)

If the debtor changes their domicile, they must notify the clerk of the court of their previous domicile. Upon learning of the change of domicile, whether notified by the debtor or by any other means, the clerk shall send a copy of the interdiction judgment and the data noted in the margin of the registration to the court of the new domicile for registration in its records.

Article (406)

The interdiction judgment shall have the following effects:

- 1 - All deferred debts of the debtor become due.
- 2 - Any disposition of their existing or future assets shall not be enforceable against all their creditors.
- 3 - Their acknowledgment of a debt to another shall not be enforceable from the time the substance of the action is registered.

Article (407)

If a debtor is placed under interdiction, the president of the court competent for the interdiction may, upon a petition submitted by the debtor, grant them an allowance from their assets. An objection to the decision issued on this petition may be filed within three days from the date of its issuance if the objection is from the debtor, and from the date of notification of the decision to the creditors if the objection is from them.

Article (408)

The assets of the interdicted debtor shall be sold and distributed among the creditors pro rata in accordance with the procedures prescribed by law. The debtor shall be left with what they need for their maintenance and the maintenance of those they are legally obliged to support.

Article (409)

The debtor shall be punished with the penalty for fraud in the following cases:

- 1 - If an action for a debt is brought against them and they deliberately go bankrupt with the intent to harm their creditors, and the action ends with a judgment against them for the debt and interdiction.
- 2 - If, after being placed under interdiction, they conceal some of their assets to prevent their execution, or fabricate simulated or exaggerated debts, all with the intent to harm their creditors.
- 3 - If they fraudulently change their domicile and the change results in harm to their creditors.

Article (410)

1 - The interdiction shall end by a judgment issued by the judge of the debtor's domicile, upon the request of an interested party, in the following cases:

- (a) If the assets of the interdicted person are distributed among the creditors.
- (b) If it is proven that the debtor's debts no longer exceed their assets.

(c) If the debtor pays off their due debts without the interdiction having had an effect on their becoming due. In this case, the terms of the debts that became due because of the interdiction revert to what they were before, provided that the debtor has paid all installments that have fallen due.

2 - The court clerk shall, of their own accord, note the judgment ending the interdiction on the day of its issuance in the margin of the registration provided for in Article (404), and shall send a copy of it to the office of the Ministry of Justice for similar notation.

Article (411)

The interdiction shall end by force of law upon the lapse of five years from the date of the notation of the judgment imposing it.

Article (412)

After the end of the interdiction, the debtor may request the reinstatement of the previous terms for the debts that had become due because of the interdiction and have not been paid, provided that they have paid their debts that became due without the interdiction having had an effect.

Article (413)

The end of the interdiction does not prevent creditors from challenging the debtor's dispositions or from insisting on exercising their rights in accordance with Articles (392) and (394) to (400).

6 - Right of Retention:

Article (414)

Anyone who is obliged to perform something may refrain from performing it as long as the creditor has not performed an obligation on their part that arose because of the debtor's obligation and was linked to it.

Article (415)

In financial synallagmatic contracts in general, each of the contracting parties may retain the subject matter of the contract while it is in their possession until they receive the due consideration.

Article (416)

A person who has incurred necessary or useful expenses on the property of another while it is in their possession may refuse to return it until they receive what is legally due to them, unless otherwise agreed or provided by law.

Article (417)

1 - A person who retains a thing must preserve it and provide an account of its proceeds.

2 - They may obtain permission from the judge to sell the retained thing if there is a fear of its perishing or deteriorating, in accordance with the procedures for selling a possessory pledge. The right of retention is transferred from the thing to its price.

Article (418)

A person who retains a thing in exercise of their right of retention shall have priority over other creditors in satisfying their right from it.

Article (419)

1 - The right of retention is extinguished when the thing leaves the possession or custody of its holder, unless the law provides otherwise.

2 - However, a person who retained a thing may, if the thing leaves their possession secretly or despite their opposition, request its recovery within thirty days from the time they became aware of its removal from their possession and before the lapse of one year from the time of its removal.

Chapter Three: Dispositions Subject to Conditions and Terms

First Branch: The Condition

Article (420)

A condition is a future event upon which the existence or cessation of a legal effect depends upon its realization.

Article (421)

An unconditional disposition is one that is made absolutely, not restricted by a condition, nor deferred to a future time, and its effect takes place immediately.

Article (422)

A conditional disposition is one that is restricted by a non-existent condition or a future event, and its effect is delayed until the condition is realized.

Article (423)

For a condition to be valid, the content of the conditional act must be non-existent but with a possibility of existence, not already realized nor impossible.

Article (424)

A disposition is void if its existence is made dependent on an impossible condition, or one that makes lawful what is forbidden, or forbids what is lawful, or violates public order or morals.

Article (425)

A disposition subject to a condition that is not contrary to the contract shall not be effective unless the condition is realized.

Article (426)

The disposition is terminated if the condition that restricted it is realized, and the creditor is obliged to return what they have taken. If return is impossible due to their fault, they are liable for compensation.

Article (427)

What is subject to a condition is established when the condition is established.

Article (428)

The condition must be observed as much as possible.

Second Branch: The Term

Article (429)

A disposition may be deferred to a term, upon the arrival of which its effects of enforcement or extinguishment shall arise.

Article (430)

If it is apparent from the disposition that the debtor will not perform until they are able or have the means, the judge shall set the term for performance, taking into account the debtor's current and future resources, and requiring them to exercise the diligence of a person keen on fulfilling their obligation.

Article (431)

The debtor's right to the term is forfeited in the following cases:

- 1 - If they are declared bankrupt or placed under interdiction.
- 2 - If they fail to provide the agreed-upon securities for the debt.
- 3 - If the real securities for the debt are diminished by their action or by a cause for which they are not responsible, unless they promptly supplement them.

Article (432)

If the term is for the benefit of either party, they may waive it by their unilateral will.

Article (433)

A deferred debt does not become due upon the death of the creditor but becomes due upon the death of the debtor unless it is secured by a real security.

Chapter Four: Plurality of Subject Matter of the Disposition

First Branch: Alternative Subject Matter

Article (434)

The subject of a disposition may be several things, provided that the debtor's liability is discharged if they perform one of them.

The choice belongs to the debtor if it is absolute, unless the agreement or the law provides otherwise. The provisions concerning the option of designation shall apply to the subject of the disposition.

Second Branch: Substitute Subject Matter

Article (435)

1 - A disposition is facultative if its subject is one thing, but the debtor's liability is discharged if they perform another thing in its place.

2 - The original, not the substitute, is the sole subject of the obligation and determines its nature.

Chapter Five: Plurality of Parties to the Disposition

First Branch: Solidarity among Creditors

Article (436)

Solidarity among creditors exists only by agreement or by a provision of law.

Article (437)

The debtor may pay their debt to any of the solidary creditors unless one of them warns them not to pay them.

Article (438)

If the debtor's liability is discharged towards one of the solidary creditors for a reason other than performance, their liability towards the others is not discharged except to the extent of that creditor's share.

Article (439)

1 - Solidary creditors may claim the debt from the debtor jointly or severally.

2 - The debtor may not raise against the claim of one of their solidary creditors defenses specific to another creditor. They may raise defenses specific to that creditor and defenses common to all creditors.

Article (440)

Everything paid from the debt to one of the solidary creditors is considered the right of all of them equally, unless the law provides or they agree otherwise.

Second Branch: Joint Debt

Article (441)

A debt is joint if its cause is united, or if it is a debt devolved by inheritance to several heirs, or jointly consumed property, or the proceeds of a loan from joint property.

Article (442)

Each of the partners in a joint debt may claim their share in it, and what they receive is joint property among all the partners, each according to their share.

Article (443)

1 - If one of the two partners collects part of the joint debt, the other partner may share in it according to their share, and they may pursue the debtor for the remainder, or they may leave what was collected and pursue the debtor for their own share.

2 - If the partner chooses to pursue the debtor, they may not have recourse against their partner unless their share is lost, and this shall be in proportion to their share in what was collected.

Article (444)

1 - If one of the partners collects their share in the joint debt and then disposes of it or consumes it, the other partners may have recourse against them for their shares in it.

2 - If it is lost in their possession without their fault, they are not liable for their partners' shares in it, and they will be considered to have received their share, and the remainder of the debt owed by the debtor belongs to the other partners.

Article (445)

If one of the partners takes a guarantor from the debtor for their share in the joint debt, or the debtor refers them to another, the partners may share with them in the amount they receive from the guarantor or the transferee.

Article (446)

If one of the partners buys property from the debtor with their share in a joint debt, the partners may hold them liable for what their shares amount to from the price of what was bought, or they may have recourse against the debtor for their shares. They may also share in what was bought if they agree to do so.

Article (447)

One of the partners may grant their share in the debt to the debtor or release them from it, and they are not liable for their partners' shares in what they have granted or released.

Article (448)

One of the partners in a joint debt may settle their share in it. If the consideration for the settlement is of the same kind as the debt, the others may share with them in what is received or pursue the debtor. If the consideration for the settlement is of a different kind, they may pursue the debtor or the settling partner. The settling partner may pay them their share of what was received or their share of the debt.

Article (449)

1 - One of the partners in a joint debt may not postpone it alone without the consent of the others to this postponement.

2 - They may postpone their share without the consent of the others, and in this case, they may not share with them in what they collect from the debt.

Third Branch: Solidarity among Debtors

Article (450)

Solidarity among debtors exists only by agreement or by a provision of law.

Article (451)

If one of the solidary debtors pays the entire debt, the others are discharged.

Article (452)

1 - The creditor may claim their debt from all or some of the solidary debtors, taking into account any characteristic affecting the relationship with each debtor that affects the debt.

2 - Each debtor, when called upon to perform, may raise defenses specific to them or those common to the debtors only.

Article (453)

If the creditor agrees with one of the solidary debtors on an accord and satisfaction, the liability of the others is discharged unless the creditor reserves their right against all of them.

Article (454)

If the share of one of the solidary debtors in the debt is extinguished for a reason other than performance, the debt is not extinguished with respect to the other debtors except to the extent of that debtor's share.

Article (455)

If the creditor does not agree to release the other solidary debtors from the debt, they may not claim from them more than the remainder after deducting the share of the debtor they released, unless they reserve their right to have recourse against them for the entire debt. In that case, they are entitled to have recourse against the debtor for their share in it.

Article (456)

If the creditor releases one of the solidary debtors from the solidarity, their right to have recourse against the others for the entire debt remains, unless otherwise agreed.

Article (457)

If the creditor releases one of the solidary debtors from the debt or from the solidarity, the other debtors may have recourse against this debtor for their share in the portion of a bankrupt co-debtor, unless the creditor has released them from all liability for the debt, in which case the creditor shall bear this debtor's share in the portion of the bankrupt co-debtor.

Article (458)

1 - The barring of an action due to the statute of limitations with respect to one of the solidary debtors does not benefit the other debtors except to the extent of that debtor's share.

2 - If the running of the statute of limitations is interrupted or suspended with respect to one of the solidary debtors, the creditor may not invoke this against the others.

Article (459)

A solidary debtor is responsible in the performance of their obligation for their own actions. If the creditor serves them a formal notice or sues them, this has no effect on the other debtors. However, a formal notice served by one of the solidary debtors on the creditor benefits the others.

Article (460)

A settlement concluded by one of the solidary debtors with the creditor is not enforceable if it creates a new obligation on them or increases their obligation, unless they accept it. They benefit from the settlement if it includes a release from the debt or a discharge of liability by any other means.

Article (461)

An acknowledgment of the debt by a solidary debtor is not binding on the others. The other solidary debtors are not harmed if the creditor tenders an oath to the debtor and they refuse it, or if the debtor tenders an oath to the creditor and they take it. However, if the creditor tenders an oath to the debtor and they take it, the other debtors benefit from it.

Article (462)

If a judgment is rendered against one of the solidary debtors, it has no effect on the others. However, they benefit from it if it is rendered in their favor, unless it is based on a cause specific to them.

Article (463)

A solidary debtor who has paid the debt has the right of recourse against any of the others for their share. If one of them is bankrupt, the solvent solidary debtors shall bear the consequence of this bankruptcy, without prejudice to their right of recourse against the bankrupt person when they become solvent.

Article (464)

If one of the solidary debtors is the principal debtor for the debt and the other debtors are guarantors, they are not entitled, after paying the debt, to have recourse against them for anything.

Fourth Branch: Indivisibility of the Disposition

Article (465)

A disposition is not divisible if it relates to a subject whose nature abhors it, or if it is apparent from the intention of the contracting parties that it is not permissible.

Article (466)

- 1 - If there are multiple creditors in an indivisible disposition, or multiple heirs of a creditor in such a disposition, each creditor or heir may claim performance of the entire right.
- 2 - If one of them objects, the debtor must perform the right to them jointly or deposit it with the competent authority as required by law.
- 3 - Each of the creditors has recourse against the creditor who received the right, for their respective share.

Article (467)

- 1 - If there are multiple debtors in an indivisible disposition, each of them is liable for the entire debt.
- 2 - A person who has paid the debt may have recourse against each of the others for their respective share.

Chapter Six: Extinguishment of the Right

First Branch: Release

Article (468)

If a creditor voluntarily releases their debtor from a right they have against them, the right is extinguished.

Article (469)

A release does not depend on the debtor's acceptance, but it is revoked by their rejection. If they die before acceptance, the debt shall not be taken from their estate.

Article (470)

A release is only valid for an existing debt and is not permissible for a future debt.

Article (471)

- 1 - The substantive provisions that apply to any gratuitous act shall apply to a release.
- 2 - No specific form is required for it, even if it pertains to a disposition for which the law or the contracting parties have prescribed a specific form.

Second Branch: Impossibility of Performance

Article (472)

The right is extinguished if the debtor proves that its performance has become impossible for them due to an external cause for which they are not responsible.

Third Branch: Statute of Limitations Extinguishing the Action

Article (473)

A right is not extinguished by the passage of time, but an action for it shall not be heard against a person who denies it after the lapse of fifteen years without a legal excuse, subject to specific provisions that may exist.

Article (474)

1 - An action for any recurring periodic right shall not be heard upon denial after the lapse of five years without a legal excuse.

2 - As for the revenue due from a possessor in bad faith, a claim for it shall not be heard against a denier after the lapse of fifteen years without a legitimate excuse.

Article (475)

A claim shall not be heard upon denial and in the absence of a legitimate excuse if five years have passed for the following rights:

1 - Rights of physicians, pharmacists, lawyers, engineers, experts, professors, teachers, and brokers, provided that these rights are due to them for the work they have performed in their profession and the expenses they have incurred.

2 - What is due for refund of taxes and fees if paid unjustly, without prejudice to the provisions contained in special laws.

Article (476)

A claim shall not be heard upon denial and in the absence of a legitimate excuse if two years have passed for the following rights:

(a) Rights of merchants and manufacturers for items they supplied to persons not trading in these items, and the rights of hotel and restaurant owners for accommodation fees, the price of food, and all they have spent on behalf of their clients.

(b) Rights of workers, servants, and employees for daily and non-daily wages, and for the price of supplies they have provided.

Article (477)

- 1 - A claim shall not be heard in the cases mentioned in the preceding article, even if the creditors continue to perform other work for the debtor.
- 2 - If a declaration or a bond is made for any of the rights stipulated in Articles (474), (475), and (476), a claim for it shall not be heard if a period of fifteen years has passed since its due date.

Article (478)

The period prescribed for not hearing a claim due to the passage of time begins from the day the right becomes due, from the time the condition is fulfilled if it is conditional, and from the time the entitlement is established in a claim for warranty of title.

Article (479)

A claim shall not be heard if it is abandoned by the predecessor and then by the successor after him, and the total of the two periods reaches the period prescribed for not hearing it.

Article (480)

The period that prevents the hearing of a claim shall be calculated in days, not including the first day, and it is completed by the end of its last day, unless it is an official holiday, in which case it is extended to the following day.

Article (481)

- 1 - The running of the time barring the hearing of a claim shall be suspended whenever there is a legitimate excuse that makes it impossible to claim the right.
- 2 - The period during which the excuse exists shall not be counted within the prescribed period.

Article (482)

If some of the heirs do not file a claim related to a right of their decedent for the period prescribed for hearing it without a legitimate excuse, and the rest of the heirs have a legitimate excuse, the claim of the latter shall be heard to the extent of their shares.

Article (483)

The debtor's acknowledgment of the right, expressly or implicitly, interrupts the running of the time prescribed for not hearing the claim.

Article (484)

The period prescribed for not hearing a claim is interrupted by a judicial claim or by any judicial proceeding undertaken by the creditor to assert his right.

Article (485)

1 - If the period prescribed for not hearing the claim is interrupted, a new period, like the first one, shall begin.

2 - The right, of whatever kind, shall not be extinguished if it is awarded by a judge in a judgment that is not subject to appeal.

Article (486)

The non-hearing of a claim for a right due to the passage of time entails the non-hearing of claims for its accessories, even if the period prescribed for not hearing a claim for these accessories has not been completed.

Article (487)

1 - It is not permissible to waive the defense of the non-hearing of a claim due to the passage of time before the right to this defense is established, nor is it permissible to agree that a claim shall not be heard after a period different from the one specified by law.

2 - Any person who has the capacity to dispose of his rights may waive, even implicitly, the defense after the right to it has been established,

provided that this waiver is not enforceable against creditors if it is issued to their detriment.

Article (488)

1 - The judge may not, of his own accord, rule that a claim shall not be heard; it must be based on a request from the debtor or from any interested party among the litigants.

2 - The defense may be raised at any stage of the proceedings, unless it is apparent from the circumstances that the person entitled to it has waived it, expressly or implicitly.

Book Two: Contracts

Part One: Contracts of Ownership

Chapter One: Sale and Barter

Section One: Sale:

1 - Definition and Elements of Sale:

Article (489)

A sale is the exchange of non-monetary property for monetary property.

Article (490)

1 - It is a condition that the object of sale be known to the buyer in a manner that negates gross ignorance.

2 - The object of sale is known to the buyer by stating its conditions and distinguishing characteristics, and if it is present, pointing to it is sufficient.

Article (491)

If it is stated in the sale contract that the buyer has sufficient knowledge of the object of sale, he is not entitled to request the annulment of the contract due to lack of knowledge, unless he proves that the seller deceived him.

Article (492)

- 1 - If the sale is by sample, seeing the sample is sufficient, and the object of sale must conform to it.
- 2 - If it appears that the object of sale does not conform to the sample, the buyer has the option to accept or reject it.

Article (493)

- 1 - If the two parties to the sale disagree on the conformity of the object of sale to the sample, and both the sample and the object of sale exist, the opinion of experts shall prevail. If the sample is lost while in the possession of one of the parties, the statement regarding conformity or non-conformity shall be that of the other party, unless his opponent proves the contrary.
- 2 - If the sample is in the possession of a third party by agreement of the two parties and is lost, and the object of sale is specifically identified and it is agreed that it is the subject of the contract, the seller's statement regarding conformity shall prevail, unless the buyer proves the contrary. If the object of sale is identified by type, or is specifically identified but it is not agreed that it is the subject of the contract, the buyer's statement regarding non-conformity shall prevail, unless the seller proves the contrary.

Article (494)

- 1 - A sale may be made on condition of trial, with an agreement on a known period. If the two parties are silent about specifying it in the contract, it shall be taken as the customary period.
- 2 - The seller is obliged to enable the buyer to conduct the trial.

Article (495)

- 1 - The buyer may, during the trial period, approve or reject the sale, even if he has not tried the object of sale. In case of rejection, it is required to inform the seller.

2 - If the trial period expires and the buyer remains silent despite being able to try the object of sale, his silence shall be considered acceptance, and the sale becomes binding.

Article (496)

If the object of sale perishes in the buyer's possession after he has taken delivery of it, he is obliged to pay the named price to the seller. If it perishes before delivery due to a cause not attributable to the buyer, it shall be at the seller's risk.

Article (497)

The provisions of the sale shall take effect after the trial and acceptance of the object of sale, as from the date of the sale.

Article (498)

If the buyer loses his capacity before approving the sale, the guardian, curator, or custodian must choose what is in his best interest, taking into account the conditions and provisions stipulated by law.

Article (499)

If the buyer dies before making his choice and has a creditor whose debt encompasses his property, the right of trial shall pass to him. Otherwise, this right shall pass to the heirs. If they agree to approve or reject the sale, what they agree upon shall be binding. If some approve and others reject, the rejection shall be binding.

Article (500)

The buyer may not use the object of sale during the trial period except to the extent required for the trial in the customary manner. If he uses it more than what is intended for trial, the sale becomes binding.

Article (501)

The provisions of sale on condition of trial apply to sale on condition of tasting, except that the option of tasting is not inherited, and the sale is considered final.

Article (502)

The yield of the object of sale during the trial period belongs to the seller, and its expenses are his responsibility, unless the yield is part of it, in which case it belongs to the buyer if the purchase is completed for him.

Article (503)

The price is what the contracting parties agree upon in exchange for the object of sale, whether it is more or less than the value. The value is what the thing is appraised at without increase or decrease.

Article (504)

If the two parties to the sale agree to set the price at the market rate, the market rate at the time and place of the sale shall be considered. If there is no market in that place, the place whose prices are customarily applicable shall be considered.

Article (505)

If the contracting parties declare a price different from what they actually agreed upon, the real price shall be the one considered.

Article (506)

1 - A sale may be made by way of murabaha (cost-plus sale), wadiyah (sale at a loss), or tawliyah (sale at cost), if the capital cost of the object of sale is known at the time of the contract, and the amount of profit in murabaha and the amount of loss in wadiyah are specified.

2 - If it appears that the seller has inflated the statement of the capital cost, the buyer may deduct the excess.

3 - If the capital cost of the object of sale was not known at the time of contracting, the buyer may rescind the contract upon knowing it. The same applies if the seller concealed a matter affecting the object of sale or the capital cost. His option is forfeited if the object of sale perishes, is consumed, or leaves his ownership after delivery.

Article (507)

1 - An increase in the price by the buyer after the contract is appended to the original contract if the seller accepts it, and the named price with the increase becomes the consideration for the entire object of sale.

2 - What the seller reduces from the named price after the contract is appended to the original contract if the buyer accepts it, and the remainder thereafter becomes the named price.

Article (508)

The price is due immediately, unless it is agreed or customary for it to be deferred or paid in installments for a known term.

Article (509)

If the price is deferred or to be paid in installments, the term begins from the date of delivery of the object of sale.

Article (510)

If the buyer pays part of the price, he is not entitled to demand the delivery of the corresponding part of the object of sale if the division of the object of sale would result in a decrease in its value.

2 - Effects of the Sale:

(a) Seller's Obligations:

First: Transfer of Ownership:

Article (511)

1 - Ownership of the object of sale is transferred to the buyer as soon as the sale is concluded, unless the law or agreement provides otherwise.

2 - Each of the two parties to the sale must proceed to fulfill his obligations, except for those that are deferred.

Article (512)

If the sale is a lump-sum sale (juzāf), ownership is transferred to the buyer in the same manner as it is transferred for a specifically identified thing.

Article (513)

1 - If the price is deferred or to be paid in installments, the seller may stipulate that the transfer of ownership to the buyer is suspended until the entire price is paid, even if the object of sale has been delivered.

2 - If the price is fully paid, the buyer's ownership is considered to have been established from the time of the sale.

Second: Delivery of the Object of Sale:

Article (514)

The seller is obliged to deliver the object of sale to the buyer free from any other right, unless there is an agreement or a provision of law to the contrary. The seller is also obliged to do what is necessary on his part to transfer ownership to the buyer.

Article (515)

If the nature of the object of sale, according to law or current custom, requires the delivery of its title documents, the seller must deliver them to the buyer. If he refuses to deliver them or claims they are lost and they appear, the judge shall compel him to deliver them. If they do not appear in the case of a claim of loss, the buyer has the option to either return the sale or proceed with it.

Article (516)

The seller is obliged to deliver the object of sale to the buyer in the condition it was in at the time of the sale.

Article (517)

Delivery includes the accessories of the object of sale, what is permanently attached to it, what is intended for its permanent use, and everything that is customarily considered an appurtenance of the object of sale, even if not mentioned in the contract.

Article (518)

A contract for a building or a tree includes the land on which the building stands and the land in which the tree's roots extend. A contract for land includes the buildings and trees on it, unless a condition or custom provides otherwise in both contracts. A contract for a house includes its fixed fixtures but not its movable ones, unless the buyer stipulates their inclusion in the contract.

Article (519)

The sale of land does not include the crops on it, unless a condition or custom provides otherwise.

Article (520)

The sale of a tree, whether originally or as an appurtenance to the land, includes the fruit on it that has not been pollinated or has not yet set, in whole or in most part. If it has been pollinated or has set, in whole or in most part, the contract does not include it unless a condition or custom provides for its appurtenance to its origin. If half of it is pollinated or set, each shall be subject to its preceding rule.

Article (521)

A contract for a crop that is harvested once does not include the regrowth, unless a condition or custom provides otherwise.

Article (522)

If the seller delivers the object of sale to the buyer correctly, he is no longer responsible for what happens to the object of sale thereafter.

Article (523)

If the quantity of the object of sale is specified in the contract and there appears to be a shortage or an excess, and there is no agreement or custom in this regard, the following rules must be followed:

1 - If the object of sale is not harmed by division, the excess belongs to the seller, who is entitled to recover it in kind, and the shortage is at his expense, whether the price is set per unit of measurement or for the total object of sale.

2 - If the object of sale is harmed by division and the price is set on the basis of a unit of measurement, the excess belongs to the seller, who is entitled to its price, and the shortage is at his expense. However, if the named price is for the total object of sale, the excess belongs to the buyer, and the shortage is not compensated by any part of the price.

3 - If the excess or shortage obliges the buyer to take more than he bought or splits the deal for him, he has the option to rescind the sale, unless the amount is trivial and the shortage does not prejudice the buyer's purpose.

4 - If the buyer takes delivery of the object of sale knowing it is short, he forfeits his right to the option of rescission mentioned in the preceding paragraph.

Article (524)

A claim to rescind the contract, reduce the price, or supplement it shall not be heard if one year has passed since the delivery of the object of sale.

Article (525)

1 - Delivery of the object of sale is effected either physically or by the seller placing the object of sale at the buyer's disposal, permitting him to take possession of it, with no impediment preventing him from possessing it.

2 - Delivery of anything shall be according to its nature and in accordance with what has been agreed upon or is customary.

Article (526)

If the object of sale is in the buyer's possession before the sale in any capacity or for any reason, this possession is considered delivery, unless otherwise agreed.

Article (527)

If the two parties to the sale agree to consider the buyer as having taken delivery of the object of sale in a specific situation, or if the law requires certain situations to be considered delivery, the delivery is deemed to have been effected constructively.

Article (528)

Delivery is effected constructively by registering the object of sale in the buyer's name if the law requires registration for the transfer of ownership.

Article (529)

Delivery is also considered constructive in the following two cases:

- 1 - If the seller keeps the object of sale in his possession at the buyer's request.
- 2 - If the seller notifies the buyer (to pay the price and take delivery of the object of sale within a known period, otherwise it will be considered delivered) and he fails to do so.

Article (530)

- 1 - The seller is obliged to deliver the object of sale at the place where it was at the time of the contract.
- 2 - If the contract includes or custom requires sending the object of sale to the buyer, delivery is not completed until it reaches him, unless there is an agreement to the contrary.

Article (531)

1 - If the object of sale perishes before delivery due to a cause not attributable to either of the two parties to the sale, the sale is rescinded, and the buyer recovers the price he has paid.

2 - If part of the object of sale is damaged, the buyer has the option to either rescind the sale or take the remaining portion for its share of the price.

Article (532)

1 - If the object of sale perishes or part of it is damaged before delivery due to an act of the buyer, he is considered to have taken possession of the object of sale and is obliged to pay the price.

2 - If the seller has the right of option in this case and chooses rescission, the buyer shall guarantee him the equivalent of the object of sale or its value, and he shall own what remains of it.

Article (533)

1 - If the object of sale perishes before delivery due to the act of another person, the buyer has the option to either rescind the sale or approve it, and he has the right to recourse against the destroyer for a guarantee of the equivalent of the object of sale or its value.

2 - If the destruction affects part of the object of sale, the buyer has the option between the following:

(a) Rescind the sale.

(b) Take the remainder for its share of the price, and the sale is rescinded with respect to the damaged part.

(c) Uphold the contract for the entire object of sale at the named price and have recourse against the destroyer for a guarantee of what was destroyed.

Article (534)

- 1 - The seller guarantees the safety of the object of sale from any right of a third party that interferes with the buyer, if the cause of the claim predates the sale contract.
- 2 - The seller also guarantees the safety of the object of sale if the claim is based on a cause arising after the sale and resulting from his own act.

Article (535)

- 1 - A lawsuit concerning the entitlement to the object of sale before its delivery shall be directed against both the seller and the buyer.
- 2 - If the lawsuit is after the delivery of the object of sale and the buyer did not join the seller in the lawsuit at the appropriate time, and a final and conclusive judgment is issued against him, he loses his right of recourse for the guarantee if the seller proves that joining him in the lawsuit would have led to the dismissal of the entitlement claim.

Article (536)

- 1 - If the object of sale is ruled to belong to a third party, the rightful owner may have recourse against the seller for the price if he approves the sale, and the object of sale is cleared for the buyer.
- 2 - If the rightful owner does not approve the sale, the contract is rescinded, and the buyer may have recourse against the seller for the price.
- 3 - The seller shall guarantee to the buyer any beneficial improvements he has made to the object of sale, valued at their worth on the day of delivery to the rightful owner.
- 4 - The seller shall also guarantee to the buyer the damages that arose from the claim to the object of sale.

Article (537)

- 1 - It is not valid to stipulate that the seller does not guarantee the price upon the claim to the object of sale, and the sale is void for this condition.

2 - The buyer's knowledge that the object of sale does not belong to the seller does not prevent him from having recourse for the price upon the claim.

Article (538)

If the claim is based on the buyer's admission or his refusal to take an oath, he may not have recourse against the seller.

Article (539)

1 - If the buyer settles with the claimant for some property before a judgment is rendered in his favor, and the seller denies the claimant's right, the buyer may prove that the claimant was right in his claim. After proof, the seller has the choice between paying the equivalent of the settlement amount or returning the price to the buyer.

2 - If the settlement is after a judgment in favor of the claimant, the buyer retains the object of sale and has the right to recourse against the seller for the price.

Article (540)

1 - If part of the object of sale is claimed before the buyer has taken possession of all of it, he may return what he has taken and recover the price, or accept the sale and have recourse for the share of the claimed part.

2 - If part of the object of sale is claimed after he has taken possession of all of it, and the claim creates a defect in the remainder, the buyer may return it and have recourse against the seller for the price, or hold on to the remainder for its share of the price. If the claim does not create a defect and the claimed part is the smaller one, the buyer only has recourse for the share of the claimed part.

3 - If it appears after the sale that there is a right of a third party over the object of sale, the buyer has the option between waiting for this right to be lifted or rescinding the sale and having recourse against the seller for the price.

4 - It is presumed, in the case of a right of servitude, that the seller has stipulated a lack of guarantee if this right is apparent or if the seller had disclosed it to the buyer.

Article (541)

1 - If the claim of entitlement occurs after the object of sale has perished in the buyer's possession, he shall guarantee to the rightful owner its value on the day of purchase and have recourse against the seller for the price.

2 - If the value guaranteed by the buyer is more than the named price, he may have recourse for the difference, along with a guarantee for the damages he is entitled to according to clause (4) of Article (536).

Article (542)

The rightful owner may demand from the buyer what he has benefited from the revenue or yield of the object of sale, after deducting the production expenses. The buyer shall have recourse against the seller for what he has paid to the rightful owner.

Third: Warranty for Hidden Defects (Option for a Defect)

Article (543)

1 - The sale is considered to be concluded on the basis that the object of sale is free from defects, except for those that are customarily tolerated.

2 - The general rules regarding the option for a defect apply to the sale contract, subject to the provisions of the following articles.

Article (544)

1 - If an old defect appears in the object of sale, the buyer has the option, if he wishes, to return it, or, if he wishes, to accept it for the named price. He is not entitled to keep it and claim for the amount by which the defect reduced the price.

2 - A defect is considered old if it existed in the object of sale before the sale or occurred after it while in the seller's possession before delivery.

3 - A defect that occurs with the buyer is considered as old if it is based on an old cause existing in the object of sale with the seller.

4 - It is a condition for an old defect that it be hidden. A hidden defect is one that is not known by observing the appearance of the object of sale, or is not noticed by an ordinary person, or is not discovered by anyone other than an expert, or only appears upon trial.

Article (545)

The seller is not responsible for an old defect in the following cases:

- 1 - If the seller disclosed the defect to the buyer at the time of sale.
- 2 - If the buyer accepted the defect after becoming aware of it or after learning about it from another person.
- 3 - If the buyer purchased the object of sale while being aware of the defect in it.
- 4 - If the seller sold the object of sale with a condition of non-liability for any defect in it or for a specific defect, unless the seller intentionally concealed the defect or the buyer was in a state that prevented him from discovering the defect.
- 5 - If the sale was conducted by auction by judicial or administrative authorities.

Article (546)

If the buyer disposes of the object of sale as an owner after becoming aware of the old defect, his option is forfeited.

Article (547)

If the object of sale perishes due to an old defect in the buyer's possession, or he consumes it before knowing of the defect, he shall have recourse against the seller for the reduction in price due to the defect.

Article (548)

- 1 - If a new defect occurs in the object of sale with the buyer, he is not entitled to return it for the old defect, but he may claim from the seller a reduction in the price, unless the seller agrees to take it back with its new defect.

2 - If the new defect is removed, the buyer's right to return the object of sale to the seller for the old defect is restored.

Article (549)

1 - If an addition that prevents return occurs in the object of sale, and then an old defect appears to the buyer, he shall have recourse against the seller for the reduction due to the defect, and the seller does not have the right to recover the object of sale.

2 - A preventing addition is anything from the buyer's property that becomes attached to the object of sale.

Article (550)

1 - If several items are sold in a single transaction and a defect appears in some of them before delivery, the buyer has the option between accepting them for the named price or returning them all.

2 - If several items are sold in a single transaction and an old defect appears in some of them after delivery, and their separation causes no harm, the buyer may return the defective item for its share of the price and is not entitled to return them all without the seller's consent. If their separation causes harm, he may return the entire object of sale or accept it for the full price.

Article (551)

1 - If the object of sale has a defect that necessitates its return, and the buyer, before knowing of the defect, creates a right for a third party over it that does not remove it from his ownership, he may return it to the seller for this defect after clearing it of that right, provided the object of sale has not changed during this period.

2 - If he creates a right for a third party over it after knowing of the defect, his right to return it for that defect is forfeited. If the object of sale has changed, the rule for a change that occurs to an object of sale with an old defect shall apply to it.

Article (552)

The buyer's right to return the object of sale due to a defect is not forfeited because of a change in its value.

Article (553)

1 - The yield of a sale returned due to a defect, which is not considered part of it, belongs to the buyer from the time he took possession of the object of sale until the day the sale is rescinded, and he may not have recourse against the seller for what he spent on the object of sale.

2 - As for the yield of the object of sale which is considered part of it, it belongs to the seller.

3 - As for an object of sale that has no yield, the buyer may have recourse against the seller for what he has spent.

Article (554)

The warranty for an object of sale returned due to a defect is transferred from the buyer to the seller as soon as the seller agrees to accept it from the buyer, even if he has not actually taken possession of it, or as soon as the defect in the object of sale necessitating the return is proven before the court, even if a judgment for the return has not been issued, if the seller is present. If he is absent, the warranty is not transferred to him until the judgment for the return of the object of sale is issued.

Article (555)

1 - A claim for warranty of a defect shall not be heard due to the passage of time after the expiration of six months from the delivery of the object of sale, unless the seller has committed to a warranty for a longer period.

2 - The seller may not invoke this period if it is proven that the concealment of the defect was due to his fraud.

(b) Buyer's Obligations:

First: Payment of the Price and Taking Delivery of the Object of Sale:

Article (556)

The buyer must pay the price at the time of contracting, first and before taking delivery of the object of sale or demanding it, unless otherwise agreed.

Article (557)

- 1 - The seller may retain the object of sale until he receives what is due to him of the price, even if the buyer offers a mortgage or a guarantee.
- 2 - If the seller accepts the deferment of the price, his right to retain the object of sale is forfeited, and he is obliged to deliver it to the buyer.

Article (558)

If the object of sale perishes in the seller's hand while he is retaining it, the loss shall be on the buyer, unless the object of sale has perished due to the seller's act.

Article (559)

- 1 - If the buyer takes possession of the object of sale before paying the price in the sight of the seller, and he does not prevent him, this shall be a permission for delivery.
- 2 - If the buyer takes possession of the object of sale before paying the price without the seller's permission, the seller may recover it. If it perishes or becomes defective in the buyer's hand, he is considered to have taken delivery.

The buyer's destruction of the object of sale, even without intent, is his possession of it.

Article (560)

Article (561)

If the buyer does not know the location of the object of sale at the time of the contract and then learns of it afterwards, he has the option, if he wishes, to rescind the sale or to proceed with it and take delivery of the object of sale at its location.

Article (562)

1 - The buyer is obliged to deliver the immediate price at the location of the object of sale at the time of the contract, unless there is an agreement or custom to the contrary.

2 - If the price is a deferred debt on the buyer and it was not agreed to pay it in a specific place, it must be paid at the buyer's domicile when the term is due.

Article (563)

If the buyer takes possession of something on approval for purchase and it perishes or is lost in his hand, and the price was named, he is obliged to pay it. If the price was not named, the buyer is not liable except for transgression or negligence.

Article (564)

1 - If a claim of entitlement to the object of sale is filed against the buyer based on a right prior to the sale or devolving from the seller, the buyer may retain the price until the seller provides a solvent guarantor who guarantees the buyer the return of the price upon proof of entitlement. The seller may request the court to require the buyer to deposit the price with it instead of providing a guarantor.

2 - The provision of the preceding paragraph shall apply if the buyer discovers an old defect in the object of sale for which the seller is liable.

Article (565)

If a specific date is set in the sale for the payment of the price, and it is stipulated that if the buyer does not pay the price by then, there is no sale between them, then if he does not pay it and the object of sale is still in the seller's hand, the sale is considered rescinded by law.

Article (566)

1 - If the buyer takes delivery of the object of sale and then dies bankrupt before paying the price, the seller is not entitled to recover the object of

sale, and the price becomes a debt on the estate, and the seller is like the rest of the creditors.

2 - If the buyer dies bankrupt before taking delivery of the object of sale and paying the price, the seller may retain the object of sale until he receives the price from the estate and shall have priority over the other creditors.

3 - If the seller receives the price and dies bankrupt before delivering the object of sale, the object of sale is a trust in his hand, and the buyer has a better right to it than the other creditors.

Second: Expenses of the Sale:

Article (567)

The expenses of delivering the price, the sale contract, its registration, and other such expenses shall be borne by the buyer, and the expenses of delivering the object of sale shall be borne by the seller, all unless there is an agreement or a provision of law or custom to the contrary.

Section Two: Different Types of Sales:

1 - Salam Sale:

Article (568)

Salam is a sale of property for deferred delivery in exchange for an immediate price.

Article (569)

The following are required for the validity of a Salam sale:

1 - The object of sale must be of the kind of property that can be specified by description and quantity and is usually available at the time of delivery.

2 - The contract must include a statement of the genus, type, quality, quantity, and time of fulfillment of the object of sale.

Article (570)

It is required for the capital of the Salam (i.e., its price) that it be known in quantity and type, and that it not be deferred by condition for a period exceeding three days.

Article (571)

The buyer may dispose of the object of the Salam sale before taking possession of it.

Article (572)

If the delivery of the object of sale becomes impossible when the term is due because its existence is cut off due to a temporary unforeseen event, the buyer has the option between waiting for its existence or rescinding the sale.

Article (573)

If the seller in a Salam sale dies before the term for the object of sale is due, the buyer has the option, if he wishes, to rescind the contract and recover the price from the estate, or, if he wishes, to wait for the term to become due. In this case, what is sufficient to cover the value of the object of sale shall be set aside from the estate, unless the heirs provide a solvent guarantor who guarantees the delivery of the object of sale when its term is due.

Article (574)

1 - If the buyer in a Salam sale exploits the farmer's need and buys from him a future crop at a price or on terms that are grossly unfair, the seller, when the time for fulfillment comes, may request the court to amend the price or the terms in a way that removes the unfairness. The court shall take into account the circumstances of time and place, the general price level, and the differences between them from the date of the contract to delivery, according to what is customary.

2 - The buyer has the right not to accept the amendment that the court deems appropriate and to recover the actual price he actually delivered to

the seller. In that case, the seller has the right to sell his crop to whomever he wishes.

3 - Any agreement or condition intended to waive this right is void, whether it is a condition in the Salam contract itself or in the form of another separate obligation, of whatever kind.

Article (575)

The capital of the Salam and the object of the Salam sale cannot both be foodstuffs or currencies. It is sufficient, for things other than foodstuffs, that they differ in genus and utility.

Article (576)

1 - If the object of the Salam sale has a specific time when it appears and its existence is cut off at that time when its term is due, before the buyer takes possession of it, he must wait for its second appearance if the delay in possession is due to him. If it is not due to him, he has the option between rescinding the Salam contract or waiting for its appearance.

2 - If its existence is cut off after the buyer has taken possession of part of it, he must wait for the other part, unless the two parties agree on an accounting for what has been taken possession of.

Article (577)

The fulfillment of the object of the Salam sale must be in its own kind. Exceptionally, it may be fulfilled by agreement with something of another kind under the following conditions:

- (a) The substitute given in fulfillment must be immediate.
- (b) This substitute must be something in which the capital of the Salam sale can be validly made.
- (c) The object of the Salam sale must not be a foodstuff.

Article (578)

When the term for the object of the Salam sale is due, the seller must deliver it to the buyer at the place they agreed upon, or at the place of the Salam contract if they did not specify a particular place. The seller is not

obliged to deliver it, nor the buyer to take delivery of it, elsewhere, unless otherwise agreed.

Article (579)

1 - If the seller and the buyer disagree on the quantity of the object of the Salam sale or on the length of its term, and neither of them has evidence, the statement of the one who claims the prevailing quantity among people shall be accepted. If there is no prevailing quantity, a judgment shall be rendered between them for the middle quantity.

2 - If they disagree on the place of delivery of the object of the Salam sale, the statement of the one who claims delivery at the place of the Salam contract shall be accepted. If neither of them claims it, a judgment shall be rendered for its delivery in its market in the town of the contract.

2 - Sales of Space:

Article (580)

It is permissible to sell space for building in it if it is in one of the following ways:

- (a) The sale of space above land, the permissibility of which does not depend on a description of what is to be built in it.
- (b) The sale of space above a building, on condition that the building to be erected in it is described.
- (c) The sale of space above space to be built in, on condition that both the lower and upper buildings are described. If a sale of one of these three types occurs, the buyer thereby owns all the space above the land or above the building within the limits of the space he has purchased, but he is not entitled to build more in it than what was agreed upon, except with the consent of the owner or the owner of the lower building.

Article (581)

The sale of space is presumed to be in perpetuity and has the following consequences:

- 1 - It is not rescinded by the demolition of the lower or upper building.

2 - The owner of the lower building must rebuild it if it is demolished and repair it if it weakens. The owner of the upper building, with the permission of the owner of the lower building or the court, may rebuild it.

3 - Lump-sum Sale (Juzāf)

Article (582)

1 - A lump-sum sale is the sale of what is measured, weighed, or counted without measurement, weight, or counting, being content with an overall estimate. The sale is a lump-sum sale even if the determination of the price depends on the quantity of the object of sale.

2 - The following are required for the permissibility of a lump-sum sale:

(a) The buyer must have seen it at the time of the contract, or seen it before the contract in a way that it does not usually change by the time of the contract, unless seeing it would damage it, in which case knowledge of its quality is sufficient.

(b) The two parties to the sale must be ignorant of its measured, weighed, or counted quantity, with the possibility of an overall estimate. If it is proven to one of them at the time of the contract that the other party knew the quantity of the object of sale, the contract is void. If he learns of the other's knowledge of it after the contract, he has the option between returning the sale or proceeding with it.

4 - Sales with Deferred Terms:

Article (583)

Whoever sells something for a deferred price may buy it back for an immediate or deferred price from the one he sold it to, unless the two sales differ in price and term, and the payment of the lower price precedes the payment of the higher price. In this case, the second sale is rescinded if the object of sale is existing; if it is not existing, both sales are rescinded.

5 - Inah Sale (Sale and Buyback):

Article (584)

An Inah sale is a sale that takes place between one who offers himself to seek to buy goods that he does not have, and one who seeks the goods. If

a good is requested from him, he buys it and sells it to the one who requested it from him with an increase on its purchase price. This is a permissible sale, unless it leads to a loan with an increase, which occurs if the requested person resells the good to its seeker for a deferred price that exceeds the purchase price agreed upon between them. If the sale occurs in this form, the second purchase is rescinded, and the good is binding at the price agreed upon between them in the first purchase, plus the lesser of the fee for carrying out such a transaction and the profit.

6 - Sale of Food and Other Things Before Taking Possession:

Article (585)

Whoever owns something by purchase or otherwise may sell it before taking possession of it from the one who owned it, unless it is food in a commutative contract. It is not permissible for one who bought it by measure to sell it before taking possession of it by measure. If he bought it as a lump sum, he may sell it before taking possession of it.

7 - Sale of Fruits:

Article (586)

1 - It is permissible to sell fruits even if their goodness has not appeared, if they are sold with their origins. It is not permissible to sell them separately from their origins unless their goodness or the goodness of some of them has appeared. The appearance of goodness is the readiness for ripening and their suitability for eating or being used.

2 - If the origins of the fruits are of the kind that produce multiple crops in a year, it is permissible to sell the crops if the goodness of the first crop has appeared, if the crops are connected and some are not distinguished from others. If they are distinguished, it is not permissible to sell the second crop unless its goodness has appeared.

Article (587)

If the fruits are afflicted after their sale by a calamity that cannot usually be averted, the buyer has the right to request a reduction in the price equivalent to what the calamity has affected, if the affliction occurred before their full ripening and customary harvest, and the value of what

was affected reached one-third of the value of the fruits or more, unless the calamity was due to thirst, in which case the value of what was affected is deducted from the price even if its value is less than one-third.

8 - Sale of Planted and Sown Land:

Article (588)

1 - If the land sold has a crop that is harvested only once, it remains for the seller until the first time it is taken, unless the buyer stipulates it for himself.

2 - If the land sold has a crop that is cut time after time or its fruit recurs, its origin belongs to the buyer, and the apparent cutting or harvest belongs to the seller, and he must cut it immediately, unless the buyer stipulates it for himself, in which case he must cut it immediately.

Article (589)

1 - If sown land is sold, if the seed is of the kind whose plant is harvested once, it belongs to the seller like the plant. If the buyer did not know there was seed in it at the time of the contract, he has the option between rescission or proceeding without a guarantee.

2 - However, if the seed is of the kind whose plant is cut time after time, or its fruit recurs, or its origin remains, it belongs to the buyer.

9 - A Form of Sale of Palm Trees and Trees:

Article (590)

1 - If palm trees whose spathes have cracked, or trees whose fruit has begun to appear, or whose blossoms have emerged or come out of their calyxes are sold, then what has cracked or appeared belongs to the seller, to be left until harvest. What was sold before that belongs to the buyer. The seller's statement under oath shall be accepted regarding the appearance and cracking thereof.

2 - Both the seller and the buyer may stipulate for themselves all or part of what belongs to the other party.

Article (591)

- 1 - The cracking of some spathes on a palm tree or the appearance of some fruit on a single tree is considered as cracking and appearance for all of its spathes and fruit.
- 2 - However, if there are multiple palm trees or trees and some have cracked while others have not, or the fruit of some has appeared while others have not, each shall be governed by its own rule.

10 - Sale of Items with Edible Parts Inside:

Article (592)

It is permissible to sell items whose edible part is inside them and grain that has hardened in its ear while in their coverings.

Article (593)

1 - Whoever buys an item with an edible part inside and breaks it to find it spoiled, and the broken pieces have no value, may recover the full price if the spoilage is total, or what corresponds to the spoiled part if the spoilage is partial.

2 - If the broken pieces have value, he has the choice between keeping it with a guarantee or returning it with the loss from its breaking. If the sold item is destroyed, the buyer must be compensated.

11 - Takhāruj (Sale of Inheritance Share):

Article (594)

Takhāruj is the sale by an heir of his share in the estate after the death of the deceased to another heir or more for a known consideration, even if the assets of the estate are not specified.

Article (595)

1 - The takhāruj contract transfers the seller's share in the estate to the buyer, and the buyer replaces the seller in this share.

2 - The takhārūj contract does not include any property that appears to belong to the deceased after the contract and of which the parties were unaware at the time of the contract, nor does it include the rights of the estate against the parties or one of them, nor the rights against it for them or one of them.

Article (596)

The seller does not guarantee to the buyer anything other than the existence of the estate and the establishment of his share in it if the contract was made without detailing the contents of the estate.

12 - Sale During a Death-Illness:

Article (597)

1 - A death-illness is an illness in which a person is unable to carry on his usual activities, death is highly probable, and he dies in that state before a year has passed. If his illness extends for a year or more while he remains in the same condition without worsening, his dispositions are treated as those of a healthy person.

2 - Considered in the same category as a death-illness are situations where a person is surrounded by the danger of death and death is highly probable in such cases, even if he is not ill.

Article (598)

If a person who is ill sells something from his property to one of his heirs, the provisions of the following article shall apply.

Article (599)

1 - If an ill person sells to a non-heir at a fair market price or with a minor undervalue, the sale is effective without being subject to the approval of the heirs.

2 - If this sale is at a price less than the value of the sold item at the time of death, the sale is effective with respect to the heirs as long as the excess of the item's value over the price does not exceed one-third of the estate, including the sold item itself.

3 - However, if this excess exceeds one-third of the estate, the sale is not effective unless the heirs approve it or the buyer completes two-thirds of the value of the sold item; otherwise, the heirs have the right to rescind the sale.

Article (600)

The sale by an ill person to a non-heir for less than its fair market value, even with a minor undervalue, is not effective against creditors if the estate is overwhelmed by debts. The buyer may pay the fair market price; otherwise, the creditors may rescind the sale.

Article (601)

1 - The sale by an ill person cannot be rescinded if the buyer has disposed of the sold item in a manner that grants a good-faith third party a right in the item in exchange for consideration.

2 - In this case, the creditors of the debt-laden estate may claim from the buyer of the ill person the difference between the price and the value of the sold item. The heirs have this right if the buyer is one of them. However, if he is a non-heir, he must return what completes two-thirds of the value of the sold item to the estate.

13 - Sale by a Representative to Himself:

Article (602)

A person who has representation for another by a provision of law, by agreement, or by order of a competent authority may not purchase for himself, directly or under a fictitious name, even by auction, what has been entrusted to him under this representation, subject to the provisions of special laws.

Article (603)

Intermediaries or experts may not purchase in their own names or under a fictitious name the properties they have been entrusted to sell.

Article (604)

As an exception to the provisions of the preceding two articles, a representative, intermediary, or expert may purchase for himself if authorized by the principal or the concerned party.

14 - Sale of Another's Property:

Article (605)

If a person sells the property of another without his permission, the sale is concluded but is contingent upon the owner's ratification.

Article (606)

If the owner ratifies the sale, the contract becomes binding on him and effective for the buyer. The contract also becomes effective if the ownership of the sold item devolves to the seller after the contract is made.

Branch Three: Barter:

Article (607)

Barter is the exchange of property or a financial right for consideration other than money.

Article (608)

In a barter sale, each of the contracting parties is considered both a seller and a buyer at the same time.

Article (609)

The addition of some money to one of the two commodities for exchange does not alter the nature of barter.

Article (610)

The expenses of a barter contract, delivery costs, and the like shall be shared equally between the two parties of the contract, unless otherwise agreed.

Article (611)

The provisions of sale apply to barter in what does not contradict its nature.

Branch Four: Prohibited Sales and Barters:

Article (612)

It is not permissible to sell or barter the following:

- (a) What is hidden in the ground until it is uprooted and seen.
- (b) The stud service of a stallion.

Article (613)

Sale and barter are forbidden and are rendered defective in the following cases:

- (a) If one or both of the contracting parties are obliged to attend the Friday prayer, and the contract is made after the call to prayer from the minbar has begun until the prayer is over.

Likewise, if one or both of the contracting parties are obliged to perform a prescribed prayer, and the contract is made when the time for it has become so short that only enough time remains to perform it until its time ends. The contract is permissible in these cases if there is a need or necessity for it.

- (b) If the contract is made for an item to be used for a sinful purpose, and one of the contracting parties knows this from the other, even by circumstantial evidence.

- (c) If a Muslim sells over the sale of another Muslim, or buys over his purchase, or barters over his barter, during the time of either the option of the session or the conditional option.

Chapter Two: The Gift (Hiba):

Branch One: Elements of a Gift and Conditions for its Effectiveness:

Article (614)

1 - A gift is the transfer of ownership of property or a financial right to another during the owner's lifetime without consideration.

2 - The donor may, while maintaining the idea of donation, stipulate that the donee performs a specific obligation, and this obligation is considered consideration.

Article (615)

1 - A gift is concluded by offer and acceptance and is completed by taking possession.

2 - A mere offer is sufficient for a gift if the donor is the guardian or executor of the donee and the gifted property is in his possession, as well as if the donee is a minor whom the donor is raising.

Article (616)

A gift contract is not effective if the gifted property is not owned by the donor, unless the owner ratifies it and possession is taken with his consent.

Article (617)

1 - A gift of a debt to the debtor is valid and is considered a release.

2 - It is valid for someone other than the debtor and becomes effective if the debtor pays the debt to the donee.

Article (618)

1 - The donor may reclaim the gifted property if he stipulated in the contract to do so in the event the donee fails to perform certain obligations for the benefit of the donor or someone of concern to him.

2 - If the gifted property has been destroyed or the donee has disposed of it, the donor is entitled to its value at the time of disposal or destruction.

Article (619)

It is required that the donor not be under interdiction regarding his gift, and it is required that the donee not be a belligerent. A belligerent is a non-Muslim subject of a non-Islamic state with which Muslims are in a state of declared or actual war, and who has not been granted safe conduct.

Article (620)

A gift from a debtor whose debts encompass all his property is valid but suspended pending the creditor's approval.

Article (621)

Whoever pledges something for a debt he owes, then gifts it to someone other than the pledgee, and the pledgee consents to its gift to another, the gift is valid, and his debt remains without a pledge, even if the pledgor is insolvent. If the pledgee does not consent to the gift of the pledged property to another, and the pledgor is insolvent, his gift is void. If the pledgor is solvent, the gift is valid if he settles the debt to the pledgee or provides a reliable pledge.

Article (622)

If the pledged property is gifted to someone other than the pledgee, and then the donor dies before the pledge is redeemed, the pledgee's possession of this pledge after its gift does not constitute possession on behalf of the donee, and the gift is void.

Article (623)

A gift is voided if the donor's debts encompass all his property before the donee takes possession of the gifted property, even if the debt arises after the gift.

Article (624)

1 - It is not permissible to gift a tree while excluding its fruit for a year or more on the condition that the donee waters and cares for it during that period. If it occurs, it must be rescinded.

2 - The rescission of the gift results in the donee returning the tree to the donor if it remains in its original state.

3 - However, if the state of the tree has changed, the donee must pay its value on the day he took possession of it, and it becomes his property from that date. In this case, he can claim from the donor the equivalent of the fruit he took if its amount is known, or its value if its amount is not known.

Article (625)

Whoever gifts something to a person, then before possession, gifts it to a second person, and the second person takes possession before the first, it shall be awarded to the second, and the donor is not obliged to pay its value to the first.

Article (626)

The gift of a deposit to the depositary or the gift of a loan for use to the borrower is void if the depositary or borrower does not accept it until after the donor's death, whether he learned of the gift after the donor's death or before it.

Article (627)

If a loan for use is gifted to someone other than the borrower, or a deposit to someone other than the depositary, and then the donor dies before the end of the loan period or before reclaiming the deposit, the possession of the borrower of the loan for use or the depositary of the deposit constitutes possession for the donee, and the gift is completed thereby if the donor called witnesses to it. If he did not call witnesses, the possession of each of them is considered possession for the donor, and the gift is void.

Article (628)

- 1 - A gift by a minor or a person of unsound judgment without consideration is void.
- 2 - The guardian of a person under interdiction may not gift any of the interdicted person's property unless he is his father and the gift is for consideration.

Article (629)

If leased property is gifted to someone other than the lessee, and then the donor dies before the end of the lease period, the lessee's possession of it after the gift does not constitute possession for the donee, unless the donor also gifted the rent to the donee before receiving it from the lessee, in which case the lessee's possession is possession for the donee.

Article (630)

If one spouse gifts property to the other, which necessity dictates they share possession of, or if the wife gifts to the husband their marital home, the completion of the gift does not depend on the donee's independent possession of the gifted property. However, if one gifts to the other something that necessity does not dictate they share possession of, or the husband gifts his wife their marital home, the gift is not complete without the donee's independent possession of the gifted property.

Article (631)

- 1 - The consideration in a conditional gift must be known; otherwise, either party may rescind the contract, even after the gifted property has been received, unless they agree on determining the consideration before rescission.
- 2 - If the gifted property perishes or the donee disposes of it before rescission, he must return its value on the day of possession.

Article (632)

A promise of a gift and a gift of future property are not permissible.

Article (633)

If one of the parties to the gift dies or becomes bankrupt before possession of the gifted property, the gift is void, even if it was without consideration.

Article (634)

1 - The donee's acceptance of the gift after the donor's death is valid if he received the gifted property to deliberate on accepting or not accepting the gift and did not accept it until after the donor's death.

2 - Likewise, taking possession of the gifted property after the donor's death is valid if he sought to take possession of it during the donor's lifetime but was not able to do so until after his death.

Article (635)

The provisions of a will apply to a gift made during a death-illness.

Article (636)

The effectiveness of a gift contract depends on any procedure upon which the law makes the transfer of ownership conditional, and either party to the contract may complete the necessary procedures.

Branch Two: Effects of a Gift:

1 - With Respect to the Donor

Article (637)

The donor is obligated to deliver the gifted property to the donee, and the provisions for the delivery of a sold item shall be followed in this regard.

Article (638)

The donor does not guarantee the entitlement to the gifted property in the hands of the donee if the gift is without consideration, but he is responsible for any harm that befalls the donee as a result of this entitlement if he deliberately conceals the reason for the entitlement. If

the gift is for consideration, he only guarantees the entitlement to the extent of the consideration paid by the donee, unless otherwise agreed.

Article (639)

If the gifted property is claimed by another after it has perished in the possession of the donee, and the rightful owner chooses to claim compensation from the donee, the latter may demand from the donor what he guaranteed to the rightful owner.

Article (640)

If the gifted property is claimed by another, and the donee has increased its value with an addition that cannot be separated without damage, the rightful owner cannot recover it before paying the value of the addition.

Article (641)

The donor does not guarantee a latent defect in the gifted property, even if he deliberately concealed it, unless the gift was for consideration.

2 - With Respect to the Donee:

Article (642)

The donee must provide the consideration stipulated by the donor, whether the consideration is for the donor or for a third party.

Article (643)

If the consideration for the gift is the payment of a debt owed by the donor, the donee is only obligated to pay the debt existing at the time of the gift, unless otherwise agreed.

Article (644)

If the gifted property is encumbered by a right to secure a debt owed by the donor or another person, the donee is obligated to pay this debt, unless otherwise agreed.

Article (645)

The costs of the gift contract and the expenses of delivering and transporting the gifted property are borne by the donee, unless otherwise agreed.

Article (646)

- 1 - The donor may revoke the gift before possession without the donee's consent.
- 2 - He may revoke it after possession with the donee's consent. If the donee does not consent, the donor may request the judge to rescind the gift and revoke it, provided he relies on an acceptable reason, unless there is an impediment to revocation.

Article (647)

An acceptable reason for rescinding and revoking a gift is considered to be:

- (a) That the donor becomes unable to provide for his own livelihood in a manner consistent with his status, or becomes unable to fulfill the maintenance obligations imposed on him by law for others.
- (b) That the donor has a child after the gift who remains alive until the date of revocation, or that he had a child he thought was dead at the time of the gift and it turns out he is alive.
- (c) The donee's breach of his conditional obligations in the contract without justification, or his breach of what is due from him towards the donor or one of his relatives, such that this breach constitutes gross ingratitude on his part.

Article (648)

If the donee intentionally kills the donor without just cause, his heirs have the right to nullify the gift.

Article (649)

The following are considered impediments to revoking a gift:

- (a) If the gift is from one spouse to the other, or to a relative within the prohibited degrees of marriage, unless it results in unjustified preference among them.
- (b) If the donee disposes of the gifted property in a manner that transfers ownership. If the disposal is limited to part of the gifted property, the donor may revoke the gift for the remainder.
- (c) If the gifted item increases in a permanent and significant way that increases its value, or the donee alters the gifted property in a way that changes its name.
- (d) If one of the parties to the contract dies after possession of the gifted property.
- (e) If the gifted property perishes in the hands of the donee. If the perishing is partial, revocation is possible for the remainder.
- (f) If the gift was for consideration.
- (g) If the gift was for charity or to a charitable cause.
- (h) If the creditor gifted the debt to the debtor.

Article (650)

- 1 - Revocation of a gift, by consent or by court order, is considered a nullification of the contract's effect.
- 2 - The donee does not return the fruits except from the date of revocation by consent or from the date of the judgment. He is entitled to recover necessary expenses, but for other expenses, he only recovers what has increased the value of the gifted property.

Article (651)

- 1 - If the donor recovers the gifted property without consent or court order, he is responsible for its destruction, whatever the cause.
- 2 - However, if a judgment is issued to revoke the gift and the property perishes in the hands of the donee after being notified to deliver it, the donee is responsible for the destruction, whatever the cause.

Article (652)

A father may take back what he has gifted to his child, and a mother may also take back from her child what she has gifted to him if he is not an orphan. If he is an orphan, she may not take it back from him, even if the orphanhood occurred after the gift.

Article (653)

The right of each parent to take back what they have gifted to their child is forfeited in the following cases:

- (a) If the nature of the gifted property has changed or the donee has disposed of it in a way that removes it from his ownership.
- (b) If a financial transaction has occurred with the donee because of the gift, and the revocation of the gift would harm the donee or a third party.
- (c) If the donee or the donor contracts a fearsome disease after the gift, unless his illness subsides, in which case each parent's right to take back what they gifted their child is restored.

A judicial ruling for its dissolution.

Chapter Three: Partnership

Branch One:

1 - Partnership in General

General Provisions:

Article (654)

A partnership is a contract by which two or more persons commit to contribute to a financial project by providing a share of property or labor to invest in that project and to share any profit or loss that may arise from it.

Article (655)

1 - A partnership is considered a legal entity upon its formation.

2 - This personality cannot be invoked against a third party until the registration and publication procedures prescribed by law are completed.

3 - However, a third party may assert this personality despite the non-completion of the aforementioned procedures.

2 - Elements of a Partnership

Article (656)

1 - The partnership contract must be in writing.

2 - If the contract is not in writing, this does not affect the rights of third parties. As for the partners themselves, the contract is considered valid unless one of them requests it to be considered invalid, in which case this applies to the contract from the date the lawsuit is filed.

Article (657)

1 - It is required that the capital of the partnership be in cash or its equivalent that is commonly used in transactions. If it is not in cash, its value must be appraised.

2 - The shares of the partners may be equal or unequal. A debt owed by a third party cannot be a share in the capital of the partnership.

Article (658)

1 - A partner's share in the partnership may be a right of ownership, a right of usufruct, or any other real right. The provisions of sale apply to it regarding its guarantee if it perishes, is claimed, or a defect or deficiency appears in it.

2 - If the share is merely the use of the property, the provisions of lease are what apply in all of this.

3 - If the share is labor, the partner must perform the services he undertook in the contract.

Article (659)

1 - Profits are distributed in the manner stipulated in the contract.

2 - If the partnership contract does not specify the share of each partner in the profits, they must be distributed in proportion to each partner's share in the capital.

3 - Losses are distributed among the partners in proportion to each one's share in the partnership capital, and any condition to the contrary is void.

Article (660)

If the partners agree that the share of any of them in the profit is a specified amount of money, the condition is void, and the profit is distributed according to each one's share in the capital.

Article (661)

If a partner's share is limited to his labor, his share in the profit must be estimated according to the benefit the partnership derives from this labor. If, in addition to his labor, he provides cash or any other thing, he shall have a share for his labor and another for what he provided in addition to the labor.

Article (662)

If it is agreed in the contract that one of the partners does not benefit from the partnership's profits or does not contribute to its losses, the partnership contract is void.

3 - Management of the Partnership:

Article (663)

1 - Each partner is considered an agent for the other partners in carrying out the business of the partnership and in disposing of what achieves the purpose for which it was established, unless there is a provision or agreement to the contrary.

2 - Every partner is considered a trustee over the partnership's property in his possession.

Article (664)

- 1 - If it is agreed in the partnership contract to delegate one of the partners to represent the partnership and manage its business, he alone shall have the authority to act in all matters covered by the delegation and its necessary accessories.
- 2 - If the delegation is to more than one partner and they are not authorized to act individually, they must act jointly, except in matters that do not require an exchange of opinion or in an urgent matter where delay would cause harm to the partnership.
- 3 - It is not permissible to remove the person agreed upon for delegation in the partnership contract nor to restrict that delegation without justification.

Article (665)

- 1 - A manager for the partnership may be appointed from among the partners or from others, with or without remuneration.
- 2 - The manager may act within the limits of the partnership's purposes entrusted to him, provided that he abides by the provisions of the contract, and if there are none, by custom.
- 3 - If the manager exceeds the scope of his powers, he is liable for any harm that befalls the partnership as a result of his action.

Article (666)

- 1 - There may be multiple managers for the partnership.
- 2 - In the case of multiple managers, the powers of each are specified.
- 3 - They or any one of them may be removed in the same way they were appointed.

Article (667)

A person delegated to manage the partnership or appointed as its manager may not remove himself or resign at a time that would cause harm to the partnership.

Article (668)

Partners other than the managers do not have the right of management, but they may personally inspect the partnership's books and documents.

4 - Effects of the Partnership:

Article (669)

1 - The partner who has the right to manage the partnership's interests is obligated to exercise in this regard the care he exercises in managing his own private interests, unless he is appointed to work for a wage, in which case he may not fall below the care of an ordinary person.

2 - He is also obligated to refrain from any action that harms the partnership or contradicts the purpose for which it was established.

Article (670)

A partner may not retain for himself anything from the partnership's property. If he does so, he is liable for any harm that befalls it as a result of this retention.

Article (671)

1 - If the partnership is indebted for a debt related to its purposes and its funds are insufficient to cover it, the partners are liable from their private property for the remainder of the debt in proportion to each one's share in the partnership's losses.

2 - However, if joint liability of the partners is stipulated in the partnership contract, they are all jointly and severally liable for the debt.

Article (672)

1 - If one of the partners is indebted to another for a personal debt, his creditor may not satisfy his right from that partner's share in the capital before the partnership is liquidated, but he may satisfy it from the debtor's share of the profit.

2 - However, if the partnership contract includes joint liability among the partners, this creditor may satisfy his debt from the partnership's capital after its liquidation.

5 - Dissolution of the Partnership:

Article (673)

A partnership is dissolved by one of the following events:

- (a) The expiration of its term or the completion of the work for which it was formed.
- (b) The loss of all the capital or the capital of one of the partners before its delivery.
- (c) The death, insanity, bankruptcy, insolvency, interdiction, or withdrawal of one of the partners.
- (d) The unanimous agreement of the partners to dissolve it.
- (e) The issuance of a judicial ruling for its dissolution.

Article (674)

1 - Before the expiration of the specified term for the partnership, its term may be extended for a specified period, and this shall be a continuation of the partnership.

2 - If the specified term for the partnership expires or the work for which the partnership was formed is completed, and the partners then continue their activities, this is an implicit extension of the partnership year by year under the same conditions.

3 - A creditor of one of the partners may object to the extension of the partnership, and his objection results in stopping the effect of the extension with respect to him.

Article (675)

1 - It may be agreed that if one of the partners dies, the partnership shall continue with his heirs, even if they are minors. In this case, the heirs replace their decedent after their consent or the consent of the guardian

of any legally incompetent heir or his executor, subject to the conditions and provisions stipulated by law.

2 - It may also be agreed that the partnership shall continue among the remaining partners if one of them dies, is interdicted, becomes bankrupt, or withdraws. In these cases, this partner or his heirs shall only have his share in the partnership's assets. This share is valued according to its value on the day of the event that led to his exit from the partnership and is paid to him in cash. He shall have no share in any subsequent rights except to the extent that such rights result from operations prior to that event.

Article (676)

The court may order the dissolution of the partnership at the request of one of the partners for the failure of another partner to fulfill his commitments or for causing substantial harm to the partnership through his management of its affairs.

Article (677)

1 - A majority of the partners may request a judicial ruling to expel any partner, provided they base their request on serious reasons justifying the expulsion.

2 - Any partner may also request the court to be removed from the partnership if the partnership is for a fixed term and he bases his request on reasonable grounds.

3 - In the preceding two cases, the provisions of Article (675), paragraph (2), shall apply to the share of the expelled or withdrawn partner, and this share shall be valued according to its value on the day the lawsuit was filed.

6 - Liquidation and Division of the Partnership

Article (678)

The assets of the partnership shall be liquidated and divided in the manner agreed upon by the partners. If they do not agree, any interested party may request the court to appoint one or more liquidators to carry out the liquidation and division.

Article (679)

- 1 - The partnership retains its legal personality to the extent necessary for liquidation.
- 2 - The manager or managers of the partnership are considered liquidators with respect to third parties until a liquidator is appointed.

Article (680)

The liquidator shall carry out all liquidation tasks, including inventorying the partnership's assets, collecting its receivables, paying its debts, and selling its assets until the property is ready for division, observing in all of this the restrictions stipulated in his appointment order. He may not undertake any action not required by the liquidation.

Article (681)

The rules relating to the division of common property shall be followed in the division of partnerships.

Article (682)

- 1 - The partnership's property is divided among the partners after settling the rights of creditors and setting aside an amount to cover undue or disputed debts, as well as paying the expenses arising from the liquidation.
- 2 - Each partner receives an amount proportional to his share in the capital, and he receives from the profit and bears from the loss the percentage agreed upon or stipulated in the provisions of this law.

Branch Two: Some Types of Partnerships

1 - Partnership in Services (Shirkat al-A'mal):

Article (683)

A partnership in services is a contract whereby two or more persons agree to undertake work and guarantee it to a third party for a wage, whether

they are equal or different in the distribution of work, provided that the work is of the same type or complementary.

Article (684)

- 1 - Each of the partners is obligated to perform the work that one of them has accepted and undertaken.
- 2 - Each of them is entitled to demand the agreed wage, and the employer is discharged from his obligation by paying it to any of them.

Article (685)

A partner is not compelled to perform the work he accepted himself; he may give it to his partner or to another non-partner, unless the employer stipulates that he must perform it himself.

Article (686)

- 1 - The profit is divided among the partners as agreed.
- 2 - A differential in profit is permissible even if equality in work is stipulated.
- 3 - Each of them is entitled to his share of the profit even if he did not work for an acceptable excuse.

Article (687)

The partners are jointly and severally liable for the performance of the work.

Article (688)

If the thing on which work is to be done is destroyed or damaged by the act of one of the partners, the employer may claim compensation for his property from any partner he chooses, and the loss is divided among the partners according to each one's guarantee.

Article (689)

A partnership in services is permissible where the place is provided by some partners and the machines and tools by others, just as it is permissible for the place, machines, and tools to be from some and the labor from others.

Article (690)

- 1 - The activity of a partnership in services may be directed towards carrying and transporting things, and the disparity in the means of transport belonging to each partner in its type and capacity is not considered, as long as each partner guarantees the work.
- 2 - However, if the partnership was not formed to undertake work but to rent out the means of transport and divide the fare, the partnership is defective, and the fare for each means of transport is the right of its owner, and whoever assisted in collection and transport receives the wage for similar work.

2 - Partnership of Creditworthiness (Shirkat al-Wujuh):

Article (691)

- 1 - A partnership of creditworthiness is a contract whereby two or more persons agree to buy goods on credit based on their reputation and then sell them, on the condition that they are partners in the profit.
- 2 - The partners guarantee the price of the purchased goods, each according to his share in it, whether they made the purchase together or individually.

Article (692)

Profit and loss are distributed among the partners in proportion to what each of them guaranteed of the goods they bought on credit, unless otherwise agreed.

3 - Speculative Partnership (Mudaraba or Qirad)

Article (693)

A Mudaraba partnership is a contract whereby the capital provider agrees to provide the capital, and the manager (Mudarib) provides the effort and labor in pursuit of profit.

Article (694)

For a Mudaraba to be valid, the following is required:

- 1 - The capacity of the capital provider to appoint an agent and the manager to be an agent.
- 2 - The capital must be known and suitable for trade.
- 3 - The capital must not be a debt or a deposit owed by the manager to the capital provider.
- 4 - Delivery of the capital to the manager.
- 5 - The share of each of the contracting parties in the profit must be a known and common fraction.

Article (695)

- 1 - After the delivery of the capital to him, the manager has the authority to dispose of it as an agent for its owner.
- 2 - The manager is a trustee over the capital and a partner in the profit.

Article (696)

It is not permissible to stipulate that the manager guarantees the capital if it is lost or damaged without his negligence.

Article (697)

A Mudaraba may be general and unrestricted, or specific and restricted by time, place, type of trade, or other restrictive conditions.

Article (698)

1 - If the Mudaraba contract is unrestricted, the manager is considered authorized to work and dispose of the capital in Mudaraba affairs and their derivatives according to the prevailing custom in this regard.

2 - The manager may not mix the Mudaraba funds with his own funds nor give them to a third party as a Mudaraba unless it is customary to do so or the capital provider has authorized him to act according to his own judgment.

3 - He may not gift the Mudaraba funds, nor lend them, nor borrow to the extent that the debt exceeds the capital, except with the explicit permission of the capital provider.

Article (699)

If the capital provider restricts the Mudaraba with conditions, they must be observed. If the manager exceeds the authorized limits in his actions, the profit is as agreed by the partners, and the loss is on the manager.

Article (700)

If the manager partners with another manager using the Mudaraba funds or sells some of its goods on credit without the capital provider's permission, the first manager guarantees any damage or loss that occurs to the Mudaraba funds in both cases.

Article (701)

If the manager gives the Mudaraba funds to another person to work with without the capital provider's permission, the first manager guarantees any damage or loss that occurs to it. The second manager gets nothing. If a profit is made, the first manager takes nothing from it, and the second manager takes a portion of the profit that was designated for him if it is equal to the portion that was designated for the first manager. If it is less, the excess belongs to the capital provider, not to the first manager nor the second manager.

Article (702)

If the manager trades with the Mudaraba funds and incurs a loss, then gives what remains without the capital provider's permission to another worker to work with in a Mudaraba and make a profit, the capital provider takes all of his capital and his share in the profit from what is in the possession of the second manager of capital and profit. The second manager may claim from the first manager what remains of his share in the profit if he was not aware of the first manager's transgression or loss. If he was aware of his transgression or loss, he has no right to claim anything from him.

Article (703)

- 1 - Both the manager and the capital provider must share in the profit according to the ratio agreed upon in the contract. If it is not specified, the profit is divided between them according to custom. If there is no custom, it is divided equally.
- 2 - If the manager is permitted to mix his own funds with the Mudaraba capital, the profit is divided in proportion to the capital. The manager takes the profit of his own capital, and the profit of the Mudaraba funds is distributed between the contracting parties in the manner described in the first paragraph.

Article (704)

- 1 - The capital provider alone bears the loss, and any condition to the contrary is void.
- 2 - If any part of the Mudaraba funds is lost, it is deducted from the profit. If it exceeds the profit, the remainder is deducted from the capital, and the manager does not guarantee it.

Article (705)

The Mudaraba ends in the following cases:

- 1 - Rescission of the contract by one of the contracting parties.
- 2 - The capital provider's dismissal of the manager. The manager is prohibited from disposing of the Mudaraba funds after he becomes aware

of the dismissal if they are in cash. If they are in another form, the manager may convert them into cash.

3 - Expiration of the term if it was set for a specific time.

4 - If one of the contracting parties dies, becomes permanently insane, or is interdicted.

Article (706)

If one of the contracting parties terminates the Mudaraba before its term, the affected party may claim compensation from the other for the damage suffered.

Article (707)

1 - If the manager dies without specifying the Mudaraba funds, the capital provider's right becomes a debt against the estate.

2 - If the manager specified it before his death and what he specified is found in his estate, the capital provider has a special claim to it, taking precedence over other creditors.

Article (708)

The general provisions of partnership shall apply to Business Partnerships, Credit Partnerships, and Mudaraba Partnerships in all that does not contradict the specific provisions of each.

Article (709)

The rules contained in this chapter shall not prejudice the provisions of special laws.

Chapter Four: The Loan

Article (710)

A loan is the transfer of ownership of money or a fungible item to another, on the condition that its equivalent in quantity, type, and quality is returned to the lender at the end of the loan term.

Article (711)

The borrower acquires full ownership of the loan by contract, even if they have not received it from the lender, and it shall be awarded to them if the lender refuses to deliver it. The loan is not voided if the borrower is prevented from disposing of the property before taking possession of it.

Article (712)

- 1 - The lender must be legally competent to make donations.
- 2 - A guardian or custodian may not lend or borrow the money of the person under their charge except with the permission of the court.

Article (713)

The loaned property must be fungible and consumable.

Article (714)

If the loan contract stipulates a benefit exceeding the requirements of the contract, other than securing the lender's right, the condition is void, but the contract remains valid.

Article (715)

A mortgage and a guarantor may be stipulated in the loan.

Article (716)

If the loaned property is claimed by a third party while in the borrower's possession, the borrower's obligation to return its equivalent is discharged, and they may seek recourse against the lender for any damages incurred due to this claim if the lender acted in bad faith.

Article (717)

If a hidden defect appears in the loaned property, the borrower is only obligated to return its value in its defective state.

Article (718)

1 - If the loan has a fixed or customary term, the borrower must return it to the lender upon the expiration of that term, even if they have not benefited from it.

2 - If it has no term, the borrower is not obligated to return it until a period has passed during which they could have made the customary use of it.

Article (719)

1 - The borrower is obligated to return the equivalent of what they received in quantity, type, and quality at the end of the loan term, regardless of any change in its value, at the time and place agreed upon.

2 - If it becomes impossible to return the equivalent of the borrowed item, the lender's right transfers to its value on the day it was received.

Article (720)

If several persons borrow money and one of them receives it with the consent of the others, none of them may demand from him more than their share of what was received.

Article (721)

1 - The borrower is obligated to make repayment in the country of the loan unless it is explicitly or implicitly agreed otherwise.

2 - If it is agreed to repay in another country where the value of the loaned money differs from that in the country of the loan, the lender's right transfers to the value in the country of the loan.

Chapter Five: Settlement

Article (722)

A settlement is a contract that resolves a dispute and ends litigation between the settling parties by mutual consent.

Article (723)

- 1 - A person entering into a settlement must have the legal capacity to dispose of the rights covered by the settlement contract for consideration.
- 2 - The capacity to make a donation is required if the settlement includes the waiver of any rights.

Article (724)

The settlement of a discerning minor and an authorized person of diminished capacity is valid if it does not cause them clear harm. The same applies to settlements made by guardians, custodians, and curators, subject to the provisions of special laws.

Article (725)

The subject of the settlement must be something for which consideration may be taken, even if it is not property, and it must be specified where receipt and delivery are required.

Article (726)

- 1 - The consideration for the settlement must be specified if it requires receipt and delivery.
- 2 - If the consideration for the settlement is a specific object or usufruct owned by a third party, the validity of the settlement is contingent upon the approval of that third party.

Article (727)

- 1 - A settlement regarding rights is valid whether the defendant acknowledges them, denies them, or remains silent without making an admission or denial.
- 2 - If the settlement occurs in a case of acknowledgment for a specific consideration to be paid by the admitting party, it is treated as a sale. If it concerns a usufruct, it is treated as a lease.

3 - If the settlement occurs in a case of denial or silence, it is considered a counter-transaction for the plaintiff and, for the defendant, an avoidance of an oath and an end to the dispute.

Article (728)

If a person settles for part of the claim or for a portion of what they claim from the other's liability, their right to claim the remainder is waived.

Article (729)

1 - If two persons, each claiming a specific object in the other's possession, settle on the basis that each keeps the object in their possession, the settlement shall be governed by the rules of barter, and its validity is not dependent on knowledge of the two considerations.

2 - The provisions of the most analogous contract shall apply to the settlement in terms of its validity and the effects arising therefrom.

Article (730)

1 - A settlement results in the transfer of the settling party's right to the settlement consideration and the forfeiture of their right that was the subject of the dispute.

2 - The settlement is binding on both parties, and neither they nor their heirs after them may revoke it.

Article (731)

The effect of the settlement is limited to the rights it covers and the dispute it resolves, to the exclusion of others.

Article (732)

The parties to a settlement may rescind it by mutual consent if it is in the nature of a counter-transaction. It may not be rescinded if it includes a waiver of some rights.

Article (733)

A settlement is not permissible if it includes any of the following impediments:

- 1 - Novation of a debt for a debt.
- 2 - Sale of bartered food before taking possession of it.
- 3 - Deferred exchange of gold for silver and vice versa.
- 4 - Riba Al-Nasi'ah (interest on deferred payment).
- 5 - Forgiving part of a deferred debt from the debtor in exchange for its early payment.
- 6 - Waiving the guarantee of a deferred debt from the debtor in exchange for its early payment with an increase.
- 7 - A loan that brings a benefit.

Article (734)

The aggrieved party in a settlement based on denial may annul the settlement in the following cases:

- 1 - If the wrongful party admits after the settlement to their injustice towards the other.
- 2 - If evidence unknown to the aggrieved party at the time of the settlement is presented in their favor after the settlement, and they swear to their lack of knowledge of it.
- 3 - If they had absent evidence that was impossible to produce at the time of the dispute, and they declared at the settlement that they would present it if it became available.

Article (735)

If a settlement based on denial is made due to the plaintiff's lack of a document for the right being settled, they may annul the settlement if they find it afterward. However, if they claimed to have the document and the defendant demanded its production to fulfill the right specified therein, and the plaintiff claimed it was lost and then settled, they may not annul the settlement if they later find it.

Article (736)

If one of the heirs settles with a debtor of their decedent regarding a debt, the other heirs may join them in the settlement, or they may choose not to join and demand their right from the debtor or settle with them.

Article (737)

Some heirs may settle for their share of the inheritance for a portion of the estate, provided that the subject of the settlement is present if they take their share's value or less, and the entire estate is present if they settle for more than their share.

Article (738)

1 - If one of two creditors settles with their debtor, the other creditor may choose not to join them in the settlement and may claim their share from the debtor. If the debtor is found to be insolvent, they have no recourse against their partner.

2 - The other creditor may join the settling partner in the settlement if they had not refused to settle. In this case, they may claim the remainder of their share from the debtor, and the settling creditor may claim from the debtor what their partner took from them.

Article (739)

A settlement is not permissible for a consumed item of goods, animal, or unspecified food against a deferred payment of more of the same kind, or of a different kind, unless the settlement consideration is a specific object of equal or lesser value.

Article (740)

If the unknown cannot be determined, a settlement for it with a known consideration is valid if the uncertainty is on both sides or on the debtor's side alone.

Article (741)

Subject to the provisions of Articles (734) and (735), a settlement definitively resolves the dispute. No claim by the plaintiff shall be heard thereafter, even if they present evidence for their claim or for a prior admission by the denying party.

PART TWO: USUFRUCT CONTRACTS

CHAPTER ONE: LEASE

Section One: Lease in General

1 - Definition of Lease:

Article (742)

A lease is the granting of ownership by the lessor to the lessee of a specific usufruct from the leased object for a certain period in exchange for a known rent.

2 - Elements of a Lease:

Article (743)

The legal capacity of the contracting parties at the time of the contract is required for the formation of a lease.

Article (744)

1 - For a lease contract to be effective, the lessor or their representative must own the right to dispose of what is being leased.

2 - The lease by an unauthorized person is concluded subject to the approval of the owner of the right of disposal, under its considered conditions.

Article (745)

The subject of a lease is the usufruct, and its delivery is achieved by delivering its locus.

Article (746)

The usufruct which is the subject of the contract must be:

- (a) capable of being enjoyed.
- (b) sufficiently known to resolve disputes.

Article (747)

The object from which the usufruct is to be derived must be known either by inspection, by specifying its designated location, or by a clear description; otherwise, the contract is void.

Article (748)

- 1 - The rent must be known, by specifying its type and amount if in cash, or by stating its type, description, and quantity if not in cash.
- 2 - If the rent is unknown, the lease may be annulled, and rent for the past period before annulment shall be based on the prevailing rate.

Article (749)

The rent may be a specific object, a debt, or a usufruct.

Article (750)

The rent is due upon enjoyment of the usufruct or upon the ability to enjoy it.

Article (751)

It is permissible to stipulate that the rent be paid in advance, deferred, or in installments at specified times.

Article (752)

- 1 - If the contract does not specify a date for payment of the rent, the rent specified for the usufruct in absolute terms is due after the enjoyment of the usufruct or after the ability to enjoy it has been established.

2 - As for rent due for a unit of time, custom shall be followed regarding its payment dates; otherwise, the judge shall determine it upon the request of the interested party.

Article (753)

Rent is not due for a period that has passed before the delivery of the leased object, unless the lessee is the cause.

Article (754)

The lease term begins on the date agreed upon in the contract. If no date is specified, it begins on the date of the contract.

Article (755)

The lease term must be known.

Article (756)

If the lease contract does not have a specified term or if the alleged term cannot be proven, the lease is considered to be for the period specified for the payment of rent and ends at the expiration of this period at the request of either party.

Article (757)

If the lease contract ends and the lessee remains in beneficial use of the leased object with the lessor's knowledge and without objection, the lease is considered renewed under its original terms and for a similar period.

Article (758)

A lease may be made effective from a future date and is binding by the contract, unless the leased object is waqf (endowment) or orphan's property, in which case it may not be made effective from a future date exceeding one year from the date of the contract.

Article (759)

If the lease term expires and a necessity for its extension is established, it shall be extended for the period of the necessity, provided that the lessee pays the prevailing rent for it.

Article (760)

If the lessor requests a specific increase in the named rent from the lessee after the end of the lease term, the lessee is bound by the increase if the term expires and they remain in possession of the leased object without objection.

3 - Effects of the Lease:

Article (761)

Each of the contracting parties is obligated to execute what the contract contains in a manner that achieves its legitimate purpose.

Article (762)

If the lease contract is validly concluded, the right of usufruct of the leased object is transferred to the lessee.

4 - Obligations of the Lessor

(a) Delivery of the Leased Object:

Article (763)

1 - The lessor must deliver the leased object and its appurtenances in a condition suitable for the full enjoyment of the intended usufruct.

2 - Delivery is completed by enabling the lessee to take possession of the leased object without any hindrance to its use, and it must remain in their continuous possession until the lease term expires.

Article (764)

The lessor may refuse to deliver the leased object until the advance rent is paid.

Article (765)

1 - If a lease is concluded for a specific object for a lump sum rent, and its number of units is mentioned without stating the rent for each unit, and the units are found to be more or less, the rent shall be that named in the contract, neither increased nor decreased. In the case of a shortage, the lessee has the option to annul the contract.

2 - If the rent for each unit is named in the contract, the lessee is obligated to pay the named rent for the excess units, and the lessor is obligated to reduce the named rent for the missing units. The lessee has the option to annul in both cases.

3 - However, if the amount of the shortage or excess is slight and has no effect on the intended usufruct, the lessee has no option to annul.

Article (766)

The provisions governing the delivery of a sold item and its appurtenances shall apply to the delivery of the leased object and its appurtenances, unless the two parties agree otherwise.

(b) Maintenance of the Leased Object:

Article (767)

1 - The lessor is obligated to repair any defect in the leased object that affects the enjoyment of the intended usufruct. If they fail to do so, the lessee may annul the contract or obtain permission from the judge authorizing them to make the repairs and seek recourse against the lessor for the customary amount spent.

2 - If the defect that the lessor is customarily obligated to repair is minor or urgent and cannot be delayed, and the lessee requests them to repair it and they delay or it is impossible to contact them, the lessee may repair it and deduct its cost, at the customary rate, from the rent.

Article (768)

1 - If the lessee, with the lessor's permission, makes constructions or repairs for the benefit or maintenance of the leased object, they shall have recourse against the lessor for the customary amount spent, even if the right of recourse was not stipulated.

2 - However, if what the lessee has done is for their personal benefit, they have no right of recourse against the lessor, unless otherwise agreed.

Article (769)

1 - The lessor may prevent the lessee from any act that leads to the destruction or alteration of the leased object and from placing machinery or equipment that may harm it or reduce its value.

2 - If the lessee does not refrain, the lessor may request the judge to annul the contract and claim damages for the harm caused by this trespass.

(c) Warranty of the Leased Object:

Article (770)

1 - The lessor may not disturb the lessee in their enjoyment of the usufruct during the lease term, nor make any change to the leased object that prevents its use or impairs the contracted usufruct; otherwise, they shall be liable.

2 - The lessor's liability is not limited to acts originating from them or their followers but extends to any disturbance or damage based on a legal cause originating from any other lessee or any person who has received the right from the lessor.

Article (771)

If the disturbance results in depriving the lessee of the use of the leased object according to the contract, they may request annulment or a reduction in rent, along with compensation for any damage suffered.

Article (772)

1 - The lessor warrants to the lessee against all defects in the leased object that prevent its use or substantially diminish it. They are not liable for defects that are customarily tolerated.

2 - The lessor is not liable for a defect if the lessee was aware of it at the time of contracting or if it was easy for them to know about it.

Article (773)

If a defect results in depriving the lessee of the use of the leased object, they may request annulment or a reduction in rent, along with compensation for any damage incurred.

Article (774)

The provisions of the option for defect in a sale shall apply to the existence of a defect in a lease in all that does not conflict with the nature of the lease.

Article (775)

Any agreement exempting from liability for disturbance or defect is void if the lessor has fraudulently concealed the cause of this liability.

5 - Obligations of the Lessee:

(a) Preservation and Return of the Leased Object:

Article (776)

1 - The leased object is a trust in the hands of the lessee, who is liable for any shortage, damage, or loss resulting from their negligence or trespass. They must preserve it as an ordinary person would.

2 - If there are multiple lessees, each is liable for the damages arising from their own trespass or negligence.

Article (777)

1 - The lessee may not exceed the limits of the usufruct agreed upon in the contract. If there is no agreement, it must be used according to its intended purpose and in the manner established by custom.

2 - If they exceed the limits of the agreement in their use or violate established custom, they must compensate for any damage resulting from their action.

Article (778)

1 - The lessee may not make any alteration to the leased object without the lessor's permission, unless it is necessary for the repair of the leased object and does not harm the lessor.

2 - If the lessee violates this obligation, they must, upon the expiration of the lease, restore the leased object to its original condition, in addition to compensation if required, unless otherwise agreed.

Article (779)

1 - The lessee is obligated to carry out the repairs that have been agreed upon or that custom dictates they are responsible for.

2 - During the lease term, they must clean the leased object, remove any accumulated dust or waste, and do all that custom requires of them.

Article (780)

1 - The lessee may not prevent the lessor from carrying out necessary works for the maintenance of the leased object.

2 - If these works impair the lessee's use, they have the right to annul the contract unless they continue to enjoy the usufruct until the maintenance works are completed.

Article (781)

1 - If the entire use of the leased object is lost, the rent is waived for the lessee from the time the usufruct is lost.

2 - If the loss of usufruct is partial and in a manner that affects the enjoyment of the intended usufruct, they may annul the contract, and the rent is waived from the date of annulment.

3 - If the lessor repairs the leased object before the annulment, the rent waived for the lessee shall be in proportion to the lost usufruct, and they have no option to annul.

Article (782)

1 - If a competent authority issues an order preventing the full use of the leased object without any fault of the lessee, the lease is terminated, and the rent is waived from the time of the prohibition.

2 - If the prohibition impairs the use of part of the leased object in a manner that affects the enjoyment of the intended usufruct, the lessee may annul the contract, and the rent is waived for them from the time they notify the lessor.

Article (783)

The lessee may annul the contract in the following two cases:

1 - If its execution necessitates causing clear harm to the person or property of the lessee or those who follow them in the use of the leased object.

2 - If something occurs that prevents the execution of the contract.

Article (784)

1 - The lessee must return the leased object to the lessor at the expiration of the lease term in the condition in which it was received, except for any destruction or damage that occurred for a reason not attributable to them.

2 - If they retain it in their possession without right, they are obligated to pay the lessor the prevailing rent, along with compensation for damages.

3 - If the return of the leased object requires transport and provisions, the cost of its transfer shall be borne by the lessor.

Article (785)

If the lessee erects a building or plants trees in the leased object, even with the lessor's permission, the lessor may, at the expiration of the lease, either demand the demolition of the building or the uprooting of the plants, or take ownership of what was created at its value as subject to removal if its demolition or removal would harm the property. If the demolition or removal would not harm the property, the lessor may not keep it without the lessee's consent.

(b) Loaning and Subleasing the Leased Object:

Article (786)

The lessee may loan the leased object or allow another to use and benefit from it, in whole or in part, without consideration, if its use does not differ with different users.

Article (787)

The lessee may not lease the leased object, in whole or in part, to another person except with the lessor's permission or approval.

Article (788)

In the cases specified in the two preceding articles, the lessee is bound by the terms of their lease contract in terms of type and duration.

Article (789)

If the lessee subleases the leased object with the lessor's permission, the new lessee replaces the first lessee in all the rights and obligations arising from the first contract.

Article (790)

If the lease contract concluded with the first lessee is annulled or terminated, their lessor has the right to terminate the contract concluded with the second lessee and recover the leased object.

6 - Termination of the Lease:

Article (791)

1 - The lease terminates in the following two cases:

(a) At the end of the period specified in the contract, unless automatic renewal is stipulated.

(b) At the end of the right of usufruct if the lease was issued by someone with this right, unless the owner of the bare ownership approves it.

2 - If the lease contract ends and the lessee remains in beneficial use of the leased object with the lessor's explicit or implicit consent, the contract is considered renewed under its original terms.

Article (792)

If the lessee uses the leased object without right after the expiration of the lease term, they are obligated to pay the prevailing rent for the period of use and are also liable to the lessor for any damage to the leased object.

Article (793)

1 - The lease does not terminate upon the death of either contracting party.

2 - However, the lessee's heirs may request the termination of the contract if they prove that the burdens of the contract have become, due to the death of their decedent, heavier than their resources can bear or exceed their needs.

3 - If the lease was concluded only because of the lessee's profession or other considerations related to their person, and then they die, their heirs or the lessor may request the termination of the contract.

Article (794)

1 - Either contracting party may, for an unforeseen personal reason, request the termination of the lease contract and shall then be liable for any damage arising from this termination to the other contracting party within the limits established by custom.

2 - If it is the lessor who requests the termination of the contract, the lessee shall not be forced to return the leased object until they receive compensation or obtain sufficient security.

Article (795)

1 - If the leased object is sold without the lessee's permission, the sale is effective between the seller and the buyer but does not affect the lessee's right.

2 - If the lessee permits or approves the sale, the sale is effective in their regard, and they are obligated to deliver the leased object, unless they have paid the rent in advance, in which case they have the right to retain the leased object until they recover the equivalent of the rent for the remaining period for which they have not had use.

Article (796)

The lease contract for a house and the like is not terminated by the lessee's demonstrated immorality therein. The public prosecution shall order them to cease their immoral acts. If they do not cease, the judge shall evict them at the request of the owner or a neighbor and lease it on their behalf if their immorality caused damage to the property or the neighbor. They shall be liable for its rent during the period of their eviction before it is leased on their behalf.

Section Two: Some Types of Lease

1 - Lease of Agricultural Land

Article (797)

It is valid to lease agricultural land, specifying what is to be planted in it, or giving the lessee the choice to plant what they wish.

Article (798)

It is not permissible to lease land for immediate effect if it is occupied by another crop that is not yet harvested and was planted lawfully, unless the lessee is the owner of the crop.

Article (799)

It is permissible to lease land occupied by a crop and require its owner to remove it and deliver the land to the lessee in the following two cases:

- (a) If it was planted lawfully and the crop is harvested at the time of the lease.
- (b) If it was planted unlawfully, whether the crop is harvested or not.

Article (800)

It is permissible to lease land occupied by a crop with a lease that becomes effective at a time when the land will be vacant.

Article (801)

1 - If a person leases land for agriculture, the lease includes all its rights. Agricultural tools and machinery and anything permanently attached to the land are not included unless specified in the contract.

2 - If the contract includes the lease of agricultural tools, machinery, and other items, the lessee must maintain them and use them in accordance with common practice.

Article (802)

Whoever leases land to plant what they wish may plant it repeatedly during the year, both summer and winter crops.

Article (803)

If the lease term of the land expires before the crop is harvested for a reason not attributable to the lessee, it shall be left for the prevailing rent until it is harvested and reaped.

Article (804)

The lessee must exploit the agricultural land in accordance with the requirements of customary exploitation. They must work to keep the land productive and may not change the method of its use in a way that its effect extends beyond the end of the lease.

Article (805)

- 1 - The lessor is obligated to carry out the repairs upon which the enjoyment of the intended usufruct depends.
- 2 - The lessee must carry out the repairs required by the customary use of the land and the maintenance of irrigation equipment, drains, roads, bridges, and wells.
- 3 - All this is unless agreement or custom provides otherwise.

Article (806)

If the leased land is flooded with water to the extent that it cannot be planted, or if the water supply is cut off and it is impossible to irrigate it, or if it becomes excessively costly, or if a force majeure prevents its cultivation, the lessee may annul the contract and is not liable for the rent.

Article (807)

If the crop is destroyed before it is harvested due to a cause not attributable to the lessee, they are liable for rent for the period that has passed before the destruction of the crop, and the remainder is waived, unless they are able to plant a similar crop, in which case they are liable for the share of the remaining period.

Article (808)

The contract may not be annulled, nor the rent or part of it waived, if the lessee has received compensation from any party for the damage they suffered.

2 - Sharecropping (Muzara'a):

(a) Definition of Sharecropping:

Article (809)

Sharecropping is a contract for the investment of agricultural land between the landowner and another who works in its investment, on the

condition that the produce is shared between them in the shares they agree upon.

(b) Establishment of Sharecropping:

Article (810)

For a sharecropping contract to be valid, it is required that:

- (a) The land be known and suitable for agriculture.
- (b) The type of crop and the kind of seed be specified, or the sharecropper be given the option to plant what they wish.
- (c) The share of each party in the produce be determined as a common percentage.

Article (811)

It is not permissible to stipulate the deduction of the seed or the tax levied on the land's ownership from the total produce before division.

Article (812)

In sharecropping, the duration of cultivation must be specified so that it is consistent with achieving its purpose. If it is not specified, the contract is deemed to be for one agricultural cycle.

(c) Effects of the Sharecropping Contract:

Article (813)

If the sharecropping contract is concluded, the produce is held in common between the contracting parties, and they divide it according to the agreed-upon percentage.

Article (814)

1 - If the sharecropping land is claimed by a third party after it has been planted but before the crop is harvested, and both parties to the contract acted in good faith, unaware of the reason for the claim, they may keep the land under sharecropping until the end of the season for what was

planted, and the one who provided the land must pay the rightful owner the prevailing rent for it.

2 - If both acted in bad faith, the rightful owner may have the crop removed and take their land free of any encumbrance, and owes nothing to either of them.

3 - If only the one who provided the land acted in bad faith and the rightful owner does not agree to leave the land with them for the prevailing rent until the end of the season, the following applies:

(a) If the seed was from the one who provided the land, they owe the sharecropper the prevailing wage for their work, with compensation equivalent to the money and wages of workers they expended, at the known rate, if the contract required them to provide such. The one who provided the land may avert this by paying the sharecropper the value of their share of the crop as it stands, not uprooted, until it is ready for harvest.

(b) If the seed was from the sharecropper, they are entitled from the one who provided the land to the value of their share of the crop as it stands, until it is ready for harvest.

(c) The sharecropper, in both cases, whether the seed was from them or from the one who provided the land, may choose to take their share of the crop uprooted, in which case they are entitled to nothing else.

(d) Obligations of the Landowner:

Article (815)

1 - The landowner must deliver the land in a condition suitable for agriculture, with its contractual rights such as water and passage, and with all that is designated for its exploitation if it is permanently attached to it.

2 - They are also obligated to repair the agricultural tools that they must deliver in working order if they need repair as a result of normal use.

(e) Obligations of the Sharecropper:

Article (816)

1 - The sharecropper is obligated for the expenses of agricultural work, maintaining and preserving the crop, and the costs of irrigation channels and the like, until the time of crop harvest.

2 - As for the expenses of the crop after it is ready for harvest, from reaping and what follows, and the expenses required until the yield is divided, each of the contracting parties is obligated for them according to their share.

Article (817)

1 - The sharecropper must exercise in agriculture and in the preservation of the land and its appurtenances, and of the crop and the produce, the care that an ordinary person would exercise.

2 - If they are negligent in any of this and damage results from their negligence, they shall be liable for it.

Article (818)

1 - The sharecropper may not lease the land or entrust its cultivation to another except with the consent of the landowner.

2 - If the sharecropper violates this obligation, the landowner may annul the sharecropping agreement. If the land is planted at the time of annulment and the seed is from the landowner, they may recover it and claim from the sharecropper for any damage suffered. If the seed is not from them, they have the option to either recover the planted land, giving the value of the seed to its owner, or leave the crop to them until harvest and hold the first sharecropper liable for the prevailing rent and any damage they caused.

(f) Termination of Sharecropping:

Article (819)

The sharecropping contract ends at the expiration of its term. If its term expires before the crop is harvested, the sharecropper may keep the crop until it is harvested and must pay the prevailing rent for the land for their share of the produce for the subsequent period. The cost of what is necessary for the crop shall be borne by both the landowner and the sharecropper according to their shares.

Article (820)

- 1 - If the landowner dies and the crop is not yet harvested, the sharecropper continues the work until the crop is harvested, and the heirs may not prevent them.
- 2 - If the sharecropper dies and the crop is not yet harvested, their heirs shall take their place in the work until it is harvested, even if the landowner objects.

Article (821)

- 1 - If the sharecropping contract is annulled, found to be void, or decreed to be invalid, the entire produce belongs to the owner of the seed. If the owner of the seed is the landowner, the sharecropper is entitled to the prevailing wage for their work. If the owner of the seed is the sharecropper, the landowner is entitled to the prevailing rent for the land.
- 2 - In neither case may the prevailing wage for the work or the rent for the land exceed the value of its owner's share of the produce.

3 - Crop Sharing (Musaqah):

Article (822)

Crop sharing (Musaqah) is a contract between a worker and the owner of trees or plants, whereby the worker undertakes to care for the trees or plants for a known period in exchange for a common share of their yield.

Article (823)

For a crop sharing agreement to be valid, it is required that the share of each party in the yield be determined as a common percentage.

Article (824)

For a crop sharing agreement on trees to be valid, it is required that they bear fruit in the year of the contract, that their fruit has not started to ripen before the agreement, and that they are not of a type that produces a subsequent crop before the previous fruit is picked without interruption. If any of these three conditions are not met, the crop sharing is not valid for them unless they are ancillary to something in which these conditions are met.

Article (825)

If a crop sharing contract is made for trees that are followed by a crop, or vice versa, and the value of the ancillary item is one-third or less of the value of the primary item, the contract for the primary item entails the inclusion of the ancillary item in the contract, with the following consequences:

First: The crop sharing worker must care for it like the primary item.

Second: It is not valid to stipulate that its yield belongs to the owner or the worker.

Third: The worker's share of its yield must be the same as their share of the primary item's yield.

Fourth: The conditions for the validity of crop sharing are considered for the primary item, not the ancillary one.

Article (826)

Crop sharing is a binding contract, and neither contracting party may annul it except for a justifying reason.

Article (827)

1 - The duration of the crop sharing must be timed by the harvest or by a time when the harvest usually occurs. If it is not specified at the time of the contract, it is deemed to be until the harvest if there is one yield, or until the harvest of the first yield if there are multiple, distinct yields, unless it is stipulated that the second yield is included in the duration of the crop sharing, in which case it is deemed to be until its harvest. If there are multiple, indistinct yields, the duration is deemed to be until the harvest of the last yield.

2 - If a duration is specified in the contract during which fruit is likely to appear, and none appears at all, neither party is entitled to anything from the other.

Article (828)

The works and expenses required for crop sharing are subject to the following provisions, unless otherwise agreed:

- (a) The work required for the service of the trees, the growth and quality of the crop, and its preservation until it matures, such as irrigation, pollination, and pruning, shall be the responsibility of the sharecropper. As for fixed works that are not repeated annually, such as digging wells and constructing warehouses for storing the crop, they are the responsibility of the owner of the trees or crops.
- (b) The financial expenses required for exploitation and customary care, such as the cost of fertilizer and pesticides for insect control until the crop matures, shall be borne by the owner of the trees or crops.
- (c) As for the expenses required after the crop has matured, such as the cost of harvesting and preservation, they shall be borne by both parties, each according to their share in the crop.

Article (829)

The sharecropper may not subcontract to another without the permission of the owner of the trees or crops. If he does so, the owner of the trees or crops shall have the option: if he wishes, he may take the entire crop and give the person who performed the work a fair wage for his labor. If he wishes, he may leave the crop to them and claim from the first

sharecropper a fair rent for the sharecropping property and hold him liable for any damage incurred due to his action.

Article (830)

If the trees, fruit, or crops become subject to a third-party claim, and the contracting parties in the sharecropping agreement, or one of them, has incurred expenses or performed work that has had an effect on the growth of the trees, fruit, or crops, the following shall apply according to the circumstances:

- 1 - If the claimant ratifies the sharecropping contract, he shall replace the person who provided the trees or crops in relation to the sharecropper in all rights and obligations arising from the contract, and the claimant shall pay to the person who provided the trees or crops the equivalent of the beneficial expenses he incurred, according to custom.
- 2 - If the claimant does not ratify the contract, and the sharecropping agreement was concluded in good faith without either party being aware of the reason for the claim, the claimant shall have the option: either to take what he is entitled to and pay the sharecropper a fair wage for his labor and pay the person who provided the trees or crops for the beneficial expenses he incurred according to custom, or to leave the crop to them until the end of its season and receive from the person who provided the trees or crops fair compensation, according to custom, for the loss of benefit due to this waiting period.
- 3 - If the contracting parties in the sharecropping agreement were in bad faith at the time of contracting, the claimant may take what he is entitled to and shall owe nothing to either of them.
- 4 - If one of them was in bad faith and the other in good faith, the party in good faith shall be entitled to fair compensation from the claimant, according to custom, for the benefit his expenses or labor provided to the trees, fruit, or crops.

Article (831)

If the sharecropper is unable to perform the work or is not trustworthy with the crop, the owner of the trees or crops may terminate the sharecropping agreement, and he must pay a fair wage for the sharecropper's work before the termination.

Article (832)

1 - The sharecropping agreement does not terminate upon the death of the owner of the trees or crops, and his heirs may not prevent the sharecropper from continuing his work according to the contract.

2 - However, if the sharecropper dies, his heirs have the option to either terminate the contract or continue the work. If they choose termination and the fruit is not yet ripe, they shall be entitled, upon its ripening, to what their decedent would have received, in proportion to the work he performed until his death.

3 - If it was stipulated that the sharecropper must perform the work himself, the sharecropping agreement terminates upon his death, and his heirs are entitled, upon the ripening of the fruit, to what he would have received in proportion to his work.

Article (833)

If the sharecropper fails to perform the work stipulated upon him or established by custom, his share in the crop shall be reduced in proportion to his failure in his work.

Article (834)

The provisions of share-farming (Muzara'a) shall apply to sharecropping (Musaqah) in matters not covered by the preceding provisions.

4 - Planting Partnership (Mugharasah):

Article (835)

Planting partnership (Mugharasah) is when a person gives his land to another to plant specific trees from his own stock, on the condition that they become partners in the land and the trees in a known proportion when the trees reach a certain stage of growth before they bear fruit.

Article (836)

For a planting partnership contract to be valid, the following is required:

1 - The planting partnership must be for permanent assets such as palm trees or trees, not for what is planted annually.

- 2 - The type of palm trees or trees to be planted on the land must be specified at the time of the contract.
- 3 - The partnership in both the land and the palm trees or trees must be for a known proportion.
- 4 - The commencement of the partnership in the trees and the land must be defined by the trees reaching a certain stage of growth before they bear fruit.

Article (837)

The provisions of sharecropping (Musaqah) shall apply to planting partnership (Mugharasah) in matters that do not conflict with its nature.

5 - Leasing of Endowment (Waqf) Property

Article (838)

- 1 - Whoever is in charge of administering the endowment has the authority to lease it.
- 2 - If the administration of the endowment is entrusted to two individuals, neither of them may act alone in leasing it without the other.

Article (839)

- 1 - The administrator may not lease the endowment property to himself, even for a fair market rent, unless he obtains the lease from the judge.
- 2 - He may lease to his ascendants or descendants for a rent higher than the fair market rent after obtaining the judge's permission.

Article (840)

The beneficiary of an endowment may not lease the endowment property or collect the rent, even if he is the sole beneficiary, unless he is appointed by the founder or authorized by whoever has the authority to lease.

Article (841)

- 1 - The founder's condition regarding the leasing of the endowment must be observed. If a period for the lease is specified, it may not be violated.

2 - If no one wishes to lease it for the specified period and the administrator is not given the right to lease it for what is more beneficial to the endowment, the matter shall be referred to the judge to authorize leasing for the period he deems most suitable for the endowment.

Article (842)

1 - If the founder does not specify the period, real estate shall be leased for one year and land for a maximum of three years, unless the interest of the endowment requires otherwise and a permission from the judge is issued for it.

2 - If the lease is contracted for a longer period, even through consecutive contracts, it shall be reduced to the period specified in the previous clause.

3 - If the endowment is in need of reconstruction and has no revenue to be reconstructed with, the judge may authorize its lease for a period sufficient for its reconstruction.

Article (843)

1 - It is not permissible to lease endowment property for less than the fair market rent, and any lease for less than that at the time of the contract shall be annulled, unless the lessee agrees to pay the fair market rent and the interest of the endowment was taken into account.

2 - The estimation of the fair market rent shall be conducted by experts at the time the contract was concluded, and any subsequent change during the contracted period shall not be considered.

Article (844)

If an improvement occurs in the location of the endowment's real estate itself, leading to an exorbitant increase in the fair market rent, and what the lessee has spent on repairs and improvements has no part in it, the lessee shall be given the choice between terminating the contract or accepting the new fair market rent from the time of the improvement, whether the lease was for reconstruction needs or for other cases.

Article (845)

1 - If the lease period expires and the lessee had built or planted on the endowed property from his own money for himself with the permission of the one who has the authority to lease, he shall have priority over others for a future lease at the fair market rent.

2 - If he refuses to accept the fair market rent and the demolition of the building or the uprooting of the trees is detrimental to the leased property, the endowment authority has the right to acquire what was built on it at its value as if it were to be removed, unless they agree to leave the building or planting until it deteriorates, in which case the lessee takes what remains of it.

3 - The administrator may lease the endowed property along with the building and plantings with the permission of their owner, on the condition that he gives him the portion of the rent that corresponds to his property.

Article (846)

If the lease period ends and the lessee has a building or trees he erected with his own money on the endowed property without permission, he shall be ordered to demolish what he built and uproot what he planted if there is no harm to the endowment. If doing so would harm the endowment, he shall be forced to wait until the building or trees deteriorate, and he may take the remains. In both cases, the endowment authority has the right to acquire what was built or planted at a price not exceeding the lesser of its two values: demolished for the building and uprooted for the plantings, or standing for either of them.

Article (847)

In matters requiring the judge's permission, the opinion of the ministry responsible for endowment affairs shall be sought regarding what the interest of the endowment requires before the permission is issued.

Article (848)

The provisions of the lease contract shall apply to the leasing of an endowment in all matters that do not conflict with the preceding provisions.

Chapter Two: Loan for Use (Commodatum)

Section One: General Provisions

Article (849)

A loan for use is granting another person the use of an object without compensation for a specific period or purpose, on the condition that it be returned after use. The loaned object is the thing whose use has been granted.

Article (850)

A loan for use is completed by taking possession of the loaned object; the loan has no effect before possession.

Article (851)

It is required that the loaned object be specified, suitable for use while its substance remains intact, and its use be permissible, even if its sale is not permissible.

Article (852)

It is required that the lender be the owner of the right to use the loaned object, even if he is not its owner, and that he is not legally barred from disposing of the use of the loaned object.

Article (853)

It is required that the borrower be eligible to receive the loaned object as a gift.

Article (854)

1 - If the duration of the loan for use is restricted by time or a specific task, the lender may not reclaim the loaned object from the borrower before the end of its term. If it is not restricted by time or task, he may not reclaim it before the end of the customary period for such a loan.

2 - The lender may reclaim it from the borrower in all cases if it is used for a purpose more strenuous than that for which it was loaned, or if an unforeseen need for the loaned object arises for the lender.

Article (855)

The loaned object is a trust in the hands of the borrower. If it is destroyed, lost, or its value decreases without any transgression or negligence, he is not liable unless otherwise agreed.

Article (856)

A guardian or custodian may not lend the property of the person under his guardianship. If either of them does so, the borrower shall be liable for the fair market rent, and if the loaned object is destroyed, the lender shall be liable.

Article (857)

A wife may not, without her husband's permission, lend something owned by him which is not normally under her control. If she does so and the loaned object is destroyed or damaged, the husband has the option to seek compensation from her or from the borrower.

Article (858)

If a person borrows land to erect a building or plant trees on it for a period limited by stipulation or custom, the lender, upon the expiry of this period, has the choice between asking the borrower to demolish the building or uproot the trees and level the land as it was, or paying him the value of the building or the value of the uprooted trees, unless otherwise agreed.

Article (859)

The lender may not demand payment from the borrower for the loan for use after it has been used.

Article (860)

1 - If the loaned object is claimed by a third party while in the borrower's possession, the lender is not liable unless otherwise agreed or if he intentionally concealed the cause for the claim.

2 - The lender shall be responsible for any harm that befalls the borrower as a result of this claim.

3 - If the claim occurs after the loaned object is destroyed in the borrower's possession without transgression or negligence on his part, and the claimant chooses to hold him liable, the borrower may seek recourse against the lender for what he paid to the claimant.

4 - The lender is not liable for latent defects unless he intentionally concealed the defect or guaranteed the object's freedom from defects.

Section Two: Obligations of the Borrower

Article (861)

1 - The borrower must take care of the preservation and maintenance of the loaned object with the same care he gives to his own property, without falling below the standard of care of an ordinary person for his property.

2 - If he fails to prevent harm to the loaned object when he was able to do so, he shall be liable for compensation.

Article (862)

The borrower is responsible for the expenses of the loaned object, the costs of its return, and its transportation costs.

Article (863)

1 - The borrower may use the loaned object in the customary manner for an unrestricted loan that is not limited by time, place, or type of use.

2 - If it is restricted by time or place, he must observe this restriction. If the type of use is specified, he may not exceed a similar and less harmful level of use.

Article (864)

1 - If a defect causing a decrease in its value arises from the use of the borrowed object, the borrower is not liable for that decrease unless it resulted from its use contrary to what is customary.

2 - If the borrower exceeds the normal use of the loaned object or uses it improperly, and it is destroyed or damaged, he shall be liable to the lender for the damage.

Article (865)

The borrower may not, without the lender's permission, dispose of the loaned object in a way that grants a third party a right to its use or substance, whether by loan, pledge, lease, or otherwise.

Article (866)

The borrower may deposit the loaned object with a trustworthy person capable of preserving it, and he is not liable if it is destroyed in that person's possession without transgression or negligence.

Section Three: Termination of the Loan for Use

Article (867)

The loan for use terminates:

- 1 - Upon the expiry of the agreed term.
- 2 - Upon the completion of the use for which it was loaned.
- 3 - Upon the death of the lender or the borrower, and it does not transfer to the borrower's heirs.

Article (868)

If the borrower dies and the loaned object is unknown and not found in his estate, its value at the time of death shall be a debt against the estate.

Article (869)

The borrower may return the loaned object before the end of the loan period; however, if this return would harm the lender, he shall not be compelled to accept it.

Article (870)

- 1 - If the loan for use is rescinded or terminated, the borrower must return the loaned object to its owner and refrain from using it, unless the law permits him to retain it.
- 2 - If it terminates due to the borrower's death, the heirs must deliver it to the lender upon request.

Article (871)

- 1 - If the loaned object is a valuable item, the borrower must deliver it himself to the lender. As for other items, they may be delivered by himself or through those under his care who are capable of delivering them.
- 2 - The loaned object must be returned at the agreed place; otherwise, at the place where it was loaned or as determined by custom.

Part Three: Contracts of Work

Chapter One: The Contracting Agreement

Section One: Definition and Scope of the Contracting Agreement

Article (872)

A contracting agreement is a contract whereby one of the parties undertakes to make something or perform a task in return for a consideration undertaken by the other party.

Article (873)

- 1 - The agreement in a contracting agreement may be limited to the contractor undertaking to provide the labor, with the employer providing the material that he uses or is assisted by in performing his work.
- 2 - It is also permissible for the contractor to undertake to provide both the material and the labor.

Article (874)

In a contracting agreement, its subject matter must be described, its type, quantity, method of performance, and duration of completion specified, and the corresponding consideration determined.

Section Two: Effects of the Contracting Agreement

1 - Obligations of the Contractor

Article (875)

1 - If the employer stipulates that the contractor provides all or part of the work material, the contractor shall be responsible for its quality according to the terms of the contract, if any, and otherwise, according to prevailing custom.

2 - If the employer is the one who provided the work material, the contractor must take care of it, adhere to technical principles in his work, and return what remains of it to its owner. If this is not done and it is damaged, defective, or lost, he shall be liable for it.

Article (876)

The contractor must provide the necessary additional machines and tools for the completion of the work at his own expense, unless the agreement or custom provides otherwise.

Article (877)

The contractor must complete the work according to the terms of the contract. If it becomes apparent that he is performing what he undertook in a defective or non-compliant manner, the employer may request immediate termination of the contract if repair of the work is impossible. However, if repair is possible, the employer may request the contractor to adhere to the terms of the contract and correct the work within a reasonable period. If the period expires without the correction being completed, the employer may request the judge to terminate the contract or authorize him to entrust another contractor to complete the work at the first contractor's expense.

Article (878)

The contractor shall be liable for any damage or loss resulting from his action and workmanship, whether due to his transgression, negligence, or not. The liability is waived if it results from an unavoidable incident.

Article (879)

1 - If the contractor's work has an effect on the object, he may retain it until he receives the due payment. If it is damaged in his possession

before his payment is made, he is not liable, and he is not entitled to payment.

2 - If his work has no effect on the object, he may not retain it to secure payment. If he does so and it is damaged, he shall be liable for usurpation.

Article (880)

1 - If the subject of the contracting agreement is the construction of buildings or other fixed structures for which an engineer provides the design, to be executed by the contractor under his supervision, they shall be jointly and severally liable to compensate the employer for what occurs within ten years of total or partial collapse of the buildings they constructed or the structures they erected, and for any defect that threatens the strength and safety of the building, unless the contract specifies a longer period. All this is unless the contracting parties intended for these structures to remain for a period shorter than ten years.

2 - The obligation for the aforementioned compensation remains even if the defect or collapse is due to a defect in the land itself or if the employer agreed to the erection of the defective buildings or structures.

3 - The ten-year period begins from the time of the work's delivery.

Article (881)

If the engineer's work is limited to providing the design without supervising the execution, he shall be responsible only for defects in the design.

Article (882)

Any clause intended to exempt the contractor or engineer from liability or to limit it shall be void.

Article (883)

A claim for liability shall not be heard after the lapse of three years from the occurrence of the collapse or the discovery of the defect.

2 - Obligations of the Employer

Article (884)

The employer is obliged to take delivery of the completed work once the contractor has finished it and made it available to him. If he refuses without a legitimate reason despite being formally notified to do so, and it is damaged or becomes defective in the contractor's possession without his transgression or negligence, the contractor is not liable.

Article (885)

The employer is obliged to pay the consideration upon delivery of the contracted object, unless the agreement or custom provides otherwise.

Article (886)

1 - If a contract is concluded based on a bill of quantities on a unit-price basis, and it becomes apparent during the work that it is necessary to exceed the estimated quantities significantly to execute the agreed design, the contractor must immediately notify the employer of this, indicating the expected increase in price. If he fails to do so, he forfeits his right to recover the expenses that exceeded the value of the bill of quantities.

2 - If the excess required to execute the design is substantial, the employer may withdraw from the contract and halt the execution, provided this is done without delay, and he compensates the contractor for the value of the work completed, estimated according to the terms of the contract.

Article (887)

1 - If a contracting agreement is concluded based on an agreed design for a lump-sum price, the contractor may not demand any increase in the price required for the execution of this design.

2 - If a modification or addition is made to the design with the employer's consent, the agreement made with the contractor regarding this modification or addition shall be observed.

Article (888)

If no price for the work is specified in the contract, the contractor is entitled to a fair market price along with the value of the materials he provided that were required for the work.

Article (889)

1 - If the engineer who designed the building and supervised its execution has not agreed on a fee, he is entitled to a fair market fee according to what is customary.

2 - If something arises that prevents the completion of the work according to the design he prepared, he is entitled to a fair market fee for what he has done.

Section Three: The Subcontractor

Article (890)

1 - The contractor may entrust the execution of the work, in whole or in part, to another contractor, provided that a clause in the contract does not prevent him from doing so, or the nature of the work does not require him to perform it himself.

2 - The first contractor's responsibility towards the employer remains.

Article (891)

The subcontractor may not claim from the employer anything that the first contractor is entitled to, unless the first contractor has assigned it to him against the employer.

Section Four: Termination of the Contracting Agreement

Article (892)

The contracting agreement is terminated by the completion of the agreed-upon work or by the termination of the contract by consent or by court order.

Article (893)

If a justifiable reason arises that prevents the execution of the contract or the completion of its execution, either of the contracting parties may request its termination or dissolution, as the case may be.

Article (894)

If the contractor begins execution and then becomes unable to complete it for a reason beyond his control, he is entitled to the value of the work completed and the expenses incurred in the execution, to the extent that it benefits the employer.

Article (895)

The party harmed by the termination may claim compensation from the other party within the limits established by custom.

Article (896)

- 1 - The contracting agreement ends upon the death of the contractor if it was agreed that he would work himself or if his personal qualifications were a consideration in the contract.
- 2 - If the contract is devoid of such a condition, or if the contractor's personal qualifications were not a consideration in the contracting, the employer may request the termination of the contract if the heirs do not provide sufficient guarantees for the proper execution of the work.
- 3 - In both cases, the value of the work completed and the expenses incurred devolve to the estate, according to the terms of the contract and what custom requires.

Chapter Two: The Employment Contract

Section One: Its Conclusion and Conditions

Article (897)

- 1 - An employment contract is a contract whereby one party undertakes to perform work for the benefit of the other under his supervision or management in return for a wage undertaken by the other party.
- 2 - However, if the employee is not prohibited from working for another employer or is not bound in his work by a specific time for the benefit of the employer, the employment contract does not apply to him, and he is entitled to his wage according to the agreement.

Article (898)

1 - An employment contract may be for a specified or unspecified duration, or for a specific task.

2 - If the employment contract is for the lifetime of the employee or the employer, or for more than five years, the employee may, after the lapse of five years, terminate the contract without compensation, provided he gives the employer six months' notice.

Article (899)

The period of employment begins from the time specified in the contract. If not specified, it begins from the date of the contract, unless custom or the circumstances of the contract provide otherwise.

Article (900)

1 - If an employment contract is for a specified period, it terminates automatically upon the expiry of its term. If its parties continue to execute it after its expiry, this is considered a renewal for an indefinite period.

2 - If an employment contract is for the execution of a specific task, it terminates upon the completion of the task. If the task is of a nature that can be renewed, and the execution of the contract continues after the completion of the agreed-upon task, the contract is considered to have been implicitly renewed for the period necessary to perform the same task again.

Article (901)

1 - The employee's wage is what he receives under the contract in money or benefits, in any form.

2 - If the wage is not specified in the contract, the employee is entitled to a fair market wage according to what is customary. If no custom exists, the judge shall determine it in accordance with the requirements of justice.

Article (902)

1 - The following sums are considered an integral part of the employee's wage and shall be calculated when settling his rights and in determining the permissible amount for attachment:

- (a) The commission given to traveling salesmen, delegates, couriers, and commercial representatives.
- (b) The percentages paid to employees of commercial establishments on the price of what they sell, and the allowances paid to them due to the high cost of living.
- (c) Any grant given to the employee in addition to the salary, and what is paid to him as a reward for his honesty or in return for an increase in his family responsibilities and the like, if these sums are stipulated in individual employment contracts or factory regulations, or if it has become customary to grant them, so that the factory workers consider them part of the wage, not a gratuity, provided that these sums are of a known amount before the attachment.

2 - What is given as a gift is not included in the wage, except in an industry or trade where it is customary to pay a gift and there are rules that allow for its regulation.

A gift is considered part of the wage if what customers pay to the employees of a single store is collected in a common fund for the employer to then distribute among these employees himself or under his supervision.

In some industries, such as hotels, restaurants, cafes, and bars, it is permissible for the employee to have no wage other than what he receives in gifts and what he consumes in food.

Article (903)

If someone performs work for another at his request without an agreement on the wage, he is entitled to a fair market wage if he is someone who works for a wage; otherwise, he is not entitled to a wage.

Article (904)

If the contracted work is to teach something in which the learner assists the teacher, and the contract does not specify which of them is entitled to a wage from the other, the custom of the relevant professionals in the place of work shall be followed.

Section Two: Effects of the Employment Contract

1 - Obligations of the Employee

Article (905)

The employee must:

- 1 - Perform the work himself and exercise in its performance the diligence of an ordinary person.
- 2 - Observe the requirements of propriety and decency in his conduct.
- 3 - Obey the employer's orders regarding the execution of the agreed-upon work in all that does not expose him to danger and does not violate the law and morals.
- 4 - Take care to preserve the things delivered to him for the performance of his work.
- 5 - Keep the employer's industrial and commercial secrets, even after the termination of the contract, in accordance with what the agreement or custom requires.

Article (906)

The employee is bound by everything that is customarily considered an accessory to the work, even if not stipulated in the contract.

Article (907)

The employee may not occupy himself during working hours with something else, nor may he work for anyone other than the employer during the contract period; otherwise, the employer may terminate the contract or reduce the wage in proportion to the employee's neglect of his work for him.

Article (908)

The employee is liable for any shortfall, damage, or loss to the employer's property due to his negligence or transgression.

Article (909)

- 1 - If the employee is performing work that allows him to access trade secrets or know the establishment's clients, the two parties may agree that

the employee may not compete with the employer or participate in work that competes with him after the end of the contract.

2 - However, this agreement is not valid unless it is limited in time, place, and type of work to the extent necessary to protect the legitimate interests of the employer.

3 - The employer may not enforce this agreement if he terminates the contract without any action by the employee that justifies it, nor may he enforce the agreement if he commits an act that justifies the employee's termination of the contract.

Article (910)

If the parties agree to include in the case of a breach of the non-competition clause an excessive penalty intended to force the employee to remain with the employer, the clause shall be invalid.

Article (911)

1 - If an employee succeeds in making a new invention or discovery during his work, the employer has no right to it except in the following cases:

- (a) If the nature of the agreed-upon work is aimed at this purpose.
- (b) If it is expressly agreed in the contract that he shall have the right to everything the employee invents.
- (c) If the employee reaches his invention through the materials, tools, facilities, or any other means placed at his disposal by the employer for this purpose.

2 - However, if the invention or discovery in the aforementioned cases is of great economic importance, the employee may claim special compensation, taking into account the requirements of justice and the assistance provided by the employer.

The preceding provisions do not prejudice what is stipulated by special laws on invention and discovery.

2 - Obligations of the Employer

Article (912)

1 - The employer must pay the employee his agreed-upon wage once he has performed his work or has made himself available and ready for it, even if no work is assigned to him.

2 - The payment of the wage to the employee shall be at the time and place specified by the contract or custom.

Article (913)

The employer must:

- (a) Provide all means of security and safety in his establishment and prepare everything necessary to enable the employee to fulfill his obligations.
- (b) Ensure the proper functioning of the machinery and equipment related to the work so that no harm results from them.
- (c) Observe the requirements of morals and propriety in his relationship with the employee.
- (d) Give the employee at the end of his service a certificate stating the type of his work, the date of its commencement and termination, the amount of his wage, and all other additions he was receiving.
- (e) Return to the employee all his personal papers.

Article (914)

If an employer asks another to perform a task with the promise of rewarding him, he is obliged to pay a fair market wage, whether the person is one who works for a wage or not.

Article (915)

The employer is obliged to provide food or clothing for the employee if it is customary, whether this was stipulated or not.

Article (916)

If the specified period for the work expires and there is a justifiable reason requiring its extension, the contract shall continue as needed, and the employer is obliged to pay a fair market wage for the added period.

Article (917)

If the duration of the work is specified in the contract and the employer terminates the contract before the end of its term without a justifiable reason or a defect in the employee's work, he must pay the wage until the end of the term if the employee makes himself available for service during it.

Article (918)

Both the employer and the employee must fulfill the obligations imposed by special laws in addition to the obligations stated in the preceding articles.

Section Three: Termination of the Employment Contract

Article (919)

1 - The employment contract terminates upon the expiry of its specified period, unless its renewal is stipulated, and it also terminates upon the completion of the agreed-upon work, without prejudice to the provisions of Articles (898) and (900).

2 - If the period is not determined by agreement, by the type of work, or by its purpose, either of the contracting parties may terminate the contract at any time, provided that he informs the other party of his intention to do so a reasonable time before the contract's termination.

Article (920)

1 - The contract may be terminated if a justifiable reason arises that prevents the fulfillment of its obligations.

2 - Either contracting party may, in the event of an unforeseen circumstance concerning him, request the termination of the contract.

3 - In the two cases mentioned, the party requesting termination shall be liable for the damage caused to the other contracting party as a result of the termination.

Article (921)

The contract terminates upon the death of the employee, and also upon the death of the employer if his personality was a consideration in the conclusion of the contract.

Article (922)

1 - Claims arising from an employment contract shall not be heard after one year from the date of the contract's termination.

2 - This period does not apply to claims related to the violation of trade secrets.

Article (923)

1 - The provisions of lease shall apply to the employment contract in all matters not covered by a special provision.

2 - The provisions of the employment contract do not apply to workers subject to the Labor Law except to the extent that they do not explicitly or implicitly conflict with their special legislation.

Chapter Three: The Agency Contract

Section One: General Provisions

Article (924)

Agency is a contract whereby the principal appoints another person to take his place in a permissible and known transaction.

Article (925)

1 - For an agency to be valid, it is required that:

(a) The principal has the right to dispose of the matter for which he appoints an agent himself.

(b) The agent is not prohibited from carrying out the transactions for which he is appointed.

(c) The subject of the agency is known and capable of being represented.

2 - The consent of the opposing party is not required for the validity of an agency for litigation.

Article (926)

An agency can be absolute, restricted, conditional, or effective from a future time.

Article (927)

1 - An agency is special if it is limited to a specific matter or matters, and general if it includes every matter that can be delegated.

2 - If it is special, the agent may only handle the specified matters and their necessary accessories required by the nature of the delegated transactions or prevailing custom.

3 - If it is general, the agent may handle commercial transactions and dispositions, except for donations, which require explicit authorization.

Article (928)

If the agency is in general terms and is not accompanied by anything that clarifies its intended meaning, it only authorizes the agent to perform acts of administration and preservation.

Article (929)

Every act that is not an act of administration or preservation requires a special agency, specifying the type of act and the transactions it entails.

Article (930)

Subsequent ratification of a transaction has the same effect as a prior agency.

Section Two: Effects of Agency

1 - Obligations of the Agent

Article (931)

By virtue of the agency contract, the agent acquires the authority to act in matters covered by the agency, without exceeding its limits, except in what is more beneficial to the principal.

Article (932)

1 - If the agency is without remuneration, the agent must exercise in its execution the care he exercises in his own affairs.

2 - If the agency is with remuneration, the agent must exercise in its execution the care of an ordinary person.

Article (933)

1 - If there are multiple agents, and each has an independent contract, he may act alone in the matter for which he was appointed, unless the principal stipulates that they may not act independently, in which case none of them may act alone, and the principal is not bound by what he does alone.

2 - If the agents are appointed in a single contract without being authorized to act individually, they must act jointly, unless the work cannot be done jointly, such as litigation, provided that the opinion of the one appointed with him is sought, or if it is something that does not require an exchange of opinions, such as receiving or paying a debt.

Article (934)

1 - The agent may not appoint another agent for all or part of what he was appointed for, unless he is authorized by the principal or is permitted to act according to his own judgment. The second agent is considered an agent of the original principal.

2 - If the agent is authorized to appoint another without specification, he is responsible to his principal for his mistake in appointing another or for the instructions he gave him.

3 - In a special agency, if his tasks become numerous, the agent may appoint another to assist him, but not to act independently.

Article (935)

Contracts of gift, loan for use, pledge, deposit, loan for consumption, partnership, Mudarabah (Qirad), and settlement of a denial, which the agent concludes, are not valid if he does not attribute them to his principal.

Article (936)

1 - It is not required to attribute the contract to the principal in contracts of sale, purchase, lease, and settlement of an admission. If the agent attributes it to the principal within the limits of the agency, its rights revert to the principal. If he attributes it to himself without declaring that he is contracting as an agent, the rights of the contract revert to him.

2 - In both cases, ownership is established for the principal.

Article (937)

Money received by the agent on behalf of his principal is considered a deposit. If it is destroyed in his possession without transgression or negligence, he is not liable.

Article (938)

An agent for collection does not have the authority to litigate, and an agent for litigation does not have the authority to collect, except with special permission from the principal.

Article (939)

In litigation, a party may not appoint an enemy of his opponent as his agent.

Article (940)

1 - A principal authorizing the purchase of something without specifying its value may have it purchased at the fair market price or with a minor overpayment for items that do not have a specific price.

2 - If he purchases with a minor disparity in items that have a specific price or with a gross disparity in general, the contract shall not be effective with respect to the principal.

Article (941)

1 - It is not permissible for one authorized to purchase a specific thing to purchase it for himself, and the purchase shall be for the principal even if he declares that he is purchasing it for himself.

2 - Nor is it permissible for the purchasing agent to sell his own property to his principal.

Article (942)

The purchase shall be for the agent:

- (a) If the principal specifies the price and the agent purchases for more than it.
- (b) If the agent purchases with a gross disparity.
- (c) If he declares the purchase of the property for himself in the presence of the principal.

Article (943)

1 - If the purchasing agent pays the price of the sold item from his own money, he has the right to recourse against his principal for it, along with what he spent in the usual amount for the execution of the agency.

2 - He has the right to retain what he purchased until he receives the price.

Article (944)

1 - An agent who is authorized to sell his principal's property without restriction may sell it for a suitable price.

2 - If the principal specifies the price of the sold item, he may not sell it for less than that.

3 - If he sells it for less without prior permission from the principal or subsequent approval and delivers it to the buyer, the principal has the option to either reclaim the sold item, approve the sale, or hold the agent liable for the value of the deficit.

Article (945)

1 - It is not permissible for a selling agent to purchase for himself what he is authorized to sell.

2 - Nor may he sell it to his ascendants, descendants, spouse, or to anyone with whom the transaction would bring a gain or avert a loss, except for a price exceeding the market price.

It is permissible to sell to these individuals at the market price if the principal had authorized him to sell to whomever he wishes.

Article (946)

1 - If the selling agent is not restricted to selling for cash, he may sell his principal's property for cash or on credit according to custom.

2 - If the agent sells on credit, he may take a mortgage or a guarantor from the buyer for what he sold on credit, even if the principal did not authorize him to do so.

Article (947)

1 - The principal has the right to collect the price of the sold item from the buyer, even if its collection is the right of the agent, and the buyer may refuse to pay it to the principal. If he pays it to him, his obligation is discharged.

2 - If the agent is unpaid, he is not obligated to collect or receive the price of the sold item, but he must authorize his principal to collect and receive it.

3 - However, if the agent is paid, he is obligated to collect and receive the price.

Article (948)

The agent is obligated to provide his principal with the necessary information about the progress of the agency's execution and to render an account for it.

2 - Obligations of the Principal:

Article (949)

The principal must pay the agreed-upon fee to the agent once the work is done. If no fee was agreed upon and the agent is one who works for a fee, he is entitled to a market-rate fee; otherwise, he is considered a volunteer.

Article (950)

The principal must reimburse the agent for the usual expenses incurred in the execution of the agency.

Article (951)

- 1 - The principal is bound by all rights that have become due from the agent as a result of the customary execution of the agency.
- 2 - He is responsible for any harm that befalls the agent due to the customary execution of the agency, unless it results from his own default or mistake.

Article (952)

- 1 - If someone orders another to pay his debt from his money and he pays it, this is considered an agency, and the person ordered has recourse against the one who ordered for what he paid, whether the order stipulated recourse or not.
- 2 - If he orders him to spend on him or on his family and dependents, he shall have recourse against him for what he spent in the customary amount, even if recourse was not stipulated.

Article (953)

The provisions of representation in contracting stipulated in this law shall apply to the relationship of the principal and the agent with the third party who deals with the agent.

Third Branch: Termination of the Agency:

Article (954)

The agency terminates:

- (a) Upon completion of the work for which it was established.
- (b) Upon the expiration of the term specified for it.
- (c) Upon the death of the principal or his loss of legal capacity, even if a third party's right is attached to the agency, except in the agency for selling a mortgaged property if the mortgagor had authorized a just person or the mortgagee to sell the mortgage upon maturity.
- (d) Upon the death of the agent or his loss of legal capacity, even if a third party's right is attached to the agency. However, if the heir or guardian is aware of the agency and has legal capacity, he must notify the principal of the death and take measures required by the situation for the benefit of the principal.

Article (955)

The principal may dismiss or restrict his agent whenever he wishes, unless a third party's right is attached to the agency or it was issued for the benefit of the agent, in which case the principal may not terminate or restrict it without the consent of the one for whose benefit it was issued.

Article (956)

The principal is obligated to compensate for the damage that befalls the agent as a result of his dismissal at an inappropriate time or without an acceptable justification.

Article (957)

The agent may resign from an agency to which no third party's right is attached. He must inform his principal and continue to perform the tasks he has started until they reach a stage where no harm is feared for the principal.

Article (958)

1 - The agent shall be liable for any damage resulting to the principal from his resignation from the agency at an inappropriate time or without justification, if the agency was for a fee.

2 - If a third party's right is attached to the agency, the agent must complete what he was authorized to do unless there are serious reasons justifying his resignation. In this case, he must notify the right holder and give him time to protect his right.

Article (959)

An agent in a dispute is dismissed if he makes an admission on behalf of his principal outside the court session. He is also dismissed if the admission was excluded from the agency and he makes an admission in or out of a court session.

Article (960)

If the agent in a dispute acts on the matter he was authorized for after learning of his dismissal, he shall be liable. If he acts before learning of it, his action shall be effective.

Article (961)

A sub-agent is dismissed by the death or bankruptcy of the original principal and by the dismissal by the principal or the agent. He is not dismissed by the dismissal of the agent or by his death.

Chapter Four: Contract of Deposit

First Branch: General Provisions:

Article (962)

1 - A deposit is a contract whereby the depositor authorizes another person to keep his property, and this person is obligated to keep this property and return it in kind.

2 - The deposited item is the property placed with a custodian for safekeeping.

Article (963)

For the validity of the contract, it is required that the deposited item be a property over which possession can be established.

Article (964)

The deposit is completed by the actual or constructive receipt of the deposited item.

Article (965)

The depositary may not request a fee for keeping the deposited item or rent for the place where it was placed unless this was stipulated at the time of deposit or there is a special custom for it.

Second Branch: Effects of the Contract:

1 - Obligations of the Depositary:

Article (966)

The deposited item is a trust in the hands of the depositary, and he is liable for it if it perishes due to his transgression or negligence in its preservation, unless otherwise agreed.

Article (967)

1 - The depositary must take care of the deposited item with the care of an ordinary person for his own property and must place it in a similar safe place.

2 - He may keep it himself or with someone he trusts to keep his property among his dependents.

Article (968)

1 - The depositary may not deposit the item with another without the permission of the depositor unless he is compelled to do so, and he must retrieve it after the reason has ceased.

2 - If he deposits it with another with the permission of the depositor, he is released from his obligation, and the other person becomes the depositary.

Article (969)

The depositary may not use the deposited item or create a right over it for another without the permission of the depositor. If he does so and it is destroyed or its value decreases, he shall be liable.

Article (970)

If the depositary travels with the deposited item without the depositor's permission while it was possible to deposit it with a custodian, and it is destroyed or damaged during the travel, he shall be liable for it. If he travels with it due to the absence of a custodian to place it with, and it is destroyed or lost without negligence, he shall not be liable. If he returns it to its place of deposit safe after traveling with it, and it is then destroyed or lost without negligence, he shall not be liable.

Article (971)

1 - If the depositary borrows the deposited item or trades with it without the depositor's permission, he shall be liable for it and is not absolved from it except by returning its like to its place of deposit if it is fungible, or by returning its value to the depositor, not to its place of deposit, if it is non-fungible. The profit from trading with it shall belong to the depositary.

2 - If he borrows it or trades with it with the depositor's permission, it transforms from being a deposit to being a debt on his account, and he is not absolved from it except by returning the like of the fungible and the value of the non-fungible to the depositor, not to its place of deposit.

3 - If he borrows part of the deposited item or trades with it, he shall be liable in the aforementioned manner according to the circumstances, and the remaining part shall remain under the rule of a deposit.

Article (972)

1 - The depositary must return the deposited item and deliver it to the depositor at the place of deposit upon request, unless the contract includes a condition for the benefit of the contracting parties or one of them, in which case the condition must be observed.

2 - If the deposited item perishes or its value decreases without transgression or negligence from the depositary, he must give the depositor what he obtained from insurance and assign to him any rights he may have against a third party for that reason.

Article (973)

The depositary must return the benefits and fruits of the deposited item to the depositor.

Article (974)

If the deposited item is destroyed in the hands of the depositary, even by his mistake, he must guarantee it.

Article (975)

1 - If the depositary mixes the deposited item with something from which it is impossible to distinguish it, and it is not similar to it in type and quality, he shall be liable for it on his account as soon as it is mixed. If it is not impossible to distinguish it or it is similar to it in type and quality, there is no liability on him.

2 - In this case, if part of the mixture is destroyed, it is distributed between them according to their shares until the destroyed part is identified, in which case its owner alone shall be liable for it.

Article (976)

If the deposited item is lost or stolen from the depositary due to his violation of the agreed method of preservation or the custom for preserving such items, or due to his forgetting it in the place where he put it, or by entering a place with it while being able to place it in his house or with a custodian before entering, he shall be liable for it in all these cases.

Article (977)

1 - If the depositary goes with the deposited item to return it to the depositor or sends it to him, and this was without his permission in both cases, and it is destroyed or lost by him or by the messenger on the way, he shall be liable for it.

2 - If they dispute whether permission was granted, the depositor's statement under oath shall be accepted.

Article (978)

1 - If the depositary claims the destruction or loss of the deposited item without his fault, his claim is believed, and the depositor may make him swear to what he claimed if he accuses him of lying or is certain of it. If he refuses to take the oath in the case of an accusation of lying, he shall be liable for the deposited item merely by his refusal, and the oath is not tendered back to the depositor. If he refuses it in the case of certainty of his lying, he shall not be liable for it until after the oath is tendered back to the depositor and he swears to his lie.

2 - If the depositor stipulated at the time of deposit that he would not be required to take an oath in a claim of destruction or loss, this condition shall not be acted upon.

Article (979)

If the depositary denies the deposit upon request and the depositor provides evidence of its deposit, and then he claims to have returned it or that it was destroyed without his fault, he shall be liable for it, and no evidence of return or evidence of destruction shall be accepted from him.

Article (980)

If there are multiple depositaries and the deposited item is indivisible, it may be kept with one of them with the consent of the others or by rotation among them. If it is divisible, it may be divided among them for each to keep his share.

Article (981)

If the depositor is absent for a prolonged period, the depositary must keep the deposited item until his death or life is confirmed. If the deposited item is perishable, he must ask the judge to sell it and keep its price as a trust in the court's treasury.

Article (982)

1 - If two people deposit a joint property with another, and one of them requests the return of his share in the absence of the other, he must return it if the property is fungible and refuse to return it if the property is non-fungible except with the other's consent.

2 - If the deposited item is a subject of dispute between them, he may not return it to either of them without the consent of the other or an order from the judge.

Article (983)

1 - If the depositary dies and the deposited item is found in kind in his estate, it is a trust in the hands of the heir, who must return it to its owner.

2 - If it is not found in kind, the estate is not liable:

(a) If the heir proves that the depositary had clarified the status of the deposited item, such as returning it, or it perished or was lost without transgression or negligence.

(b) If the heir identified and described it and showed that it was lost or perished after the death of the deceased without transgression or negligence.

3 - If the depositary dies without disclosing the deposited item and it is not found in his estate, it shall be a debt on it, and its owner shall share with the other creditors.

Article (984)

1 - If the depositary dies and his heir sells the deposited item and delivers it to the buyer and it perishes, the owner has the option to hold either the seller or the buyer liable for its value on the day of the sale if it is non-fungible, or for its like if it is fungible.

2 - If the deposited item is still in the buyer's possession, the owner has the option, if he wishes, to take it and void the sale, or if he wishes, to approve the sale and take its price.

Article (985)

If property is found in the estate of the deceased on which is written in the handwriting of the deceased or the depositor that it is a deposit, and its owner and quantity are specified, and it is found to be less, the deficit shall be taken from the estate of the deceased if it is known that he disposed of the deposited item.

2 - Obligations of the Depositor:

Article (986)

The depositor must pay the agreed-upon fee if the deposit is for a fee.

Article (987)

1 - The depositor must pay the depositary what he spent in preserving the deposited item with the depositor's permission.

2 - If the depositor is absent, the depositary may refer the matter to the judge to order what he deems appropriate.

Article (988)

1 - If the depositary spends on the deposited item without the permission of the depositor or the judge, he is considered a volunteer.

2 - However, the depositary may, in necessary or urgent cases, spend on the deposited item to the customary extent and have recourse against the depositor for what he spent of his own money.

Article (989)

1 - The depositor is responsible for the costs of returning the deposited item and the expenses of its delivery.

2 - He is also liable for any harm that befalls the depositary due to the deposited item, unless it arises from his transgression or negligence.

Article (990)

If the deposited item is claimed by a third party and the depositary is held liable for it, he has the right to recourse against the depositor for what he was held liable for.

Article (991)

If the depositor dies, the deposited item is delivered to his heir, unless his estate is fully encumbered with debts, in which case it may not be delivered without the judge's permission.

Third Branch: Special Provisions for Certain Deposits:

Article (992)

If the deposited item is a sum of money or something that is consumed by use and the depositor permits the depositary to use it, the contract is considered a loan.

Article (993)

1 - The deposit of items belonging to guests in hotels or similar establishments is considered to be coupled with a condition of guarantee, and the owners of these places are liable for any loss or deficiency that occurs to them.

2 - As for valuable items, money, or securities, there is no liability for them without transgression or negligence, unless the owners of the mentioned establishments agree to keep them knowing their value, or they refuse to keep them without justification, or they have caused what happened to them through gross negligence on their part or that of one of their

subordinates, in which case they shall be guaranteed in the customary manner.

Article (994)

1 - Guests of hotels or similar establishments must notify their owners of what was lost or stolen from them before leaving.

2 - A claim for compensation for what was lost or stolen shall not be heard after the lapse of six months from the date of departure.

Article (995)

1 - Both the depositor and the depositary may terminate the contract whenever they wish, provided that the termination is not at an inappropriate time.

2 - However, if the deposit is for a fee, neither of them has the right to terminate before the due date, but the depositor may request the return of the deposited item at any time if he pays the full remaining fee and there is no condition preventing it.

Article (996)

1 - If the depositary becomes insane with no hope of recovery or lucidity, and the depositor proves the deposit against the guardian or custodian, then if it exists in kind, it is returned to its owner. If it does not exist, the depositor shall receive compensation for it from the insane person's property, provided he presents a solvent guarantor.

2 - If the depositary recovers and claims to have returned it or that it perished without transgression or negligence, his statement under oath is believed, and he shall recover from the depositor or his guarantor what was taken from his property in lieu of the deposited item.

Chapter Five: Contract of Custody (Sequestration)

First Branch: General Provisions:

Article (997)

Custody is a contract whereby the two disputing parties entrust property to another to preserve and manage it, on the condition that he returns it with its proceeds to the one who is proven to have the right to it.

Article (998)

If the contracting parties agree to place the property in the hands of two or more persons, none of them may individually keep it or dispose of its proceeds without the consent of the others.

Article (999)

One of the disputants over property may, in the absence of an agreement, request the judge, to avert an imminent danger or based on a just cause, to appoint a custodian to receive this property for its preservation and management and to authorize him to exercise any right the judge sees as being in the interest of both parties.

Article (1000)

Judicial custody may be imposed on endowment (Waqf) properties in the following cases if it becomes clear that custody is a necessary measure to preserve the rights of the concerned party:

- 1 - If the endowment is vacant or a dispute arises between the trustees of an endowment, or between a trustee and its supervisor, or if there is a lawsuit filed for the dismissal of the trustee. Custody in these cases ends if a trustee is appointed for the endowment, whether temporarily or permanently.
- 2 - If the endowment is in debt.
- 3 - If one of the beneficiaries is bankrupt and it appears that custody is necessary to protect the rights of the creditors, custody is imposed on his

share, unless it is impossible to separate it, in which case it is imposed on the entire endowment property.

Article (1001)

If the parties to the dispute do not agree on the person of the custodian, the judge shall appoint one.

Second Branch: Obligations and Rights of the Custodian:

Article (1002)

The property in the hands of the custodian is a trust, and he may not exceed the limits set for his mission, otherwise he shall be liable.

Article (1003)

The agreement or the judgment imposing the custody shall determine the rights, obligations, and authority of the custodian. Otherwise, the provisions of deposit and agency shall apply to the extent that they do not conflict with the nature of custody and the provisions stipulated in this chapter.

Article (1004)

The custodian must preserve the entrusted properties and take care of their management, and in all that, he must exercise the care of an ordinary person.

Article (1005)

The custodian may not, in matters other than preservation and management, dispose of the property except with the consent of the parties to the dispute or with the permission of the judge, unless there is an urgent necessity where there is a fear of spoilage or destruction of the proceeds or movable property.

Article (1006)

The custodian is obligated to provide the concerned parties with the necessary information related to the execution of his mission and to render an account for it at the times and in the manner agreed upon by the parties or ordered by the judge.

Article (1007)

The custodian may charge for the amounts he spent in a customary manner in the performance of his mission.

Article (1008)

If the custodian stipulates a fee, he is entitled to it upon completion of the work. If he does not stipulate one and is someone who works for a fee, he is entitled to a market-rate fee.

Article (1009)

The custodian may resign from his mission whenever he wishes, provided he informs the concerned parties and continues to perform the tasks he has started until they reach a stage that does not cause harm to the parties to the dispute.

Article (1010)

If the custodian dies or becomes incapable of performing the tasks assigned to him, or a dispute arises between him and one of the concerned parties, and the two parties do not agree on choosing another, the judge may appoint a custodian of his choice upon the request of one of the parties to continue the execution of his mission.

Third Branch: Termination of Custody:

Article (1011)

Custody terminates upon completion of the work, by agreement of the concerned parties, or by a court judgment. The custodian must then

promptly return what is in his charge to whomever the concerned parties agree upon or the judge appoints.

Title Four: Aleatory Contracts

Chapter One: Betting and Gambling

Article (1012)

A bet is a contract in which a person undertakes to offer a sum of money or another thing as a prize, agreed upon, to whoever succeeds in achieving the specific goal set in the contract.

Article (1013)

Betting is permissible in racing, shooting, and in activities related to sports or preparation for strength.

Article (1014)

For the validity of a betting contract, it is required that:

- (a) The prize be known and the one obligated to provide it be specifically identified.
- (b) The subject of the contract be described in a way that removes ambiguity, such as specifying the distance between the start and finish in a race, and indicating the number of shots and acceptable hits in shooting.

Article (1015)

The prize may be in kind, a current debt, a deferred debt, or part current and part deferred.

Article (1016)

If the race is for a prize, the race is a binding contract for the competitors, and neither can dissolve it without the consent of both.

Article (1017)

If the bet is between two individuals or two teams, the prize may be offered by one of them or by a third party. Each team is considered as a single person in the obligation of the prize.

Article (1018)

If there are more than two competitors in a bet and it is intended to allocate a part of the prize to someone other than the winner, the share of the runner-up must be less than the share of the one who preceded him.

Article (1019)

If the prize is from one of the competitors or a third party on the condition that the prize is for the winner, it is permissible. However, if the contracting parties stipulate that the winner receives a prize from the other, it is not permissible because the contract turns into gambling.

Article (1020)

If an obstacle hinders the progress of a competitor's arrow to the target, or if his horse or camel is struck on the face, or the whip he uses to drive it is snatched from his hand, causing the horse or camel's pace to slow, he is not considered to be outrun in these cases. However, if he forgets the whip before mounting or it falls from his hand while riding and the pace slows, he is considered outrun.

Article (1021)

- 1 - Any agreement on prohibited gambling or betting is void.
- 2 - Whoever loses in prohibited gambling or betting may recover what he paid within six months from the time he paid what he lost, even if there is an agreement to the contrary, and he may prove his claim by all means of proof.

Chapter Two: Life Annuity

Article (1022)

- 1 - A person may undertake to pay another a periodic annuity for life without consideration.
- 2 - If the obligation relates to education, treatment, or an agreement, it must be fulfilled according to custom, unless the obligation includes otherwise.
- 3 - For the validity of this obligation, it is required that it be in writing.

Article (1023)

- 1 - The annuity obligation may be for the life of the obligor, the beneficiary, or any other person.
- 2 - An absolute obligation is considered established for the life of the obligor unless otherwise agreed.

Article (1024)

If the obligor fails to fulfill his obligation, the other party may demand the execution of the contract.

Article (1025)

If the annuity is established for the life of the promisor and the promisor dies before the beneficiary, and the due date for the periodic payment has not yet arrived, the beneficiary is entitled to a portion of the annuity proportional to the period that has elapsed until the promisor's death, within customary limits, and may claim it from the estate as if it were a bequest, unless there is an agreement to the contrary.

Chapter Three: Insurance Contract

First Branch: General Provisions:

Article (1026)

1 - Insurance is a contract in which the insured and the insurer cooperate to face the risks or accidents insured against. Under it, the insured pays the insurer a specified sum or periodic installments, and in the event of the risk materializing or the event specified in the contract occurring, the insurer pays the insured or the beneficiary for whom the insurance was stipulated a sum of money, an annuity, or any other financial right.

2 - The law regulates the provisions related to the entities that conduct insurance, especially regarding their legal form, how they are established, the methods of conducting their activities, and their supervision, in a way that achieves the cooperative objectives of insurance and does not violate the definitive provisions and fundamental principles of Islamic Sharia.

3 - Until the law mentioned in the preceding paragraph is issued, the rules and regulations currently in force regarding insurance and the entities that conduct it shall remain applicable.

Article (1027)

Subject to the provisions of the preceding article, insurance may be taken out against risks arising from personal accidents, work emergencies, theft, breach of trust, vehicle guarantees, civil liability, and all accidents for which insurance is customary and provided for by special laws.

Article (1028)

Any of the following conditions in an insurance policy shall be void:

- (a) A condition providing for the forfeiture of the right to insurance due to a violation of laws, unless the violation involves a felony or an intentional misdemeanor.
- (b) A condition providing for the forfeiture of the insured's right due to delay in notifying the required authorities of the insured event or in

submitting documents, if it is proven that the delay was for an acceptable excuse.

- (c) Any printed condition not prominently displayed if it relates to a situation leading to the nullity of the contract or the forfeiture of the insured's right.
- (d) An arbitration clause if it is not in a separate special agreement from the general printed conditions in the insurance policy.
- (e) Any arbitrary condition whose violation is found to have had no effect on the occurrence of the insured event.

Article (1029)

1 - It may be agreed to exempt the insurer from liability if the beneficiary pays compensation to the injured party without the insurer's consent.

2 - This agreement may not be invoked if it is proven that the payment of compensation was in the insurer's interest.

Article (1030)

The insurer may subrogate the insured for the compensation paid for damage in claims that the insured has against the person who caused the damage for which the insurer is liable, unless the person who caused the unintentional damage is one of the insured's ascendants, descendants, spouses, or those living with him in one household, or a person for whose actions the insured is responsible.

Article (1031)

Special provisions for various insurance contracts not mentioned in this law are regulated by special laws.

Second Branch: Effects of the Contract:

1 - Obligations of the Insured:

Article (1032)

The insured is obligated:

- (a) To pay the agreed amounts on the date specified in the contract.
- (b) To disclose at the time of concluding the contract all information that the insurer needs to know to assess the risks it undertakes.
- (c) To notify the insurer of any matters arising during the contract period that lead to an increase in these risks.

Article (1033)

- 1 - If the insured, in bad faith, conceals a matter or provides an incorrect statement in a way that reduces the significance of the insured risk or leads to a change in its subject, or if he fraudulently fails to fulfill his undertakings, the insurer may request the termination of the contract and be awarded the premiums due before this request.
- 2 - If fraud or bad faith is absent, the insurer, upon requesting termination, must return to the insured the premiums he paid or the portion for which he did not bear any risk.

2 - Obligations of the Insurer:

Article (1034)

The insurer must pay the compensation or the amount due to the insured or the beneficiary in the manner agreed upon when the risk materializes or the term specified in the contract expires.

Article (1035)

The insurer's obligation in civil liability insurance takes effect only if the injured party makes a claim against the beneficiary after the occurrence of the accident that gave rise to this liability.

Article (1036)

1 - Actions arising from an insurance contract are not heard after the lapse of three years from the occurrence of the event that gave rise to them or from the date the interested party became aware of its occurrence.

2 - This period does not begin to run in the case of the insured's concealment of data related to the insured risk or his submission of incorrect data until the date the insurer becomes aware of it.

Third Branch: Special Provisions for Certain Types of Insurance:

1 - Fire Insurance:

Article (1037)

In fire insurance, the insurer is responsible for:

- (a) Damages arising from fire, even if caused by earthquakes, lightning, tornadoes, winds, hurricanes, domestic explosions, and disturbances caused by the fall of aircraft and other airships, or anything customarily considered to be included in this type of insurance coverage.
- (b) Damages that are a direct consequence of the fire.
- (c) Damages to the insured items caused by measures taken for rescue or to prevent the spread of the fire.
- (d) The loss or disappearance of insured items during the fire, unless it is proven that this was a result of theft.

Article (1038)

The insurer is responsible for fire damage caused by the fault of the insured or the beneficiary.

Article (1039)

The insurer is not responsible for damages caused intentionally or fraudulently by the insured or the beneficiary, even if agreed otherwise.

Article (1040)

The insurer is responsible for fire damage caused by the subordinates of the insured, regardless of the type of their fault.

Article (1041)

The insurer is responsible for damages resulting from a fire, even if the fire originated from a defect in the insured item.

Article (1042)

- 1 - Anyone who insures an item or interest with more than one insurer must notify each of them of the other insurance contracts, the value of each, and the names of the other insurers.
- 2 - The total value of the insurance, if there are multiple insurers, must not exceed the value of the insured item or interest.

Article (1043)

If an item or interest is insured with more than one insurer for amounts that in total exceed the value of the insured item or interest, each insurer is obligated to pay a portion equivalent to the ratio between the amount insured by him and the total value of all insurance contracts, without the total paid to the insured exceeding the value of the damage he suffered from the fire.

Article (1044)

Fire insurance contracted on the insured's movable property collectively, and which is present at the time of the fire in the places he occupies, extends its effect to the property owned by members of his family and persons attached to his service if they live with him in one household.

Article (1045)

- 1 - If the insured item is encumbered by a mortgage or other real securities, these rights are transferred to the compensation due to the insured under the insurance contract.
- 2 - If these rights are registered or notified to the insurer, even by registered letter, he may not pay what he owes to the insured except with the consent of those creditors.

2 - Life Insurance:

Article (1046)

In life insurance, the insurer is obligated to pay the agreed amounts to the insured or the beneficiary upon the occurrence of the insured event or the expiration of the term stipulated in the contract, without the need to prove the damage suffered by the insured or the beneficiary.

Article (1047)

For a life insurance contract on the life of another to be valid, his written consent is required before concluding the contract. If he lacks legal capacity, it cannot be concluded without the consent of his legal representative.

Article (1048)

1 - The insurer is not obligated to pay the insurance amount if the insured commits suicide, and he must return to the beneficiary an amount equal to the value of the insurance reserve, unless the beneficiary proves that the suicide was not intended to make the insurance amount payable. In this case, he is entitled to what was paid in premiums, minus necessary expense deductions.

2 - If the suicide was not by choice or consciousness, or for any reason leading to a loss of will, the insurer is obligated to pay the full agreed insurance amount. The beneficiary must prove that the person whose life was insured had lost his will at the time of the suicide.

Article (1049)

1 - The insurer is released from his obligations if insurance is taken on the life of another person and the insured intentionally causes the death of that person or the death occurs at the instigation of the insured.

2 - If the insurance is for the benefit of a person other than the insured and this person intentionally causes the death of the insured or the death occurs at his instigation, he is deprived of the insurance amount. If what

occurred was merely an attempt to cause death, the insured has the right to replace the beneficiary with another person.

Article (1050)

- 1 - The insured may stipulate that the insurance amount be paid to specific persons in the contract or to those he designates later.
- 2 - If the insurance is for the benefit of the insured's spouse, children, descendants, or heirs, the insurance amount is due to whoever holds this status at the time of the insured's death. If the heirs are the beneficiaries, the insurance amount is divided among them according to the legal shares of inheritance.

Article (1051)

An insured who has undertaken to pay periodic premiums may terminate the contract at any time, provided he notifies the insurer in writing of his intention. He is then absolved of subsequent premiums.

Article (1052)

- 1 - Incorrect statements about the age of the person whose life is insured, or a mistake in it, do not void the insurance contract unless the true age of the insured exceeds the limit specified in the insurance regulations.
- 2 - If the incorrect statements or mistake result in a premium lower than what should be paid, the insurance must be reduced by an amount equal to the ratio between the agreed premium and the premium payable based on the true age.
- 3 - If the agreed premium is greater than what should be paid based on the true age of the person whose life is insured, the insurer must refund the excess paid to him and reduce subsequent premiums to the level appropriate for the true age.

Article (1053)

If the insurer pays the insurance amount in a life insurance policy, he does not have the right of subrogation against the person who caused the

insured event or is responsible for it, in the rights of the insured or the beneficiary.

Article (1054)

The insurance amount received by the insured or the beneficiary at the end of the term stipulated in the contract may not include any usurious interest.

Article (1055)

The amounts agreed to be paid upon the death of the insured are not included in his estate.

Part Five: Personal Security Contracts

Chapter One: Suretyship

Section One: Elements of Suretyship

Article (1056)

Suretyship is the joining of the liability of a person, the surety, to the liability of a debtor in the performance of his obligation.

Article (1057)

1 - Suretyship is concluded by its explicit wording and by terms of guarantee.

2 - The offer of the surety is sufficient for its conclusion and effectiveness unless it is rejected by the creditor.

Article (1058)

It is a condition for the conclusion of a suretyship that the surety has the capacity to make donations.

Article (1059)

A suretyship is void if the surety stipulates for himself a conditional option.

Article (1060)

A suretyship may be absolute, restricted by a valid condition, suspended on a suitable condition, deferred to a future time, or temporary.

Article (1061)

For a suretyship to be valid, the subject of the guarantee must be a liability of the principal debtor, whether it is a known debt, property, or person, and its delivery by the surety must be possible.

Article (1062)

Suretyship for the maintenance of a wife and relatives is valid even before it is decreed by a court or mutually agreed upon.

Article (1063)

The suretyship of a seller's agent to the buyer for the payment of the price of what he was authorized to sell is not valid, nor is the suretyship of a guardian for the price of what he sold from the minor's property, nor the suretyship of a trustee for the price of what he sold from the waqf (endowment) property.

Article (1064)

- 1 - The suretyship of a person in his death-sickness is not valid if he is indebted to an extent that encompasses his entire estate.
- 2 - His suretyship is valid if his debt does not encompass his entire estate, and the provisions of a will shall apply to it.

Article (1065)

A suretyship conditioned on the discharge of the principal debtor is an assignment of debt, and an assignment of debt conditioned on the non-discharge of the assignor is a suretyship.

Article (1066)

In a suspended or deferred suretyship, the surety may revoke his suretyship before the debt becomes due.

Article (1067)

Suretyship includes the accessories of the debt and the costs of claim, unless otherwise agreed.

Section Two: Some Types of Suretyship:

1 - Personal Suretyship (Guarantee of Appearance)

Article (1068)

1 - Personal suretyship (guarantee of appearance) obligates the surety to produce the guaranteed person at the specified time upon the request of the creditor. If he fails to do so, the judge may impose a coercive fine on him, and may exempt him from it if he proves his inability to produce him.

2 - If the personal surety undertakes to pay a specific amount as a penalty clause in case of failure to produce the guaranteed person, he shall be obligated to pay that amount, and the judge may exempt him from it in whole or in part if he finds justification for doing so.

Article (1069)

If the surety undertakes to pay the debt upon failure to deliver the guaranteed person, he is obliged to pay it if he does not deliver him.

Article (1070)

1 - A personal surety is discharged if he delivers the guaranteed person to the creditor or performs the subject matter of the suretyship.

2 - He is also discharged by the death of the guaranteed person, but not by the death of the creditor; the latter's heirs have the right to demand the surety to deliver the guaranteed person at the specified time.

Article (1071)

The guaranteed person must be delivered at the place designated by the surety. If no place is designated, then at the place of the contract.

Article (1072)

If the surety pays the debt due to the absence of the guaranteed person and the impossibility of producing him, and it is then proven that the guaranteed person had died before the payment, the surety shall recover what he paid.

Article (1073)

If the suretyship contract does not specify whether it is a suretyship for debt or a personal suretyship, and there is no evidence to determine one

or the other, it shall be considered a suretyship for debt. If the surety claims it was intended as a personal suretyship and the creditor claims it was intended as a suretyship for debt, the surety's statement under oath shall be accepted.

Article (1074)

A husband may reject a personal suretyship issued by his wife without his permission, even if the debt of the person she guaranteed is less than one-third of her property.

2 - Suretyship against Eviction

Article (1075)

Suretyship against eviction is a guarantee to pay the price of a sold item if it is claimed by a third party.

Article (1076)

The surety of the seller against eviction shall not be claimed unless a judgment is issued for the claim of the sold item and then for obligating the seller to return the price.

Section Three: Effects of Suretyship:

1 - Between the Surety and the Creditor

Article (1077)

- 1 - The surety must fulfill his obligation when the term falls due.
- 2 - If his obligation is suspended on a condition, fulfillment is due upon the realization of the condition.

Article (1078)

- 1 - The creditor may claim from the principal debtor or the surety, or claim from both of them together.
- 2 - If the surety has a surety, the creditor may claim from whomever he wishes.

3 - However, his claim against one of them does not forfeit his right to claim against the others.

Article (1079)

A suretyship may be restricted to payment of the debt from the debtor's property deposited with the surety, provided the debtor consents.

Article (1080)

If the suretyship is absolute, the surety's obligation follows the principal debtor's obligation, whether immediate or deferred.

Article (1081)

If someone guarantees an immediate debt with a deferred suretyship, the debt is deferred for both the surety and the principal debtor, unless the surety added the deferment for himself or the creditor stipulated the deferment for the surety, in which case the debt is not deferred for the principal debtor.

Article (1082)

If the debt is secured by real security before the suretyship, and the surety has stipulated recourse against the principal debtor first, execution may not be made on the surety's property before execution on the property securing the debt.

Article (1083)

The surety of a surety may stipulate with the creditor recourse against the first surety.

Article (1084)

If the surety or the debtor dies before a deferred debt becomes due, the debt becomes due from the estate of the deceased.

Article (1085)

If there are multiple sureties for a single debt, each of them may be claimed for the entire debt unless they all provided suretyship in a single contract without stipulating joint and several liability, in which case each is only claimed for his share.

Article (1086)

If the sureties are jointly and severally liable among themselves and one of them pays the debt when it is due, he may have recourse against each of the others for his share in the debt and his portion of the share of any who are insolvent.

Article (1087)

Suretyship by virtue of law or a court judgment, when absolute, implies joint and several liability of the sureties.

Article (1088)

If the creditor receives something else in lieu of his debt, the liability of the principal debtor and the surety is discharged, unless that thing is claimed by a third party.

Article (1089)

If the debtor becomes bankrupt, the creditor must file a claim for his debt in the bankruptcy proceedings; otherwise, he forfeits his right of recourse against the surety to the extent of the damage caused by his delay.

Article (1090)

1 - The surety may not have recourse against the principal debtor for anything he pays on his behalf unless the suretyship was at his request or with his consent, and the surety has made the payment.

2 - He may not have recourse for any early payment of a deferred debt until the term falls due.

Article (1091)

1 - Upon payment of the debt, the creditor must deliver to the surety all documents necessary to exercise his right of recourse against the debtor.

2 - If the debt is secured by another real security, the creditor must release it to the surety if it is movable property, or transfer his rights to it if it is real property, provided that the surety bears the costs of this transfer and has recourse against the debtor for them.

Article (1092)

If the debt becomes due, the creditor must claim it within six months from the due date; otherwise, the surety shall be considered discharged from the suretyship.

2 - Between the Surety and the Debtor

Article (1093)

- 1 - If the surety pays something else in lieu of the debt, he has recourse against the debtor for the amount he guaranteed, not for what he paid.
- 2 - However, if he settles with the creditor for a portion of the debt, he has recourse for what he paid in the settlement, not for the entire debt.

Article (1094)

- 1 - If the principal debtor pays the debt before the surety does, or learns of any reason preventing the creditor from claiming, he must inform the surety. If he fails to do so and the surety pays the debt, the surety has the option of recourse against the principal debtor or the creditor.
- 2 - If a lawsuit is filed against the surety, he must join the principal debtor in it. If he fails to do so, the principal debtor may raise against him all defenses he could have used to defeat the creditor's claim.

Article (1095)

A surety for debt or person may request the court to prohibit the guaranteed person from traveling outside the country if the suretyship was by his order and there is evidence to fear harm to the surety.

Article (1096)

The surety may have recourse against the debtor for the expenses incurred in fulfilling the requirements of the suretyship.

Article (1097)

If the debtors are jointly and severally liable, whoever guaranteed them at their request may have recourse against any of them for the entire amount he paid of the debt.

Article (1098)

The surety may not take compensation for his suretyship. If he takes compensation for it, he must return it to its owner, and the suretyship is forfeited if he took it from the creditor, the debtor, or a third party with the creditor's knowledge. If he took it without the creditor's knowledge, he remains bound by the suretyship and must return the compensation.

Section Four: Termination of Suretyship

Article (1099)

Suretyship terminates upon:

- (a) Payment of the debt.
- (b) Destruction of the property in the possession of the guaranteed person due to force majeure and before demand.
- (c) Annulment of the contract that gave rise to the right against the guaranteed person.
- (d) Discharge of the surety from the suretyship or the debtor from the debt by the creditor.
- (e) Death of the guaranteed person.
- (f) Production of the guaranteed person at the place of delivery after the term has expired, even if the creditor refuses to receive him, unless an unjust hand prevented his delivery.
- (g) Production of the guaranteed person before the term is due, provided there is no harm to the creditor in receiving him.
- (h) The guaranteed person surrendering himself.

Article (1100)

A surety for the price of a sale is discharged from the suretyship if the sale is rescinded, the sold item is claimed by a third party, or it is returned due to a defect.

Article (1101)

If the surety or the debtor settles with the creditor for a portion of the debt, their liability for the remainder is discharged. If the discharge is stipulated for the surety alone, the creditor has the option to take the settlement amount from the surety and the remainder from the principal debtor, or to leave the surety and claim the entire debt from the principal debtor.

Article (1102)

The right passes to the heirs of the creditor upon his death.

Article (1103)

If the creditor dies and his inheritance is confined to the debtor, the surety is discharged from the suretyship. If there is another heir, the surety is discharged only from the debtor's share.

Article (1104)

In a temporary suretyship, the surety is only liable for the obligations arising during the period of the suretyship.

Article (1105)

1 - If the surety or the principal debtor assigns the guaranteed debt or part of it to another person, and the assignment is accepted by the beneficiary or the assignee, the principal debtor and the surety are discharged to the extent of this assignment.

2 - If the assignment stipulates the discharge of the surety only, he alone is discharged, not the principal debtor.

Chapter Two: Assignment of Debt:

Section One: Creation of the Assignment:

Article (1106)

Assignment of debt is the transfer of the debt and the right to claim from the liability of the assignor to the liability of the assignee.

Article (1107)

An assignment of debt is a binding contract unless one of the parties stipulates for himself an option to revoke.

Article (1108)

1 - An assignment may be restricted or absolute.

2 - A restricted assignment is one that is restricted to payment from the debt owed by the assignee to the assignor, or from the property held by the assignee in trust or under guarantee.

3 - An absolute assignment is one that is not restricted by any of the above, even if such debt or property exists.

Article (1109)

1 - The consent of the assignor, the assignee, and the beneficiary is required for the validity of the assignment.

2 - An assignment made between the assignor and the assignee is suspended upon the acceptance of the beneficiary.

Article (1110)

It is a condition for the validity of an assignment that the assignor be a debtor to the beneficiary. It is not required that the assignee be a debtor to the assignor. If he accepts the assignment, the debt becomes binding on him towards the beneficiary.

Article (1111)

The assignment by a beneficiary of a waqf (endowment) of his entitlement to his creditor is valid as a restricted assignment against the waqf trustee, if the waqf's proceeds are in his possession before the assignment.

Article (1112)

The acceptance by a father or guardian of an assignment to a third party is permissible if it is beneficial to the minor, such as if the assignee is more solvent than the assignor. It is not permissible if he is of similar or equal solvency.

Article (1113)

In addition to the general conditions, the following are required for the conclusion of an assignment:

- (a) It must be absolute, not suspended, except on a suitable or customary condition, and the contract must not be deferred to the future.
- (b) The payment must not be deferred to an unknown date.
- (c) It must not be temporary for a specific period.
- (d) The assigned property must be a known debt for which substitution is valid.
- (e) In a restricted assignment, the property assigned to the assignee must be a debt or property for which substitution is not valid, and both assets must be equal in kind, quantity, and quality.

(f) It must not include a fee for any of its parties, whether stipulated or implied. The assignment is not affected by a fee added after its conclusion, and such fee is not due.

Article (1114)

1 - The assignment is void if any of its concluding conditions is not met, and the debt reverts to the assignor.

2 - If the assignee has paid the beneficiary before the invalidity becomes apparent, he has the option of recourse against the assignor or the beneficiary.

Article (1115)

The assignment is voided by the invalidity of the cause of the assigned debt or the debt assigned.

Section Two: Effects of the Assignment:

1 - Between the Beneficiary and the Assignee

Article (1116)

The beneficiary acquires the right to claim from the assignee, and the assignor is discharged from the debt and the claim simultaneously if the assignment is validly concluded.

Article (1117)

The debt is transferred to the assignee with the same characteristics it had with the assignor. If it was immediate, the assignment is immediate. If it was deferred, it is deferred.

Article (1118)

After the assignment is concluded, the beneficiary and the assignee may agree on a part of the debt or less, on deferring an immediate debt, on accelerating a deferred one, or on taking something in lieu of the debt, provided this does not lead to interest on deferred payment (riba al-nasi'a).

Article (1119)

The securities for the assigned debt remain despite the change in the person of the debtor. However, a real or personal surety remains obligated to the creditor only if he consents to the assignment.

Article (1120)

The assignee may raise against the beneficiary all defenses related to the debt that he had against the assignor, and he may raise all defenses that the assignor had against the beneficiary.

2 - Between the Assignor and the Assignee

Article (1121)

The assignor has the right to claim from the assignee what he is owed in debt or property if the assignment was not restricted to either. The assignee does not have the right to withhold them until he pays the beneficiary.

Article (1122)

The assignor's right to claim from the assignee what he is owed in debt or property is forfeited if the assignment was restricted to either and its conditions were met. The assignee is not discharged towards the beneficiary if he pays either to the assignor.

Article (1123)

In a valid assignment of both types, the assignee may not refuse to pay the beneficiary, even if the assignor has collected his debt from the assignee or recovered the property that was with him.

Article (1124)

1 - If an absolute assignment is completed with the consent of the assignor, and he has a debt with the assignee, a set-off against his debt occurs after payment.

2 - If he does not have a debt with him, the assignee has recourse after payment.

3 - Between the Beneficiary and the Assignor

Article (1125)

The assignor must deliver to the beneficiary the document of the assigned right and all necessary data or means to enable him to his right.

Article (1126)

If the assignor guarantees the solvency of the assignee to the beneficiary, this guarantee applies only to his solvency at the time of the assignment, unless otherwise agreed.

Article (1127)

1 - If the assignor dies before the debt of a restricted assignment is collected, the beneficiary has a specific claim to the property owed by or in the possession of the assignee during the assignor's lifetime.

2 - The term of the debt in an assignment of both types remains if the assignor dies, but it becomes due upon the death of the assignee.

Article (1128)

1 - A restricted assignment is void if the debt is extinguished or the property is claimed by a prior right, and the beneficiary has recourse for his right against the assignor.

2 - A restricted assignment is not voided if the debt is extinguished or the property is claimed by a subsequent event, and the assignee has recourse against the assignor for what he paid after payment.

Article (1129)

The beneficiary may have recourse against the assignor in the following cases:

- (a) If the assignment is rescinded by agreement of the parties.
- (b) If the assignee denies the assignment and there is no evidence of it, and he swears an oath to its denial.
- (c) If the property in a restricted assignment perishes and was not guaranteed.

4 - Between the Beneficiary and Third Parties

Article (1130)

1 - If there are multiple assignments of the same right, the assignment that becomes effective against third parties first shall have priority.

2 - An assignment is not effective against third parties except by its official notification to the assignee or his acceptance of it in a document with a fixed date.

Article (1131)

1 - If an attachment is placed on the property in the hands of the assignee before the assignment becomes effective against third parties, the assignment is considered, in relation to the attaching creditor, as another attachment.

2 - In this case, if an attachment occurs after the assignment has become effective against third parties, the debt is divided among the prior attaching creditor, the beneficiary, and the subsequent attaching creditor on a pro-rata basis, provided that from the share of the subsequent attaching creditor, an amount is taken to complete the value of the assignment for the beneficiary.

Section Three: Termination of the Assignment:

Article (1132)

An assignment terminates by the actual or constructive performance of its subject matter to the beneficiary.

Book Three: Original Real Rights

Part One: Right of Ownership

Chapter One: Right of Ownership in General

Section One: Its Scope and Means of Protection:

Article (1133)

1 - The right of ownership is the owner's authority to dispose of his property in an absolute manner, whether in substance, usufruct, or exploitation.

2 - The owner of a thing alone has the right to use the owned property and its revenue, fruits, and products, and to dispose of its substance through all legally permissible dispositions.

Article (1134)

1 - The owner of a thing owns what is considered its essential elements, which cannot be separated from it without it perishing, being damaged, or being altered.

2 - Whoever owns land owns what is above and below it to the extent useful for its enjoyment, in height and depth, unless the law or an agreement provides otherwise.

Article (1135)

1 - No one's property may be taken without a lawful reason.

2 - The expropriation of property for public benefit shall be in exchange for fair compensation and in accordance with the provisions of the law.

Section Two: Restrictions on the Right of Ownership:

1 - General Provisions:

Article (1136)

The owner may dispose of his property in an absolute manner, unless his disposition causes excessive harm to others or violates laws or regulations related to public or private interest.

Article (1137)

Excessive harm is that which causes the weakening or demolition of a building, or prevents the essential needs, i.e., the intended benefits of the building.

Article (1138)

If the right of a third party is attached to the property, the owner may not dispose of it in a manner harmful to the right-holder without his permission.

2 - Neighborhood Restrictions

Article (1139)

Blocking light from a neighbor is considered excessive harm. No one may erect a building that blocks the windows of his neighbor's house in a way that prevents light from it; otherwise, the neighbor may demand the removal of the building to prevent the harm.

Article (1140)

If a person has property that he uses in a lawful manner, and another person erects a building next to it that is harmed by the old situation, the new builder cannot claim to be harmed by it and must prevent the harm to himself.

Article (1141)

1 - The owner of the airspace or its usufruct, into which the branches of another's tree have extended, may demand their removal, even if no harm results. If the other refuses, he is liable for any damage caused by it. The owner may, without need for a court order, remove what has extended into his property, even by cutting, if the harm cannot be removed otherwise, and he shall not be liable.

2 - This provision applies to the roots of a tree that have extended into the land of another.

Article (1142)

The owner of a building may request to prevent his neighbor from planting trees next to his building if the roots of the trees extend, and he may demand their removal if they are planted.

Article (1143)

1 - A neighbor may not compel his neighbor to erect a wall or other structure on the boundary of his property, nor to relinquish a part of a wall or the land on which the wall stands.

2 - The owner of a wall may not demolish it without a strong reason if this would harm the neighbor whose property is sheltered by the wall.

Article (1144)

1 - An owner must not be excessive in the use of his right to the extent that it harms the neighbor's property.

2 - A neighbor may not have recourse against his neighbor for normal neighborhood inconveniences that cannot be avoided. He may, however, request the removal of these inconveniences if they exceed the normal limit, taking into account custom, the nature of the properties, their respective locations, and the purpose for which they are designated. A license issued by the competent authorities does not prevent the exercise of this right.

3 - Restriction of the Rights of the Transferee:

Article (1145)

An owner may not, in his disposition, whether a contract or a will, impose conditions that restrict the rights of the transferee, unless these conditions are lawful and intended to protect a legitimate interest of the disposer, the transferee, or a third party for a limited period.

Article (1146)

Any condition that prevents the transferee from disposing of the property is void unless it meets the provisions of the preceding article.

4 - Right of Way:

Article (1147)

A private road is like common property for those who have the right of passage through it, and none of the right-holders may do anything in it without the permission of the others.

Article (1148)

1 - Those using a public road have the right to enter a private road in case of necessity.

2 - The owners of a private road may not agree to sell it, divide it, or block its entrance.

Article (1149)

Persons other than the partners in a private road may not open doors onto it or pass through it.

Article (1150)

If one of the partners in a private road blocks his door opening onto it, his right of passage is not forfeited, and he and his successors after him may reopen it.

Article (1151)

The expenses for the maintenance of a private road are borne by all partners in proportion to the benefit they derive from it.

Section Three: Common Ownership:

1 - General Provisions:

Article (1152)

Subject to the provisions of inheritance shares for each heir, if two or more persons own something through one of the causes of ownership without the share of each being specified, they are partners in common, and their shares are calculated as equal if there is no evidence to the contrary.

Article (1153)

1 - Each of the partners in ownership may dispose of his share as he wishes without the permission of the other partners, provided that he does not harm the rights of the other partners.

2 - If the disposition relates to a specific part of the common property and this part does not fall within the share of the disposer upon partition, the right of the transferee shall transfer from the time of the disposition to the part that devolved to the disposer through partition. If the transferee was unaware that the disposer did not own the disposed property separately at the time of the contract, he also has the right to void the disposition.

Article (1154)

A partner in common may not dispose of his share without the permission of the other partner in cases of mixing and commingling.

Article (1155)

- 1 - The management of common property is the right of the partners collectively, unless otherwise agreed.
- 2 - If one of the partners undertakes the management without objection from the others, he is considered their agent.

Article (1156)

1 - The opinion of the majority of the partners in the management of the property is binding on all, and the majority is determined by the value of the shares.

2 - If the partners do not agree, they may choose a manager and establish a system for the management and use of the property that is binding on all partners and their successors, whether general or special, or one of them may request the judge to take the necessary measures to preserve the property and appoint a manager for it.

Article (1157)

1 - Partners who own at least three-quarters of the common property may decide, for the purpose of improving the use of this property, on fundamental changes and modifications to the purpose for which it was intended, which go beyond the limits of ordinary management, provided they notify their decisions to the other partners by official notice. Those who dissent have the right to appeal to the judge within two months from the date of notification.

2 - The judge, upon appeal, if he approves the decision of that majority, may also decide on what he deems appropriate measures, and may in particular decide to grant the dissenting partners a guarantee to ensure the payment of any due compensation.

Article (1158)

Every partner in common has the right to take measures to preserve the common property, even without the consent of the other partners.

Article (1159)

The expenses of managing and preserving the common property, the taxes imposed on it, and all other costs resulting from common ownership or imposed on the property are borne by all partners, each according to his share.

2 - Termination of Common Ownership

Article (1160)

Partition is the separation and designation of the common share, and it may be done by agreement or by a judge's ruling.

Article (1161)

The partitioned property must be a divisible asset owned by the partners at the time of partition.

Article (1162)

Subject to the provisions of other laws, anyone who wishes to exit common ownership and has not agreed with the other partners on that may request a judicial partition.

Article (1163)

The consent of each of the partitioning parties is required for a partition by agreement.

Article (1164)

1 - For a judicial partition to be valid, it must be requested by one of the owners of the common shares.

2 - A judicial partition is carried out even if one of the partners refuses.

Article (1165)

The common property must be divisible in a way that the intended benefit from it is not lost by the partition.

Article (1166)

If partition in kind is impossible, or would cause harm or a significant decrease in the value of the property to be partitioned, any of the partners may sell his share to another partner or request the judge to sell it in the manner prescribed by law.

If the sale of the share is not possible, this partner may request the sale of the entire property in the manner prescribed by law, and the price will be distributed among the partners, each according to his share. The judge may order that the auction be restricted to the partners first if one of them requests it.

In all cases, a request for sale is not accepted if it would result in greater harm to the other partners, and a new request for sale by the same person is not accepted before one year has passed from the date of the non-acceptance of the previous request or the removal of the harm, whichever is sooner.

Article (1167)

- 1 - The creditors of each partner may object to the partition - whether by agreement or judicial - by means of a notice served on all partners if it is by agreement, or by intervening before the judge if it is judicial.
- 2 - The partition is not effective against the creditors if the partners do not include them in all procedures.
- 3 - If the partition is completed, a creditor who did not intervene cannot challenge it except in case of fraud.

Article (1168)

If a debt of the deceased appears after the division of the estate, the partition is rescinded unless the heirs pay the debt, the creditors discharge them from it, or the deceased left other unpartitioned property from which the debt is paid.

Article (1169)

The partitioning party is considered the independent owner of his share that devolved to him after the partition.

Article (1170)

It is not permissible to revoke a partition after its completion. However, all partners may rescind and annul the partition by their consent and restore the partitioned property to common ownership as it was.

Article (1171)

The provisions of the option of condition, the option of inspection, and the option of defect apply to the partition of different kinds and of specific items of the same kind. As for the partition of fungibles, the provisions of the option of defect apply, but not the options of condition and inspection.

Article (1172)

1 - Anyone who has suffered excessive lesion in a partition by agreement may request the judge to rescind the partition and redo it equitably.

2 - The value of the partitioned property at the time of partition shall be the basis for assessing the lesion.

Article (1173)

A claim for rescission and re-partition will not be heard if it is not filed within one year from the date of the partition.

Article (1174)

The partition is void if the whole or a common part of the partitioned property is claimed by a third party, in which case the partition of the remainder must be redone.

Article (1175)

The partition by an unauthorized person is suspended upon the ratification of the partners in the partitioned property, either by word or deed.

3 - Partition of Usufruct (Muhaya'a):

Article (1176)

Partition of usufruct (Muhaya'a) is the division of benefits and may be temporal or spatial. In the former, the partners alternate in using all the common property for a period proportional to each one's share. In the latter, each partner uses a specific part of the common property.

Article (1177)

1 - The duration must be specified in a temporal partition of usufruct, but it is not necessary in a spatial partition of usufruct.

2 - The partners agree on the duration of the partition of usufruct. If they do not agree, the court may set a duration it deems appropriate according to the nature of the dispute and the common property. It may also draw lots to determine the starting time in a temporal partition and the location in a spatial partition.

Article (1178)

The provisions of a lease contract shall apply to the partition of usufruct in terms of its enforceability against third parties, the capacity of the partitioning parties, their rights and obligations, and methods of proof, provided they do not conflict with the nature of this partition.

Article (1179)

- 1 - During the final partition procedures, the partners may agree to partition the common property by usufruct among themselves until the final partition is completed.
- 2 - If the partners cannot agree on a partition of usufruct, the judge may, upon the request of one of the partners, order it and may seek the assistance of experts if necessary.

Article (1180)

- 1 - If one of the owners of divisible common property requests partition and the other requests a partition of usufruct, the claim for partition shall be accepted.
- 2 - If one of them requests a partition of usufruct without either of them requesting partition, and the other refuses, he shall be compelled to the partition of usufruct.
- 3 - If one of the two partners requests a partition of usufruct in indivisible common property and the other refuses, he shall be compelled to the partition of usufruct.

Article (1181)

A partition of usufruct is not voided by the death of one or all of the shareholders. The heirs of the deceased shall replace him.

4 - Compulsory Common Ownership

Article (1182)

Subject to what is stated in Articles (1165) and (1166) of this law, partners in common property may not request its partition if it is clear from the purpose for which this property was designated that it must always remain in common ownership.

5 - Family Ownership:

Article (1183)

Members of the same family who are united by work or interest may agree in writing to establish a family ownership. This ownership may consist either of an inheritance they have received and agreed to make all or part of it family property, or of any other known property they have agreed to include in this ownership.

Article (1184)

1 - It is permissible to agree to establish family ownership for a period not exceeding fifteen years. However, any partner may request the court's permission to withdraw his share from this ownership before the agreed period expires if there is a strong reason for it.

2 - If the said ownership has no specified term, any partner may withdraw his share from it after six months from the day he notifies the other partners of his desire to withdraw his share.

Article (1185)

1 - Partners may not request partition as long as the family ownership exists, and no partner may dispose of his share to a person outside the family except with the consent of all partners.

2 - If a person outside the family acquires a share of one of the partners with his consent or is compelled to do so, he does not become a partner in the family ownership except with his consent and the consent of the other partners.

Article (1186)

1 - The owners of the majority of shares in a family ownership may appoint one or more from among themselves to manage the common property. The manager may introduce changes to the purpose for which the common property was intended that improve the ways of using this property, unless there is an agreement to the contrary.

2 - The manager may be dismissed in the same way he was appointed, and the judge may also dismiss him upon the request of any partner if there is a strong reason justifying this dismissal.

Article (1187)

Apart from the preceding rules, the rules of common ownership, agency, and the provisions of inheritance apply to family ownership.

6 - Ownership of Storeys and Apartments

Article (1188)

1 - If the owners of the storeys or different apartments of a building are multiple, they are considered partners in the ownership of the land and the parts of the building intended for common use by all, or any other part registered as such or which, by the nature of the building, must be common. This includes, in particular, the following:

- (a) The foundations and main walls.
- (b) Common partition walls and walls intended for entrances and to support the roof.
- (c) Ventilation ducts for utilities.
- (d) Roof supports, arches, entrances, courtyards, surfaces, stairs and their cages, corridors, hallways, floor foundations, elevators, and doormen's rooms.
- (e) Heating and cooling systems, and all other types of pipes, gutters, drains, common installations and extensions such as lighting and water equipment and their accessories, and everything that is appurtenant to the building, except for what is inside the floor or apartment.

2 - All of this, unless there is a contrary provision in the title deeds or a special law.

Article (1189)

The common parts of the building, as stipulated in the preceding article, are not subject to partition. The share of each owner therein shall be in proportion to their share in the building, and no owner may dispose of their share independently of the other.

Article (1190)

The common walls between two apartments are jointly owned by the owners of these two apartments, if they are not considered common parts.

Article (1191)

Every owner may use the common parts for their intended purpose, provided that this does not prevent the other partners from exercising their rights.

Article (1192)

Every owner must contribute to the costs of preserving, maintaining, and managing the common parts. Their share of the costs shall be in proportion to the value of their property in the building, unless the building's management regulations state otherwise. Any owner who causes an increase in the building's expenses shall be responsible for them.

An owner is not entitled to abandon their share in the common parts to avoid contributing to the costs.

Article (1193)

No owner may make any modification to the common parts without the consent of all owners, even when renovating the building, unless the modification they are making would benefit those parts without changing their allocation or harming the other owners.

Article (1194)

1 - The owner of the lower floor must carry out the necessary works and repairs to prevent the collapse of the upper floor.

2 - If they refuse to carry out these repairs, the judge, upon the request of the affected party, may order the necessary repairs to be carried out, and the affected party may claim the costs from the owner of the lower floor.

Article (1195)

1 - If the building collapses, the owner of the lower floor must rebuild their lower floor as it was before. If they refuse, and the owner of the upper floor rebuilds it with their permission or the judge's permission, they may claim from the owner of the lower floor their share of the expenses.

2 - If the owner of the lower floor refuses, and the owner of the upper floor rebuilds it without the permission of the judge or the owner of the lower floor, they may claim from the owner of the lower floor their share of the value of the construction at the time of rebuilding.

3 - However, if the owner of the upper floor rebuilds the lower floor without consulting the owner of the lower floor and establishing their refusal, the owner of the upper floor is considered a volunteer and has no right to claim anything.

4 - In the first two cases, the owner of the upper floor may prevent the owner of the lower floor from disposing of and using the property until they pay their due. They may also lease it with the judge's permission and recover their due from the rent.

Article (1196)

The owner of the upper floor may not increase the height of the building in a way that harms the owner of the lower floor.

7 - Union of Floor and Apartment Owners

Article (1197)

1 - Wherever there is joint ownership of a property divided into floors or apartments, the owners may form a union among themselves to manage it and ensure its proper use.

2 - The purpose of forming the union may be to construct or purchase properties to distribute the ownership of their parts among its members.

3 - The union, in its formation, system, administration, powers, and related matters, shall be subject to the provisions of special laws.

8 - The Common Wall

Article (1198)

If a wall is common to two or more partners, none of the partners may dispose of it by increasing the building on it without the permission of the others.

Article (1199)

1 - A partner in a common wall, if they have a serious interest in raising it, may raise it at their own expense, provided that they do not cause serious harm to their partner. They must maintain the wall and prepare it to bear the load resulting from the heightening without affecting its capacity.

2 - If the common wall is not suitable to bear the heightening, the partner who wishes to do so must rebuild the entire wall at their own expense, so that any increased thickness is on their side as much as possible. The renewed wall, other than the heightened part, shall remain common, without the neighbor who made the heightening having the right to compensation.

Article (1200)

The neighbor who did not contribute to the costs of the heightening may become a partner in the heightened part if they pay half of what was spent on it and the value of half the land on which the increased thickness stands, if there is an increase.

Article (1201)

1 - The owner of a common wall may use it for its intended purpose and may place beams on it to support the roof without overloading the wall.

2 - If the common wall is no longer suitable for the purpose for which it was intended, the cost of its repair or renewal shall be borne by the partners in proportion to their respective shares in it.

Article (1202)

A wall that, at the time of its construction, separates two buildings is considered common up to their point of separation, unless there is evidence to the contrary.

Chapter Two: Causes of Acquiring Ownership

Section One: Acquisition of Unowned Property

1 - Movable Property:

Article (1203)

Whoever takes possession of an unowned movable property with the intention of owning it, owns it.

Article (1204)

1 - A movable property becomes unowned if its owner abandons it with the intention of relinquishing its ownership.

2 - Non-domesticated animals are considered unowned as long as they are free. Tamed animals that were accustomed to returning to their designated place but then lose this habit become unowned.

Article (1205)

1 - Treasures found on land owned by a specific person belong to that person, and they owe one-fifth (khums) to the state.

2 - Treasures discovered on state-owned land belong entirely to the state.

3 - If the land is a valid waqf (endowment), whatever is discovered belongs to the waqf entity.

Article (1206)

Minerals found in the subsoil belong to the state, even if found on privately owned land.

Article (1207)

Special laws regulate matters related to treasures and minerals, as well as the right to hunt on land and sea, found items (luqata), and archaeological artifacts.

Article (1208)

Property washed ashore by the sea, which was not previously owned by anyone, belongs to the finder who first takes possession of it. If it was previously owned by a non-Muslim or a dhimmi, one-fifth goes to the treasury (Bayt al-Mal) and the remainder to the finder. If it was previously owned by a Muslim or a dhimmi, it belongs to its owner if known; if not known, the rules of found items (luqata) apply.

2 - Immovable Property:

Article (1209)

- 1 - Uncultivated (mawat) lands are owned by the state.
- 2 - It is not permissible to own or take possession of these lands without permission from the state in accordance with the laws.

Article (1210)

Mawat is land that is not exclusively owned or used. Exclusivity is established either by reviving it or by it becoming a sanctuary (harim) for a town, well, tree, or house.

Article (1211)

- 1 - Whoever revives or develops uncultivated land with the permission of the competent authority becomes its owner.
- 2 - The competent authority may authorize the revival of land for use only, without granting ownership.

Article (1212)

If someone revives a part of the land they were permitted to revive and leaves the rest, they own what they revived but not the remainder, unless the abandoned part is surrounded by the lands they revived.

Article (1213)

Reviving uncultivated land is achieved by constructing a building on it, planting trees in it, bringing water to it, or the like. By its revival, it becomes the property of the one who revived it. If it later falls into ruin and another person revives it after a long period of ruin, it becomes the property of the second person by their revival of it. It also becomes their property if they revive it before a long period of ruin has passed and the first reviver remains silent without excuse after knowing about it. If they do not remain silent or are silent for a valid reason, it remains their property, and the second reviver is entitled to the value of what they revived as a standing structure if they were ignorant of the first owner, and as demolished material if they were aware of them.

Article (1214)

The sanctuary (harim) of a town includes its entrances, exits, firewood collection areas, and pastures. The sanctuary of a house is what its residents use for their convenience. Clustered houses share one sanctuary, and the residents of each house use it in a way that does not harm other neighbors. The sanctuary of a well is the area sufficient for those coming to drink or water animals, and creating anything within it that harms those coming or the water is prohibited. The sanctuary of a tree is what it needs for its irrigation and the extension of its roots and branches, and creating anything within it that harms its growth is prohibited. The people of the town or house, or the owner of the well or tree, have exclusive rights to its sanctuary and may prevent others from using it or creating anything within it.

Article (1215)

1 - Whoever owns land by purchase, inheritance, or gift from someone who revived it, and it then falls into ruin, does not lose ownership of it due to its ruin, even if a long time passes.

2 - If another person revives it, they do not acquire ownership by reviving it except through possession that meets its conditions.

Article (1216)

1 - Demarcating uncultivated land is not considered reviving it.

2 - Whoever demarcates a piece of land has a prior right to it over others for three years. If they do not revive it within that period, it may be given to someone else to revive it.

Article (1217)

Whoever digs a well in uncultivated land with the permission of the competent authority owns it.

Section Two: Liability (Daman)

Article (1218)

Items for which liability is incurred are owned by the liable party through that liability, with ownership relating back to the time of its cause, provided that the subject matter is capable of having ownership established in it from the outset.

Section Three: Inheritance and Liquidation of the Estate

1 - General Provisions:

Article (1219)

1 - The heir acquires, by way of inheritance, the real estate, movables, and rights existing in the estate.

2 - The designation of heirs, the determination of their shares in the inheritance, and the transfer of the estate are subject to the provisions of Islamic Sharia and the laws issued in its application.

2 - The Estate:

(a) General Provisions:

Article (1220)

1 - If the deceased has not appointed an executor for their estate, any interested party may request the judge to appoint an executor chosen by consensus of the heirs from among themselves or others. If the heirs do not agree on a choice, the judge shall make the selection after hearing their statements.

2 - The provisions of special laws shall be observed if among the heirs there is an unborn fetus, an incapacitated person, a person with limited capacity, or an absentee.

Article (1221)

If the deceased has appointed an executor for the estate, the judge must, upon the request of an interested party, confirm this appointment.

Article (1222)

1 - A person appointed as executor of the estate may resign from their mission in accordance with the provisions of agency.

2 - The judge, upon the request of an interested party or the public prosecution, or without a request, may remove the executor and appoint another if just cause is proven.

Article (1223)

1 - The court shall record in a special register the orders issued for the appointment or confirmation of estate executors if appointed by the deceased, their removal, or their resignation.

2 - This registration shall have effect with respect to third parties dealing with the heirs concerning the real estate of the estate.

Article (1224)

- 1 - The executor of the estate shall take possession of its assets after their appointment and shall liquidate them under the supervision of the judge, and may request a fee to be determined by the judge.
- 2 - The estate shall bear the costs of liquidation, and these costs shall have the priority of judicial expenses.

Article (1225)

The judge shall, when necessary, take all required measures to preserve the estate and may order the deposit of cash, securities, and valuable items in the treasury of the court within whose jurisdiction all or most of the estate's assets are located, until the liquidation is complete.

Article (1226)

The executor of the estate shall pay from the estate's funds:

- (a) The funeral expenses of the deceased.
- (b) A sufficient allowance, in a reasonable amount, from this fund to the needy heir until the liquidation is completed, after obtaining a court order for its disbursement, provided that the allowance received by each heir is deducted from their share in the estate.
- (c) The judge shall decide on any dispute related to this matter.

Article (1227)

- 1 - From the time an executor is appointed for the estate, creditors may not take any action against the estate nor continue any action they have taken, except against the executor.
- 2 - All proceedings initiated against the deceased shall be stayed until all debts of the estate are settled, if requested by an interested party.

Article (1228)

An heir may not dispose of the estate's assets before receiving a certificate stating their share in the net estate, nor may they collect debts due to the estate or set off a debt they owe against a debt owed by the estate.

Article (1229)

1 - The executor of the estate shall take all measures to preserve its assets, perform necessary administrative tasks, represent the estate in lawsuits, and collect its debts.

2 - The executor of the estate shall be liable as a paid agent, even if unpaid. The court may require them to submit an account of their administration at specified times.

Article (1230)

1 - The executor of the estate shall issue an invitation to its creditors and debtors to submit a statement of their rights and debts within two months from the date of publication of this notice.

2 - The notice must be posted on the notice board of the court in whose jurisdiction the deceased's last domicile was located and the court in whose jurisdiction all or most of the estate's assets are located, and it must be published in a daily newspaper.

Article (1231)

1 - The executor of the estate shall deposit with the court that issued their appointment order, within three months from the date of appointment, an inventory list of the estate's assets and liabilities and an estimate of the value of these assets. They must notify the interested parties of this deposit by registered letter.

2 - They may request an extension of this period from the court if there is a valid reason.

Article (1232)

The executor of the estate may seek the assistance of an expert in estimating and inventorying the estate's assets and shall record what is revealed by the deceased's papers and what comes to their knowledge. The heirs must inform them of all they know about the estate's debts and rights.

Article (1233)

Anyone who fraudulently seizes any of the estate's assets, even if they are an heir, shall be punished with the penalty prescribed in the Penal Code for breach of trust.

Article (1234)

Any dispute regarding the validity of the inventory shall be raised by a lawsuit before the competent court within thirty days from the date of depositing the inventory list.

(b) Settlement of the Estate's Debts

Article (1235)

1 - After the expiry of the period for disputing the inventory list, the executor of the estate, after obtaining the court's permission, shall pay the debts that are not in dispute.

2 - As for the disputed debts, they shall be settled after a final ruling on their validity.

Article (1236)

In the event of the estate's insolvency or probable insolvency, the executor of the estate must suspend the settlement of any debt, even if undisputed, until all disputes concerning the estate's debts are finally resolved.

Article (1237)

1 - The executor of the estate shall pay its debts from the rights they collect, the cash it contains, and the proceeds from the sale of its movables. If this is not sufficient, then from the proceeds from the sale of its real estate.

2 - The movables and real estate of the estate shall be sold by auction in accordance with the procedures and deadlines stipulated for forced sales in the Code of Civil Procedure, unless the heirs agree on another method. If the estate is insolvent, the consent of all creditors is required for the

method agreed upon by the heirs. In all cases, the heirs have the right to participate in the auction.

Article (1238)

The judge, upon the request of all heirs, may rule for the settlement of a debt secured by a real security and determine the amount due to the creditor.

Article (1239)

Any heir may, after the distribution of deferred debts secured by a real security, pay the amount allocated to them before the due date.

Article (1240)

Creditors who have not been paid because their claims were not established in the inventory list and who did not have security over the estate's assets may not claim against those who have acquired in good faith a real right over those assets. They may claim against the heirs to the extent of what they received from the estate.

Article (1241)

After settling the debts, the executor of the estate shall execute the deceased's bequests and other charges.

(c) Delivery and Partition of the Estate's Assets:

Article (1242)

After fulfilling the estate's obligations, the remainder of its assets shall devolve to the heirs, each according to their legal share.

Article (1243)

1 - The executor of the estate shall deliver to the heirs the assets that have devolved to them.

2 - The heirs may, as soon as the period for disputes concerning the inventory of the estate has expired, demand to receive, on a temporary

basis, the items and money that are not required for liquidation, against the provision of a guarantee or without one.

Article (1244)

The court shall, upon the request of an heir or an interested party, issue a certificate listing the heirs and stating the share of each in their legal inheritance.

Article (1245)

Each heir may request the executor of the estate to deliver their share of the inheritance partitioned, unless this heir is obliged to remain in co-ownership by agreement or by a provision of law.

Article (1246)

1 - If the request for partition is admissible, the executor of the estate shall carry out the partition, provided that this partition becomes final only after the approval of all heirs.

2 - If they do not reach a consensus on the partition, the executor of the estate shall request the court to carry it out in accordance with the provisions of the law. The costs of the partition lawsuit shall be deducted from the shares of the heirs.

Article (1247)

The rules established for partition shall apply to the partition of the estate, as well as the provisions of the following articles.

Article (1248)

If among the estate's assets there is property used for agricultural, industrial, or commercial purposes that constitutes a self-standing economic unit, and the heirs have not agreed to continue its operation, and no third party's right is attached to it, it must be allocated in its entirety to the heir who requests it and is most capable of managing it, provided that its value is determined and deducted from their share in the estate. If the heirs are equally capable of managing it, it shall be allocated

to the one among them who offers the highest value, provided it is not less than the market price.

Article (1249)

If an heir is allocated a debt owed to the estate during the partition, the other heirs do not guarantee the debtor if they become insolvent after the partition, unless otherwise agreed.

Article (1250)

A will partitioning the specific assets of the estate among the testator's heirs is valid, such that a share is designated for each heir or for some of the heirs. If the value of what is designated for one of them exceeds their entitlement in the estate, the excess is considered a bequest.

Article (1251)

A partition that takes effect after death may be revoked and becomes binding upon the death of the testator.

Article (1252)

If the partition does not include all of the deceased's assets at the time of their death, the assets not included in the partition shall devolve in common to the heirs according to the rules of inheritance.

Article (1253)

If one or more of the potential heirs included in the partition die before the deceased, the partitioned share that fell to the deceased heir shall devolve in common to the remaining heirs according to the rules of inheritance, without prejudice to the provisions of obligatory bequests.

Article (1254)

The general provisions of partition apply to a partition that takes effect after death, except for the provisions on lesion (ghabn).

Article (1255)

If the partition does not include the estate's debts, or includes them but the creditors do not agree to this partition, any heir may, in the absence of an agreement with the creditors, request the court to carry out the partition and settle the debts, taking into account as much as possible the partition willed by the deceased and the considerations upon which it was based.

3 - Provisions for Unliquidated Estates:

Article (1256)

If the estate has not been liquidated in accordance with the preceding provisions, the ordinary creditors of the estate may enforce their rights or what was bequeathed to them on the real estate of the estate that has been disposed of or on which real rights have been created in favor of third parties, if they place an attachment on it for their debts before the dispositions are registered.

Section Four: The Will (Wasiyya)

Article (1257)

1 - A will is a disposition by a person of their estate that takes effect after their death.

2 - The legatee acquires ownership of the bequeathed property by way of the will.

Article (1258)

Wills are governed by the provisions of Islamic Sharia and the legislative texts derived from it.

Article (1259)

A claim concerning a will or its verbal revocation shall not be heard upon denial after the testator's death, unless there are official papers or documents written entirely in the deceased's handwriting and bearing

their signature. This also applies if the will document or its revocation has the testator's signature authenticated.

Article (1260)

1 - Any legal act issued by a person during a death-illness and intended as a donation is considered a disposition taking effect after death, and the provisions of a will shall apply to it, regardless of the name given to it.

2 - The heirs of the disposer must prove by all means that the disposition was made by their deceased relative while in a death-illness. The document of disposition shall not be held against the heirs unless its date is officially authenticated.

3 - If the heirs prove that the disposition was made by their deceased relative during a death-illness, the disposition is considered to have been made as a donation, unless the person to whom the disposition was made proves otherwise, or unless there are special provisions to the contrary.

Article (1261)

If a person makes a disposition to one of their heirs and retains possession of the disposed property and the right to use it for life, the disposition is considered to take effect after death, and the provisions of a will shall apply to it, unless there is evidence to the contrary.

Section Five: Accession

1 - Accession to Immovable Property

(a) Accession by Act of Nature

Article (1262)

Silt deposited by a flood on someone's land becomes their property.

Article (1263)

1 - The owner of land that has shifted from its place due to an accidental event may claim it if its identity can be established. The owner of the more

valuable land shall compensate the owner of the less valuable land for its value and shall own it.

2 - A claim for it shall not be heard after one year has passed since the event occurred.

Article (1264)

Large and small islands that form naturally in watercourses are considered part of the state's property.

Article (1265)

Large and small islands that form within lakes, as well as the silt of lakes and the sea, are considered state property.

Article (1266)

Land uncovered by the sea, lakes, ponds, or swamps that has no owner belongs to the state.

(b) Accession by Human Act

Article (1267)

Any building, planting, or work existing on land is considered to have been erected by the landowner at their own expense and to belong to them, unless there is proof to the contrary.

Article (1268)

If a landowner builds on their land with materials owned by another without their permission, and if the materials are still existing and their owner requests their return, the landowner must return them. However, if they are destroyed or consumed, the landowner must pay their value to their owners. In both cases, the landowner must pay compensation if applicable.

Article (1269)

If a person erects a building, planting, or other structures with their own materials on land they know is owned by another without the owner's consent, the owner may demand the removal of the structures at the expense of the one who erected them. If the removal is detrimental to the land, the owner may take ownership of the structures at their value as if they were to be removed.

Article (1270)

If a person erects a building, planting, or other structures with their own materials on land owned by another under the claim of a legal reason, and if the value of the existing structures is greater than the value of the land, the builder may take ownership of the land for its market price. If the value of the land is not less than the value of the structures, the landowner may take ownership of them at their existing value.

Article (1271)

If a person erects structures with their own materials on another's land with their permission, and there is no agreement between them on the fate of what was erected, the landowner may not demand the removal of the structures. If the builder does not request their removal, the landowner must pay them their existing value.

Article (1272)

If a person erects plantings or other structures with materials owned by another on someone's land, the owner of the materials may not demand their return but may claim compensation from the builder. They may also claim from the landowner an amount not exceeding what remains owed by the landowner to the builder for the value of those structures.

Article (1273)

If one of the co-owners in a divisible common property builds for themselves on it without the permission of the others, and then the property is partitioned, if that building falls within the builder's share, they own it. If it falls within another's share, that person has the right to take

ownership of it at its value as if it were to be removed, or to compel the builder to demolish it.

2 - Accession by Movable Property:

Article (1274)

If two movables belonging to different owners are joined in such a way that they cannot be separated without damage, and there was no agreement between the owners, the court shall resolve the dispute guided by custom and the rules of equity, taking into account the damage that occurred, the situation of the parties, and the good faith of each.

Section Six: Contract

Article (1275)

Ownership and other real rights in movables and real estate are transferred by contract when its elements and conditions are met in accordance with the law, subject to the provisions of the following articles:

Article (1276)

Ownership of a movable not specified by its type is not transferred until it is sorted out.

Article (1277)

Ownership of real estate and other real rights in real estate are not transferred between the contracting parties or with respect to third parties except by registration in accordance with the provisions of the special laws pertaining to it.

Article (1278)

An undertaking to transfer ownership of real estate is limited to an obligation to provide a guarantee if the undertaker breaches their undertaking, whether compensation was stipulated or not.

Section Seven: Pre-emption

1 - General Provisions:

Article (1279)

Pre-emption is the entitlement of a partner in a real property with a common share to take their partner's share that was exchanged, for its price in a financial transaction or its value in a non-financial transaction, by what customarily indicates a request to take it.

Article (1280)

The following are considered pre-emptors:

- 1 - The supervisor of a common waqf (endowment) in a joint property, if the endower grants them the right to take the partner's share by pre-emption to add it to the endowment.
- 2 - The person to whom the waqf reverts after its term expires or after the beneficiaries cease to exist, if the waqf was a common share in a joint property and the partner sold their share.

Article (1281)

There is no right of pre-emption:

- 1 - For a beneficiary of a part of a joint property endowed between the endower and another, if the partner sells their share, even if the beneficiary intends to endow the partner's share they wish to take by pre-emption, unless they are the one to whom the endowed share reverts, in which case they may take it by pre-emption for their own ownership.
- 2 - For a neighbor if an adjacent property is sold, even if they have the right to use a path in that property by lease or easement.
- 3 - For the supervisor of a waqf in a joint property if the non-endowed share is sold, even if the supervisor intends to endow this share they wish to take by pre-emption, unless the endower grants them the right to take by pre-emption for the waqf, in which case they may do so.

Article (1282)

There is no pre-emption for the partner in the following:

1 - Crops, whether sold separately or with their land. If sold with their land, pre-emption is established only for the land for its portion of the price, and the crops remain for the buyer.

2 - A well whose land it irrigates has been partitioned, while the well remains common. If its land has not been partitioned, there is pre-emption in it, whether the partner sells their share in it separately or with their share in the land.

3 - The courtyard of a house or a passage leading to it, whether the partner sells their share of either separately or with their share in the house, if the house has been partitioned and the courtyard or passage remains common between the two partners. If the house has not been partitioned, pre-emption is established in them as appurtenant to it.

4 - An animal, unless it is specifically for a joint property for its use in plowing, irrigation, or similar purposes, and the partner sells their share of the property and the animal together, in which case pre-emption is established in it as appurtenant to the property.

Article (1283)

The pre-emptee is the one who has acquired complete ownership of one of the partners' shares, which is new to the ownership of the other partner, through an exchange, even if it is non-financial.

Article (1284)

The pre-empted property is a divisible real property that one of the partners has exchanged, even if the exchange was by bartering for a similar real property, or if the property was a building or trees owned by two partners on endowed land. If the property is not divisible, there is no pre-emption in it.

Article (1285)

1 - If one of the partners sells their share in the joint property and the others take it by pre-emption, it is divided among them according to their

shares, not per capita. If the buyer is one of them, they are left with their share of it from the pre-emption for their portion of the price they bought it for, and the others do not take the entire share from them.

2 - The shares are considered as of the day of exercising pre-emption, not the day of the sale.

Article (1286)

1 - If the classes of pre-emptors differ, pre-emption belongs to the one who shares with the seller of the pre-empted property in the fixed inheritance share. If they waive their right, it goes to the heir who does not share in the fixed inheritance share. If they waive their right, it goes to the legatee. If they waive their right, it goes to the foreign partner.

2 - Each of these enters with the one after them in their pre-emption, but not the other way around. The heir of each of them stands in their place in their exclusive right to pre-emption and in their entry with the one after them in their pre-emption.

Article (1287)

1 - If there are multiple sales of the property in which the right of pre-emption exists, and the pre-emptor did not know about the multiple sales or knew about them while absent, they have the choice to take it by pre-emption at the price of any of those sales and pay the price at which they took it to the buyer who had possession of the property, even if it is less than what they bought it for. The buyer may claim the excess from the seller. If the pre-emptor knew about the multiple sales and was present, they may take it only at the price of the last sale.

2 - If the pre-emptor takes by a sale, what comes after it is nullified and what came before it is confirmed. The one whose sale is nullified may claim from the seller the price they paid, not the value of the property.

3 - In all cases, if a defect appears in the property or an entitlement claim arises, the guarantee for its price is on the buyer whose sale was taken.

Article (1288)

The pre-emptor takes the pre-emption for themselves, not for others. If they take it for another, even to gift it or give it as charity, their pre-

emption is void, and their right to take it for themselves thereafter is forfeited.

Article (1289)

1 - Pre-emption is established after the sale, provided the cause for it exists.

2 - A gift conditional on a consideration is treated as a sale.

Article (1290)

It is a condition that the property through which pre-emption is claimed be owned by the pre-emptor at the time of the purchase of the pre-empted property.

Article (1291)

If pre-emption is established, it is not forfeited by the death of the seller, the buyer, or the pre-emptor.

Article (1292)

There is no pre-emption:

- (a) For property acquired by gift without consideration, charity, inheritance, or will.
- (b) For buildings and trees sold intentionally without the land on which they stand, or for buildings and trees standing on state-owned land.

Article (1293)

The pre-emptor's right of pre-emption is forfeited in the following cases:

- (a) If they partition with the person who bought their partner's share, or buy the share from them, or lease it, even if they are unaware that this forfeits their pre-emption.
- (b) If they sell their share, even if they sell it without knowing that their partner sold their share before them.
- (c) If they remain silent for two months without hindrance from demanding to take the share by pre-emption, while knowing that a

building has been constructed or trees have been planted on it by the buyer.

(d) If they remain silent for two months without hindrance from demanding pre-emption from the time they learn of their partner's sale of their share, if they were present in the town, and from the time they return from their journey and learn of the partner's sale, if they were absent from it at the time of the sale. If they deny knowledge of the sale and the buyer claims they knew, their denial of knowledge is believed upon their oath.

Article (1294)

If the property in which the right of pre-emption exists is sold in a single transaction, the pre-emptor has the choice to take all of it or leave it to the buyer. They may not take a part without the rest except with the buyer's consent, whether the sold property is a single share or multiple shares, and whether the seller or buyer is one or multiple.

Article (1295)

If some pre-emptors waive their right to take by pre-emption or are absent before taking their pre-emption, the remaining or present ones may take the entire pre-empted property or leave it all. They may not take a part without the rest except with the buyer's consent. In the case of the present one choosing to take the entire pre-empted property, the provisions of the following article shall be observed.

Article (1296)

1 - If some pre-emptors are absent before taking their pre-emption and the present ones take the entire pre-empted property, then one of the absent ones arrives, they shall take their share in the pre-emption from the present one on the assumption that the pre-emption is for two only. If a third arrives, they shall take their share from them on the assumption that the pre-emption is for three, and if a fourth arrives, they shall take their share from them on the assumption that the pre-emption is for four, and so on.

2 - The guarantee for the price of what they took, if an entitlement claim by a third party arises or a defect appears, is on the buyer, even if the seller

released them from the sale before the property was taken from them by pre-emption.

Article (1297)

A claim of pre-emption shall not be heard:

- 1 - If the sale was conducted by public auction in accordance with procedures prescribed by law.
- 2 - If the sale occurred between ascendants and descendants, between spouses, between relatives up to the fourth degree, or between in-laws up to the second degree.
- 3 - If the pre-emptor waives their right of pre-emption explicitly or implicitly.

2 - Procedures for Pre-emption

Article (1298)

- 1 - A claim of pre-emption must be filed within two months from the date the pre-emptor learns of the sale.
- 2 - In all cases, a claim of pre-emption shall not be heard after six months from the date of registration.

Article (1299)

- 1 - A claim of pre-emption is filed against the buyer before the court in whose jurisdiction the property is located.
- 2 - The court shall decide on any dispute concerning the actual price of the pre-empted property and may grant the pre-emptor a period of one month to pay what is required of them, otherwise their pre-emption shall be void.

Article (1300)

- 1 - The buyer may demand from the pre-emptor before the judge to either exercise the pre-emption or waive their right to it. If they answer with one of them, they are bound by their answer. If they do not answer, the judge shall forfeit their pre-emption.

2 - If they request a postponement of the answer to deliberate on exercising or waiving, the buyer may refuse their request.

3 - A person intending to buy may not demand from the pre-emptor to exercise or waive before the purchase. Even if they demand it before, and the pre-emptor waives their pre-emption, they are not bound by that waiver.

Article (1301)

Ownership is established for the pre-emptor in the sale by a court ruling or by mutual agreement with the buyer, subject to the rules of registration.

2 - Right of Priority:

Article (1425)

1. The debts of security mortgage creditors shall be paid from the price of the mortgaged property or from the money that replaced it, according to the rank of each, even if they registered on the same day.
2. This rank is determined by the sequential number of the registration. If multiple persons apply at the same time to register their mortgages against one debtor and on one property, these mortgages shall be registered under one number, and these creditors shall be considered of the same rank upon distribution.

Article (1426)

A mortgagee creditor may assign the rank of his mortgage, up to the amount of his debt, to another mortgagee creditor on the same mortgaged property. This rank may be asserted against this other creditor with all defenses that could be asserted against the first creditor, except those related to the extinguishment of the first creditor's right if this extinguishment occurred after the assignment of the rank.

Article (1427)

1. The rank of a security mortgage is established from the date of its registration.

2. It retains its rank until an entry indicating its extinguishment is recorded in the registration department.

Article (1428)

The registration of a security mortgage results in the implicit inclusion of the contract and registration expenses within the mortgage debt and its rank.

3 - Right of Tracing:

Article (1429)

A security mortgagee creditor has the right to trace the mortgaged property into the hands of any possessor thereof to recover his debt upon its maturity, according to his rank.

Article (1430)

A security mortgagee creditor may take measures for the expropriation and sale of the mortgaged property if the debt is not paid on its due date, after serving a notice on the debtor and the possessor of the property, in accordance with the procedures stipulated in the Civil Procedure Law and special laws.

Article (1431)

A possessor of the mortgaged property is considered to be anyone to whom ownership or another real right over it has been transferred after the mortgage, by any cause, without being personally liable for the mortgage debt.

Article (1432)

The possessor of a property subject to a security mortgage may pay the mortgage debt and expenses after being notified, with the right to recourse against the debtor for what he has paid. He may also subrogate the creditor whose debt he has satisfied in his rights.

Article (1433)

The possessor of a property subject to a security mortgage has the right to purge the property he acquired of any real right established thereon as security for a registered debt by paying the debt up to the date of its sale or within the time limits set by the Civil Procedure Law and special laws.

Article (1434)

Forced expropriation procedures shall be carried out upon non-payment of the debt in accordance with the provisions of the Civil Procedure Law and special laws.

Article (1435)

The possessor of a property subject to a security mortgage may participate in the auction sale of the property. If the auction is awarded to him and he pays the price, he shall be considered the owner of the property by virtue of his original title deed, and the property shall be freed from the registered right.

Article (1436)

If the auction of a property subject to a security mortgage is awarded to someone other than its possessor, the acquirer obtains it by virtue of the auction award judgment and receives his right from the possessor.

Article (1437)

1. The possessor is liable for any destruction or damage to the mortgaged property in accordance with the rules of liability stipulated in this law.
2. He must return the proceeds of the property from the date he was notified to pay the debt.

Article (1438)

If the sale price of the property exceeds the value of the secured debts, the surplus belongs to the possessor, and his mortgagee creditors may satisfy their debts from it.

Article (1439)

1. The possessor has a claim for warranty against the previous owner to the extent that a successor has a claim against the one from whom he received ownership, whether for consideration or gratuitously.
2. The possessor also has recourse against the debtor for what he paid in excess of what is due from him under his title deed, whatever the reason for paying this excess. He shall subrogate the creditors whose rights he has satisfied, and in particular, he shall subrogate them in their securities provided by the debtor, but not in securities provided by a person other than the debtor.

Chapter Three: Extinguishment of the Security Mortgage:

Article (1440)

1. A security mortgage is extinguished upon the full extinguishment of the secured debt.
2. If the cause for the extinguishment of the debt ceases to exist, the mortgage shall be revived as it was, without prejudice to the rights of bona fide third parties acquired between the extinguishment and the revival of the right.

Article (1441)

1. The debtor may pay the debt secured by the security mortgage and its accessories before the due date.
2. If the creditor does not accept this payment, the debtor may deposit it with the registration department, which, after verifying its value, will settle what is due from the debtor, deliver him a deed of payment, and terminate the mortgage, subject to the provisions of special laws.

Article (1442)

The mortgage is extinguished by the sale of the mortgaged property in accordance with the Civil Procedure Law and special laws, and the payment of its price to the mortgagee creditors according to their respective ranks, or by its deposit.

Article (1443)

A security mortgage is extinguished by the transfer of ownership of the mortgaged property to the mortgagee or the transfer of the mortgage right to the mortgagor, provided that it is revived if the cause is removed with retroactive effect.

Article (1444)

A security mortgage is extinguished if the mortgagee creditor waives it.

Article (1445)

1. A security mortgage is extinguished by the destruction of its subject matter.
2. The provisions regarding the destruction of the mortgaged property stipulated in this law shall be observed.

Article (1446)

1. If the period of limitation for the claim of the secured debt has expired, the mortgagor may request a judgment to release the mortgage.
2. If the mortgaged property is transferred to a possessor, he may invoke the statute of limitations for the claim of the debt secured by the mortgage if the mortgagee remains silent without excuse from filing a mortgage lawsuit against him for a period of fifteen years.

Article (1447)

A security mortgage is not extinguished by the death of the mortgagor or the mortgagee and remains valid with the heirs.

Part Two: Possessory Mortgage

Chapter One: Definition and Creation of a Possessory Mortgage:

Article (1448)

A possessory mortgage is a contract that creates the right to retain property in the possession of the creditor or a custodian as security for a right that can be satisfied from it, in whole or in part, with priority over all other creditors.

Article (1449)

It is a condition for an asset subject to a possessory mortgage that it be deliverable at the time of the mortgage and suitable for sale by public auction.

Article (1450)

1. It is permissible to mortgage crops before they are ripe, but they shall not be sold to satisfy the debt until they are ripe. If the mortgagor becomes bankrupt or dies before the crops are ripe, the mortgagee shall share with the other creditors pro rata for his debt in the other assets of the mortgagor.
2. If the crops ripen after the pro rata distribution, they shall be sold, and the mortgagee shall be entitled to their price. He shall return to the other creditors everything he took in the pro rata distribution if the price is equal to his debt. If it is less, he shall return to them the excess of what he would have taken had he initially shared with them for the remainder of his debt after the price of the mortgaged crops, to which he is entitled.

Article (1451)

It is permissible to mortgage perishable goods for a deferred debt. They shall be preserved if possible; otherwise, they shall be sold by public auction, and their price shall be held as a mortgage in their place.

Article (1452)

It is required that the consideration for a possessory mortgage be a debt established in liability, or a promised debt specified at the time of the mortgage, or a specific secured asset.

Article (1453)

For the completion and binding nature of a possessory mortgage, it is required that the creditor or the custodian takes possession of it, and the mortgagor may revoke the mortgage before delivery.

Article (1454)

If the mortgagor is subject to a legal impediment to financial disposition before the mortgagee takes possession of the mortgaged asset, the mortgage contract is void.

Article (1455)

The mortgagor and the mortgagee may agree to place the possessory mortgaged asset in the hands of a custodian, and the custodian's possession becomes like the mortgagee's possession, and the mortgage is completed by his taking possession.

Article (1456)

1. The custodian may not deliver the mortgaged asset to the mortgagor or the mortgagee without the consent of the other as long as the debt is outstanding, and he may recover it if he has delivered it.
2. If the mortgaged asset is destroyed before recovery, the custodian shall be liable for its value.

Article (1457)

If the custodian dies and the mortgagor and mortgagee do not agree on depositing the mortgage with another, either of them may request the court to order it to be placed in the hands of a custodian of its choice.

Article (1458)

It is required that the mortgagor in a possessory mortgage for a debt owed by him or another be the owner of the mortgaged asset and have the capacity to dispose of it.

Article (1459)

The provisions of the security mortgage stipulated in Articles (1403) and (1404) of this law shall apply to the possessory mortgage.

Article (1460)

The provisions of the security mortgage stipulated in Article (1408) of this law shall apply to the possessory mortgage of a common property.

Article (1461)

If an undivided share in a property or the like is mortgaged, the mortgagee shall possess the whole if the remainder is owned by the mortgagor. If it is owned by another, it is sufficient to possess the mortgaged share.

Article (1462)

The provisions regarding the indivisibility of the mortgaged asset as security for the debt, stipulated in Article (1410) of this law, shall apply to the possessory mortgage, and the entire asset shall remain security for the entire debt or part of it.

Article (1463)

A possessory mortgage includes all appurtenances connected to the mortgaged asset that are included in a sale.

Article (1464)

If a possessory mortgaged asset, while in the hands of the buyer, yields a distinct growth of the same kind, it shall be subject to the mortgage. If it is

not of the same kind, it shall not be subject to it unless its inclusion in the mortgage is stipulated.

Article (1465)

1. A possessory mortgaged asset may secure more than one debt of the same rank, provided that it is mortgaged under a single contract.
2. The entire asset shall be mortgaged to each of the creditors against his debt.

Article (1466)

1. It is permissible to mortgage a loaned property with the permission of its owner, the lender, and under his conditions.
2. The lender may not reclaim the mortgaged property before the debt is paid.

Chapter Two: Effects of a Possessory Mortgage

Section One: Effects of the Mortgage Between the Contracting Parties:

1 - With respect to the Mortgagor

Article (1467)

1. The mortgagor may not dispose of the possessory mortgaged asset except with the consent of the mortgagee.
2. If this disposition is a sale, the mortgagee's right shall be transferred to the price of the mortgaged asset.

Article (1468)

1. If the mortgagor acknowledges the possessory mortgaged asset to another, his acknowledgment shall not be effective against the mortgagee.
2. This acknowledgment does not nullify the mortgagee's right to retain the mortgaged asset until his debt is satisfied.

Article (1469)

The mortgagor guarantees the integrity of the mortgaged asset and may not perform any act that diminishes its security or prevents the mortgagee from exercising his rights.

Article (1470)

The provisions regarding the destruction or damage of the mortgaged asset due to the mortgagor's fault or force majeure, stipulated in Article (1415) of this law, shall apply to the possessory mortgage.

Article (1471)

Upon the destruction or damage of the possessory mortgaged asset, the mortgage is transferred to the property that replaced it, and the mortgagee may satisfy his right from it in accordance with the provisions of Article (1416) of this law.

2 - With respect to the Mortgagee Creditor

Article (1472)

The mortgagee must preserve the possessory mortgaged asset himself or through his trustee and care for it as a prudent person would. He is responsible for its destruction or damage unless he proves that it was due to a cause beyond his control.

Article (1473)

The mortgagee may not dispose of the mortgaged asset without the mortgagor's permission, and he may not sell it unless he is an agent for the sale.

Article (1474)

1. The mortgagee may not benefit from the possessory mortgaged asset, whether movable or immovable, without the mortgagor's permission.

2. The mortgagor may permit the mortgagee to benefit from the mortgaged asset, provided that the proceeds obtained are first deducted from the expenses he paid on behalf of the mortgagor, and secondly from the principal of the debt.

Article (1475)

The mortgagee may stipulate the benefit of the mortgage for himself if its duration is specified by time or work and is calculated from the debt, whether the debt is from a sale or a loan. If it is not calculated from the debt, its stipulation is prohibited if the debt is from a loan, and permissible if it is from a sale with a deferred price and this is stipulated in the sale contract.

Article (1476)

If the creditor misuses the mortgaged thing, the mortgagor has the right to request that the mortgaged asset be placed in the hands of a custodian.

Article (1477)

The mortgagee may retain the possessory mortgaged asset until he fully satisfies his debt and its related accessories or expenses, after which he must return the mortgaged asset to its mortgagor.

Article (1478)

1. If the mortgaged asset is destroyed in the hands of the mortgagee, he is liable for its value on the day of taking possession.
2. If its value is equal to the value of its security, the debt is discharged, whether the destruction was due to the mortgagee's transgression or not.
3. If its value is more than the debt, the debt is discharged from the mortgagor, and the mortgagee is liable for the remainder if the destruction was due to his transgression or negligence in its preservation.
4. If its value is less than the debt, an amount equal to its value is deducted from the debt, and the creditor may claim the remainder from the mortgagor.

Article (1479)

A possessory mortgagee has the rights of a security mortgagee in executing on the mortgaged asset, then on all other assets of the debtor if his full debt is not satisfied, as stipulated in Article (1419) of this law.

Article (1480)

The provisions of Article (1420) of this law shall apply to the possessory mortgage.

Section Two: Effect of the Mortgage with respect to Third Parties:

Article (1481)

For a possessory mortgage contract to be effective against third parties, the mortgaged asset must be in the possession of the mortgagee creditor or the custodian agreed upon by the parties.

Article (1482)

The mortgagee may retain the mortgaged asset in his possession until he fully satisfies his debt and its related accessories or expenses. If it leaves his possession against his will, he has the right to recover it.

Article (1483)

A possessory mortgaged asset secures the principal debt, necessary expenses paid by the mortgagee on behalf of the mortgagor, and the costs of the mortgage contract and its execution.

Chapter Three: Special Provisions for Certain Possessory Mortgages

Section One: Possessory Mortgage of Real Property

Article (1484)

A possessory mortgage of real property is not considered effective with respect to third parties unless it is registered, in addition to the mortgagee creditor's possession of the mortgaged property.

Article (1485)

1. The mortgagee creditor may lend or lease the possessory mortgaged property to its mortgagor, provided that the mortgaged property remains security for the payment of the debt, without affecting the effectiveness of the mortgage against third parties.
2. The rent paid by the mortgagor shall be subject to the provisions of Article (1474) of this law regarding the proceeds of the mortgaged property.

Article (1486)

The mortgagee creditor shall pay the necessary expenses for the repair and maintenance of the mortgaged property, and the taxes and charges due thereon, provided that these are deducted from the proceeds of the mortgaged property or from its price upon sale, according to the rank of his debt.

Section Two: Pledge of Movables:

Article (1487)

A pledge of a movable is not considered effective against third parties unless it is recorded in a document with a fixed date, stating the debt and the pledged asset, in addition to the transfer of possession to the pledgee.

Article (1488)

If the pledged asset is threatened with destruction, damage, or a decrease in value, the pledgee shall notify the pledgor. If the pledgor does not provide another security to the pledgee, either of them may request the court to sell the pledged asset, and the creditor's right shall then be transferred to the price.

Article (1489)

The pledgor may request the court's permission to sell the pledged item if a profitable opportunity arises for its sale, even before the debt's due date. The court, upon granting permission, shall specify the conditions of the sale and decide on the deposit of the price.

Article (1490)

The preceding provisions shall apply to the extent that they do not conflict with commercial laws and special laws consistent with Islamic Sharia.

Section Three: Pledge of Debts:

Article (1491)

Whoever pledges a debt owed to him is obliged to deliver to the pledgee the instrument evidencing this debt.

Article (1492)

1. A pledge of a debt is not effective against the debtor except by notification of this pledge to him or by his acceptance thereof.
2. It is not effective against anyone other than the debtor except by the pledgee's possession of the instrument of the pledged debt.
3. The rank of the pledge is calculated from the fixed date of the notification or acceptance.

Article (1493)

The pledge of registered or order instruments is effected in the specific manner prescribed by law for their assignment, provided that it is mentioned that the assignment was made by way of a pledge.

Article (1494)

A debt that is not assignable or attachable may not be pledged.

Article (1495)

The pledgee may collect the periodic payments of the pledged debt and the costs associated with it, and in this case, he must deduct them from the expenses and then from the principal of his debt.

Article (1496)

The mortgagee creditor must preserve the pledged debt. If he is entitled to collect any part of this debt without the intervention of the pledgor, he must collect it at the specified time and place for payment and must promptly notify the pledgor thereof.

Article (1497)

The debtor of the pledged debt may assert against the mortgagee creditor the defenses related to the validity of the right secured by the pledge, as well as the defenses he has against his original creditor, to the extent that the debtor in an assignment case may assert these defenses against the assignee.

Article (1498)

1. The debtor of the pledged debt must pay the debt to both the pledgor and the pledgee if it becomes due before the debt secured by the pledge becomes due.
2. The pledgor and the pledgee may agree to deposit what the debtor pays in the hands of a custodian until the secured debt becomes due, and the right of pledge shall be transferred to what has been deposited.

Article (1499)

If both the pledged debt and the debt secured by the pledge become due and the pledgee has not satisfied his right, he may collect from the pledged debt what is due to him and return the remainder to the pledgor, provided that what is due to him and the pledged debt are of the same kind. Otherwise, he may request the sale of the pledged debt or its appropriation at its value to satisfy his right.

Article (1500)

The provisions of the possessory pledge of a movable shall apply to the pledge of a debt, insofar as they do not conflict with the preceding provisions.

Chapter Four: Extinguishment of the Possessory Mortgage:

Article (1501)

A possessory mortgage is extinguished upon the full extinguishment of the secured debt and is revived if the reason for which the debt was extinguished ceases to exist, without prejudice to the rights that a bona fide third party may have legally acquired in the period between the extinguishment of the debt and its revival.

Article (1502)

A possessory mortgage is also extinguished by one of the following reasons:

- (a) The mortgagee creditor's waiver of his right to the mortgage, either expressly or by implication.
- (b) The merger of the right of mortgage with the right of ownership in one hand, provided that it is revived if the cause is removed with retroactive effect.
- (c) The destruction of the thing or the extinguishment of the pledged right.

Article (1503)

A possessory mortgage is not extinguished by the death of the mortgagor or the mortgagee and remains a mortgage with the heirs until the debt is paid.

Part Three: Privileged Rights (Liens)

Chapter One: General Provisions:

Article (1504)

A privilege is an ancillary real right that grants the creditor priority in satisfying his right in consideration of its nature and is established by law.

Article (1505)

1. If the law does not specify the rank of a privileged right, its rank shall be subsequent to the rights provided for in this Part.
2. If the rights are of the same rank, they shall be paid pro rata, unless the law provides otherwise.

Article (1506)

A general privilege of the creditor applies to all of the debtor's assets, while a special privilege applies to a specific movable or immovable property.

Article (1507)

1. A privilege does not affect the rights of a possessor of a movable if he is in good faith.
2. For the purpose of the preceding paragraph, the lessor of a property with respect to movables in the leased premises and a hotelier with respect to guests' luggage shall be considered possessors.
3. The holder of a privilege on a movable, if he fears its loss or disposal, may request that it be placed under custody.

Article (1508)

1. The provisions of the security mortgage shall apply to privileged rights on real property, insofar as they are not inconsistent with their nature.
2. Privileged rights securing dues to the Public Treasury and the fees and expenses of judicial sales shall not be registered.

Article (1509)

The provisions of the security mortgage relating to the destruction or damage of the thing shall apply to privileged rights.

Article (1510)

A privileged right is extinguished in the same ways as a security mortgage and a possessory mortgage, and in accordance with the provisions for the extinguishment of these two rights, unless there is a provision to the contrary.

Chapter Two: Types of Privileged Rights

Section One: General Provision:

Article (1511)

The rights specified in the following provisions shall be privileged in their respective ranks and shall be satisfied pro rata among themselves, in addition to the privileged rights established by special provisions.

Section Two: General Privileged Rights and Special Privileged Rights on Movables:

Article (1512)

1. Judicial expenses incurred for the common interest of the creditors in preserving and selling the debtor's assets shall have a privilege over the price of these assets.
2. These expenses shall be paid before any other right, even if privileged or secured by a security mortgage, including the rights of

the creditors for whose benefit the expenses were incurred. The expenses incurred in selling the assets shall have priority over those incurred in the distribution procedures.

Article (1513)

1. Taxes, fees, and other rights of any kind due to the government shall have a privilege under the conditions prescribed in the laws issued in this regard.
2. These dues shall be collected from the price of the assets encumbered by this privilege, in whosoever's hands they may be, before any other right, even if privileged or secured by a mortgage, except for judicial expenses.

Article (1514)

Expenses incurred for the preservation or repair of a movable shall have a privilege over it and shall be satisfied from its price after the judicial expenses and sums due to the Public Treasury.

Article (1515)

1. The following rights shall have a privilege over all the debtor's assets, both movable and immovable, for the amount due for the last six months:
 - (a) Maintenance due from the debtor to those he is obliged to support.
 - (b) Sums due for food, clothing, and medicine supplied to the debtor and his dependents.
2. These sums shall be paid immediately after the judicial expenses, sums due to the Public Treasury, and preservation and repair expenses. As between themselves, they shall be paid pro rata.

Article (1516)

1. The prices of seeds, fertilizers, and other fertilizing materials, pesticides, and the costs of cultivation and harvesting shall have a privilege over the crop in the production of which they were spent,

and they shall all have the same rank, to be satisfied from its price after the preceding rights, if any.

2. The prices of agricultural machinery and the costs of their repair shall also have a privilege over them in the same rank.

Article (1517)

The rent of real property and agricultural land for two years, or for the duration of the lease if less than that, and any other right of the lessor under the lease contract, shall have a privilege over the attachable movables or agricultural crops belonging to the lessee that are present in the leased premises.

Article (1518)

The privilege for rent referred to in the preceding article shall be established even if the movables are owned by the lessee's wife or by a third party whose right the lessor is unaware of, subject to the special provisions regarding stolen or lost movables.

Article (1519)

1. The privilege for the rent debt is established on the movables and crops in the leased premises even if they belong to the sublessee, if the lessor has not authorized the first lessee to sublet the leased property to another.
2. If the lessor has authorized the first lessee to sublet the leased property to another, the privilege is established only for the sums due to the first lessee from the sublessee.

Article (1520)

The lessor has the right to trace the assets encumbered by the privilege if they are removed from the leased premises against his will or without his knowledge, and there are not sufficient assets left in the premises to secure the privileged rights, without prejudice to the rights of bona fide third parties over these assets. The privilege remains on the removed assets, even if it harms the rights of a third party, for a period of three years from the day of their removal, if the lessor places an attachment on

them within thirty days from the date of removal. However, if these assets are sold to a bona fide purchaser in a public market, at a public auction, or from someone who deals in such items, the lessor must return the price to the purchaser.

Article (1521)

The debt for the rent of real property and agricultural land shall be satisfied from the price of the assets encumbered by the privilege after the rights mentioned in the preceding articles, except for those that are not effective against the lessor as a bona fide possessor.

Article (1522)

1. Sums due to a hotelier from a guest for accommodation, provisions, and expenses incurred on his account shall have a privilege over the luggage brought by the guest to the hotel.
2. The privilege applies to the luggage even if it is not owned by the guest, if it is not proven that the hotelier knew of the third party's right to it at the time it was brought in, provided that the luggage is not stolen or lost. The hotelier may object to the removal of the luggage from the hotel as long as his right is not fully satisfied. If the luggage is removed despite his objection or without his knowledge, the privilege remains on it, without prejudice to the rights acquired by bona fide third parties over these assets.

Article (1523)

The privilege of the hotelier shall have the same rank as the privilege of the lessor. If the two rights coincide, the one earlier in date shall have priority, unless it is not effective against the other.

Article (1524)

1. The seller of a movable has a privilege over it for the price and its accessories. This privilege remains as long as the movable retains its identity, without prejudice to the rights acquired by bona fide third parties, and subject to the special provisions of commercial matters.

2. This privilege shall be subsequent in rank to the aforementioned privileged rights on the movable. It shall be effective against the lessor and the hotelier if it is proven that they were aware of the seller's privilege when the movable was placed in the leased premises or the hotel.

Article (1525)

1. Partners in a movable, if they partition it, have a privilege over it to secure the right of each of them to recourse against the others for the partition and to receive what is allotted to them as an equalization payment.
2. The privilege of the co-partitioner has the rank of the seller's privilege, and the earlier in date shall have priority if they coincide.

Section Three: Special Privileged Rights on Real Property:

Article (1526)

1. What is due to the seller of a real property from the price and its accessories shall have a privileged right over the sold property.
2. The privileged right must be registered, even if the sale is registered, and its rank shall be from the date of its registration.

Article (1527)

1. Sums due to contractors and architects who have been entrusted with the construction, reconstruction, restoration, or maintenance of buildings or other structures shall have a privilege over these structures, but only to the extent of the increase in the value of the property at the time of its sale due to these works.
2. This privilege must be registered, and its rank shall be from the time of registration.

Article (1528)

1. Partners in a real property, if they partition it, have a privileged right over it to secure the right of recourse of any of them against the others for the right granted by the partition to claim an equalization payment.

2. The privileged right arising from the partition must be registered, and its rank shall be determined from the date of registration.