

**Federal Decree by Law No. (25) of 2025
Promulgating the Civil Transactions Law**

We, Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates,

- Having reviewed the Constitution,
- Federal Law No. (1) of 1972 Regarding the Competences of Ministries and the Powers of Ministers, as amended,
- Federal Law No. (5) of 1985 Promulgating the Civil Transactions Law of the United Arab Emirates, as amended, and,
- Upon the proposal of the Minister of Justice, and the approval of the Cabinet,

Hereby promulgate the following Decree by Law:

Article (1)

The attached Law Regarding Civil Transactions shall enter into force.

Article (2)

Federal Law No. (5) of 1985 Promulgating the Civil Transactions Law of the United Arab Emirates, as amended, is hereby repealed.

Article (3)

This Decree by Law shall be published in the Official Gazette and shall enter into force from 1 June 2026.

**Mohamed bin Zayed Al Nahyan
President of the United Arab Emirates**

Issued by Us at the Presidential Palace - Abu Dhabi

On: 09 Rabi' Al-Akhir 1447 A.H.

Corresponding to: 01 October 2025 A.D.

Civil Transactions Law

Preliminary Section

General Provisions

Chapter One

Provisions on the Application and Temporal and Spatial Scope of the Law

Part One

The Law and its Application

Article (1)

1. The legislative provisions shall apply to all matters they address expressly or implicitly. No room shall be left for Ijtihad (independent legal reasoning) where the text is definitive in its indication.
2. Should the court find no provision in the applicable legislations, it shall rule in accordance with the Islamic Shari'ah, selecting the most appropriate solutions as required by the interest (Maslaha).
3. Should the court find no ruling in the Islamic Shari'ah for the matter before it, it shall rule in accordance with custom (Urf), provided it does not conflict with public order or public morals. If the custom is specific to a particular Emirate, its ruling shall apply to that Emirate.
4. Should the court find no ruling in custom for the matter before it, it shall rule in accordance with the principles of natural law and the rules of justice.

Article (2)

Reference shall be made to the rules and principles of Islamic jurisprudence (Usul Al-Fiqh) for the understanding, interpretation, and construction of legislative texts.

Article (3)

The following shall be deemed matters of the public order:

1. The definitive rulings of the Islamic Shari'a.
2. The provisions related to the systems of governance.
3. The provisions related to the personal status of Muslims, such as marriage, inheritance, and lineage.

4. The mandatory legal rules from which derogation by agreement is not permitted and are stipulated in the laws promulgated in the United Arab Emirates.

Part Two

Temporal Application of the Law

Article (4)

1. The law shall be effective from its date of entry into force and shall not apply retroactively to preceding facts and acts, unless the law provides otherwise.
2. A legislative provision may not be repealed or suspended except by an explicit legislative provision that expressly so provides, or that includes a provision conflicting therewith, or that re-regulates the subject matter previously governed by the earlier legislation.
3. A special provision shall not be repealed or amended by a subsequent general provision, unless the legislation expressly so provides. The special provision shall apply in matters it addresses that conflict with the general provision.
4. If a legislative provision repeals another legislative provision and is then subsequently repealed, such repeal shall not result in the reinstatement of the former provision.

Article (5)

1. Provisions related to legal capacity shall apply to all persons who meet the conditions stipulated in those provisions.
2. If a person has full legal capacity under former provisions and then becomes of limited legal capacity under new provisions, this shall have no effect on their prior acts.

Article (6)

1. New provisions related to the barring of a claim by the lapse of time shall apply from the date of their entry into force to every period that has not yet been completed.
2. Former provisions shall apply to matters concerning the commencement, suspension, and interruption of the period for barring a claim by the lapse of time, for the period preceding the entry into force of the new provisions.

Article (7)

1. If a new provision prescribes a period for barring a claim by the lapse of time that is shorter than that prescribed by the former provision, the new period shall run from the time the new provision enters into force, even if the former period had commenced before that.
2. If the remainder of the period prescribed by the former law is shorter than the period prescribed by the new provision, the period for barring a claim by the lapse of time shall be completed upon the expiry of this remainder.

Article (8)

The provisions in force at the time of preparing the means of evidence, or at the time it ought to have been prepared, shall apply thereto.

Article (9)

Time limits shall be calculated according to the Gregorian calendar, unless the law provides otherwise.

Part Three

Spatial Application of the Law

Article (10)

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

Article (11)

1. The civil status and legal capacity of natural persons shall be governed by the law of the country whose nationality they hold. However, in financial transactions concluded in the United Arab Emirates that produce their effects therein, if one of the parties is a foreigner of limited legal capacity and the limited capacity is due to a reason that is not readily apparent to the other party, this reason shall not affect their legal capacity.

2. Foreign legal persons shall be governed by the law of the country where such persons have established their actual principal management center. If such persons conduct an activity in the United Arab Emirates, the law of the United Arab Emirates shall apply.

Article (12)

The substantive conditions for the validity of a marriage shall be governed by the law of the country in which the marriage was concluded. As for the form, a marriage between two foreigners or between a foreigner and a national shall be considered valid if it is concluded in accordance with the formalities of the country where it was concluded, or if the formalities prescribed by the law of each of the spouses are observed.

Article (13)

The law of the country in which the marriage was concluded shall apply to the following:

1. The personal effects and property-related effects arising from the contract of marriage.
2. Divorce, judicial divorce, and separation.

Article (14)

In the cases stipulated in Articles (12) and (13) of this Law, if one of the spouses is a national of the United Arab Emirates at the time of the conclusion of the marriage contract, or subsequently becomes a national and retains their nationality until the time the lawsuit is instituted, the law of the United Arab Emirates alone shall apply, except for the condition of legal capacity for marriage.

Article (15)

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

Article (16)

The substantive matters related to guardianship, tutorship, curatorship, and other systems established for the protection of persons lacking or of limited legal capacity and absentees, shall be governed by the law of the person to be protected.

Article (17)

1. Without prejudice to the provisions of Paragraphs (3) and (4) of this Article, succession shall be governed by the law of the country to which the decedent belonged at the time of their death.
2. The financial rights existing within the territory of the State belonging to a foreigner who has no heir shall be a charitable endowment (Waqf), and their oversight and supervision shall be by the competent authority.
3. The substantive provisions of a will and other dispositions taking effect upon death shall be governed by the law of the country designated by the will or disposition, or the law of the country to which the person who made the disposition belonged by nationality at the time of their death if the will or disposition does not designate a law.
4. The form of a will and other dispositions mortis causa shall be governed by the law of the country designated by the will or disposition, or the law of the country whose nationality the person making the disposition held at the time the disposition was made, or the law of the country in which the disposition was made.
5. The law of the United Arab Emirates shall apply to a will made by a foreigner concerning their immovable property located in the State.

Article (18)

1. The possession and ownership of immovable property and other related real rights (jus in rem) shall be governed by the law of the location of the immovable property.
2. Movable property shall be governed by the law of the country where it is located at the time the cause giving rise to the acquisition or loss of its possession, ownership, or other related real rights (jus in rem) occurs.

3. The law of the country where property is located shall determine whether such property is immovable or movable.

Article (19)

1. Contractual obligations, as to both form and substance, shall be governed by the law of the country expressly agreed upon by the parties. If they do not agree, the law of the country in which the contracting parties have their common domicile shall apply. If their domiciles differ, the law of the country where the main obligation of the contract is to be performed shall apply, unless it is clear from the circumstances that another law is intended to be applied.
2. Contracts concluded concerning immovable property shall be governed by the law of its location.

Article (20)

1. Non-contractual obligations shall be governed by the law of the country in which the event giving rise to the obligation occurred.
2. The provision of Paragraph (1) of this Article 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 deemed unlawful in the country where they occurred.

Article (21)

The rules of judicial jurisdiction, and all procedural matters, shall be governed by the law of the country in which the action is instituted or in which the procedures are undertaken.

Article (22)

The provisions of the preceding Articles shall not apply where there exists a provision to the contrary in a special law or in an international treaty in force in the State.

Article (23)

The principles of private international law shall be the reference for any matter concerning conflict of laws for which no provision is stipulated in the preceding Articles.

Article (24)

The law of the United Arab Emirates shall apply in the case of stateless persons.

Article (25)

A person who holds multiple nationalities simultaneously shall be governed by the law of the nationality by virtue of which they entered the State.

Article (26)

Where a person simultaneously holds the nationality of the United Arab Emirates and the nationality of another country, the law of the United Arab Emirates shall apply.

Article (27)

If it appears from the provisions of the preceding Articles that the applicable law is the law of a country in which multiple legal systems coexist, the internal law of that country shall determine which of such systems shall be applied. If there is no provision therein, the prevailing legal system or the law of the domicile shall be applied, as the case may be.

Article (28)

1. If it is determined that a foreign law is the applicable law, only its internal provisions shall be applied, excluding those related to private international law.
2. The law of the United Arab Emirates shall be applied if the provisions of the private international law related to the applicable law refer back thereto.

Article (29)

The provisions of a foreign law designated by the preceding Articles may not be applied if such provisions are contrary to the public order or public morals in the United Arab Emirates.

Article (30)

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

Chapter Two

Some Interpretive Rules of Jurisprudential Principles (Usul al-Fiqh)

Article (31)

Ignorance of the law is no excuse.

Article (32)

An exception shall not be extended by analogy, nor shall it be broadly interpreted.

Article (33)

A special provision shall restrict a general provision.

Article (34)

Any matter established by a mandatory provision shall prevail over any condition.

Article (35)

Whatever is indispensable for the fulfilment of an obligation is itself obligatory.

Article (36)

A ruling shall exist or cease to exist with the existence or absence of its legal cause.

Article (37)

Fungibles shall not cease to exist.

Article (38)

Certainty shall not be removed by doubt.

Article (39)

The presumption is the continuance of the status quo.

Article (40)

The presumption is freedom from liability.

Article (41)

The presumption is the non-existence of incidental attributes.

Article (42)

What is proven to exist at a certain time is presumed to continue, unless there is evidence to the contrary.

Article (43)

The presumption is that an occurrence is attributed to the nearest possible time.

Article (44)

What is established contrary to analogy shall not be used as a basis for analogy in other cases.

Article (45)

1. No harm shall be inflicted nor reciprocated.
2. Harm shall be removed.
3. Harm shall not be removed by an equivalent harm.

Article (46)

Shari'ah permissibility negates liability.

Article (47)

1. Private harm shall be borne to avert public harm.
2. A greater harm shall be removed by a lesser harm.

Article (48)

Necessities permit prohibitions, and necessity shall be measured by its extent.

Article (49)

Compulsion shall not invalidate the right of another.

Article (50)

Averting harm takes precedence over securing benefits.

Article (51)

1. Usage is authoritative, whether general or specific.
2. Usage shall be recognized when it is constant or predominant.
3. Literal meaning shall be disregarded where usage indicates otherwise.

Article (52)

A matter recognized by custom is equivalent to a stipulated condition.

Article (53)

Designation by custom is equivalent to designation by text.

Article (54)

The practice of people constitutes a binding proof and shall be applied.

Article (55)

What is impossible by usage is deemed to be actually impossible.

Article (56)

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

Article (57)

Where a preventive cause and a permissive cause conflict, the preventive cause shall prevail.

Article (58)

That which is ancillary follows that which is principal and shall not be subject to a separate ruling.

Article (59)

If the principal is invalidated, the accessory is invalidated accordingly.

Article (60)

That which has lapsed shall not be reinstated, just as that which is non-existent shall not be restored.

Article (61)

If a thing is void, that which is contained therein is void.

Article (62)

If the principal is void, recourse shall be made to the substitute.

Article (63)

No consideration shall be given to conjecture.

Article (64)

No weight shall be given to a presumption that is clearly erroneous.

Article (65)

What is established by proof is equivalent to what is established by direct observation.

Article (66)

A person is bound by their admission.

Article (67)

The accessory may be established despite the non-establishment of the principal.

Article (68)

Appearance serves as proof for defence, but not for the establishment of a right.

Article (69)

Entitlement to return shall arise from the assumption of liability, and entitlement to profit shall arise from bearing risk of loss.

Article (70)

Whoever hastens to obtain something before its time shall be punished by deprivation thereof.

Article (71)

Whoever seeks to invalidate what has been concluded on their part, their endeavour shall be rejected.

Chapter Three

Persons

Part One

Natural Person

Article (72)

The legal personality of a human shall commence upon complete live birth and shall terminate upon death. The law shall determine the rights of a conceived fetus.

Article (73)

1. The event of birth and death shall be established by its registration in the records designated for that purpose.
2. If the event of birth or death is not registered in the records, or where the registration is proven to be inaccurate, such occurrence may be established by any of the legally admissible means of evidence.
3. The records related to births, deaths, and notifications thereof shall be regulated by a special law.

Article (74)

The provisions regarding persons of unknown lineage, the missing persons, and the absentees shall be regulated by special laws. In the absence thereof, the provisions of Islamic Shari'ah shall apply to them.

Article (75)

1. The nationality of the United Arab Emirates shall be regulated by law.
2. A national is any person whose nationality of the United Arab Emirates is established in accordance with the provisions of the law, and a foreigner is any person whose such nationality is not established.

Article (76)

The family of a person shall consist of their spouse and their relatives by consanguinity. Relatives by consanguinity shall be deemed to include all persons who share a common ancestor.

Article (77)

1. Direct kinship is the relationship between ascendants and descendants.
2. Indirect kinship is the relationship between persons who share a common ancestor without either being an ascendant or descendant of the other.

Article (78)

In calculating the degree of direct kinship, each ascending generation to the common ancestor shall be counted as one degree, excluding that ancestor. In calculating the degree of indirect kinship, the degrees shall be counted upward from the descendant to the common ancestor, and then downward from that ancestor to the other descendant, each generation shall be counted as one degree, excluding the common ancestor.

Article (79)

The relatives of one spouse shall be deemed to be in the same degree of kinship with respect to the other spouse.

Article (80)

1. The domicile is the place where a person habitually resides.
2. A person may have more than one domicile at the same time.
3. If a person has no place of habitual residence, they shall be deemed to have no domicile.

Article (81)

The place where a person conducts a trade, profession, or craft shall be deemed a domicile with respect to the management of affairs related to that trade, profession, or craft.

Article (82)

1. The domicile of a person lacking legal capacity, a minor, an interdicted person, a missing person, and an absentee shall be the domicile of their legal representative.
2. A minor authorized to trade shall have a special domicile for the acts and dispositions that the law deems them competent to perform.

Article (83)

1. An elected domicile may be designated for the performance of a specific legal act, and shall apply for all matters relating to such act, including compulsory enforcement procedures, unless it is expressly stipulated that such domicile shall be limited to certain acts.
2. The existence of an elected domicile shall not be established except by writing.

Article (84)

1. Every person who has reached the age of majority, enjoying full mental capacity, and has not been interdicted shall have full legal capacity to exercise their civil rights.
2. A person reaches the age of majority upon completing eighteen (18) Gregorian years.

Article (85)

1. A person lacking discernment due to their minority of age, mental incapacity, or insanity shall not be competent to exercise civil rights.
2. Any person who has not attained seven (7) Gregorian years of age shall be deemed to lack discernment.
3. The age of discernment shall be seven (7) complete Gregorian years.

Article (86)

A person shall be deemed to have limited legal capacity, as determined by law, in the following cases:

1. Any person who has attained the age of discernment but has not attained the age of majority.

2. Any person who has attained the age of majority and is prodigal or suffers from legal imprudence.

Article (87)

A person lacking legal capacity, a person of limited legal capacity, a missing person, and an absentee shall, as the case may be, be subject to the provisions governing guardianship, tutorship, curatorship, or representation of the absentee, in accordance with the rules prescribed by law.

Article (88)

No person may waive their personal freedom or their legal capacity, nor alter the rules governing them, nor make either the subject of any form of transaction.

Article (89)

The material elements of a human being may not be the subject of dispositions contrary to the law, public order, or public morals.

Article (90)

Any person whose personality rights have been unlawfully infringed upon may request the cessation of such infringement, along with compensation for any damage sustained.

Article (91)

1. Every person shall have a name and a surname, and their surname shall be borne by their children.
2. A special law shall regulate the manner of acquiring and changing names and surnames.
3. Any person whose right to use their name or surname, or both, is disputed by another without just cause, or whose name or surname, or both, is usurped by another without right, may request the cessation of such infringement, along with compensation for any damage sustained.

Part Two
Legal Persons
Article (92)

Legal persons are:

1. The State, the Emirates, and other administrative units to which the law grants legal personality.
2. Federal or local public authorities, establishments, institutions, and other entities to which the law grants legal personality.
3. Religious bodies and sects recognized by the State as having legal personality.
4. Endowments (Waqfs).
5. Civil and commercial companies, except as excluded by a special provision.
6. Private associations and foundations, federations, social solidarity fund, and other institutions of public benefit established in accordance with the law.
7. Any group of persons or property to which legal personality is granted by virtue of the law.

Article (93)

A legal person shall enjoy all rights, except those which are inherent in the natural attributes of a human being, within the limits prescribed by law.

Article (94)

A legal person shall have:

1. An independent financial patrimony.
2. Legal capacity within the limits designated by its instrument of establishment or as prescribed by law.
3. The right to litigate.
4. An independent domicile. The domicile of a legal person shall be deemed to be the place where its management center is located. As for legal persons whose principal center is abroad and which have an activity in the United Arab Emirates, their management center shall, for the purposes of the law of the United Arab Emirates, be considered the place where the local management is located.

5. A representative to express its will.

Article (95)

Legal persons shall be subject to the provisions of the special laws governing them.

Chapter Four

Property and Things

Article (96)

Property (Mal) is any tangible thing or right that has a material value in transactions.

Article (97)

Property may be lawful (Mutaqawwim) or unlawful (non-Mutaqawwim). Lawful (Mutaqawwim) property is that which may be lawfully enjoyed, while unlawful (non-Mutaqawwim) property is that which may not be lawfully enjoyed.

Article (98)

Anything that can be corporeally or incorporeally possessed and lawfully enjoyed, and that is not excluded from transactions by its nature or by virtue of the law, may constitute the subject of financial rights.

Article (99)

1. Things that are excluded from transactions by their nature are those that no one can exclusively possess.
2. Things that are excluded from transactions by virtue of the law are those that the law does not permit to be the subject of financial rights.

Article (100)

1. Fungible things are those whose individual units or parts are identical or substantially similar, so that by custom one may substitute another without any appreciable distinction, and which are valued in transactions by number, measurement, capacity, or weight.

2. Non-fungible things are those whose individual instances differ appreciably in description or value, or whose individual units are rarely found in circulation.

Article (101)

1. Consumable things are those whose utility is realized only through their consumption or expenditure.
2. Non-consumable things are those whose utility is realized by their repeated use while their substance remains intact.

Article (102)

Anything that is fixed in its place and cannot be moved without deterioration or alteration of its form shall be deemed immovable; anything else shall be deemed movable.

Article (103)

A movable placed by its owner on an immovable owned thereby for the purpose of serving or exploiting such immovable shall be deemed immovable by destination, even if it is not permanently affixed to the immovable.

Article (104)

1. All immovable and movable properties belonging to the State or public legal persons and allocated for public benefit, either in fact or by virtue of the law, shall be deemed public property, which may not be disposed of, attached, or acquired by lapse of time.
2. Immovable and movable properties owned by any other entity shall be deemed public property under the following conditions:
 - a. They are allocated for public benefit.
 - b. The law provides for their consideration as public property and specifies the prescribed aspects of protection for them.

Chapter Five
The Right
Part One
Scope of Use of a Right
Article (105)

Whoever lawfully exercises their right shall not be liable for any damage resulting therefrom to others.

Article (106)

1. Whoever unlawfully exercises their rights shall be held liable.
2. The exercise of a right shall be deemed unlawful if:
 - a. The intent to cause harm is present.
 - b. The interests sought to be achieved through such exercise are contrary to the provisions of the law, public order, or public morals.
 - c. The anticipated interests are disproportionate to the harm inflicted upon others.
 - d. Such exercise exceeds what is established by custom and usage.

Part Two
Categories of Rights
Article (107)

A right may be personal, real, or incorporeal.

Article (108)

A personal right is a legal relationship between a creditor and a debtor, by virtue of which the creditor is entitled to demand that the debtor transfer a real right (jus in rem), perform an act, or refrain from an act.

Article (109)

1. A real right (jus in rem) is a direct legal power over a specific thing, conferred by law to a specific person.
2. A real right (jus in rem) may be principal or accessory.

Article (110)

1. Principal real rights are the right of ownership and the rights derived therefrom, namely the rights of disposition, usufruct, use, habitation, Musataha, easement, and any other right so provided for by law.
2. Accessory real rights are the mortgage, the possessory pledge, and privilege.

Article (111)

1. Incorporeal rights are those that attach to an intangible thing.
2. Incorporeal rights include neighbouring rights, trademarks, industrial property rights, and other incorporeal rights that shall be governed by special laws.

Book One

Obligations

Section One

Sources of Obligation

Article (112)

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

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

Chapter One
The Contract
Part One
General Provisions

Article (113)

1. A contract is the binding concurrence of an offer made by one of the contracting parties with the acceptance of the other, and their agreement in a manner that produces its legal effect in respect of the subject matter of the contract, resulting in an obligation binding each party toward the other. More than two wills may also concur in producing a legal effect.
2. A contract constitutes the law governing the contracting parties; it may not be rescinded or amended except by mutual agreement of the parties, or for reasons prescribed by law.

Article (114)

A contract may pertain to the following:

1. Property, whether movable or immovable, tangible, or intangible.
2. Benefits derived from things.
3. A specific act or service.
4. Any other thing for which dealing or being obligated is not prohibited by a provision of law or contrary to public order or public morals.

Article (115)

1. The general provisions stipulated in this chapter shall apply to both named and unnamed contracts.
2. The special rules for certain contracts set out within the provisions related to each of them in this Law or other laws shall apply.
3. The general provisions shall apply in matters not conflicting with the special provisions.

Article (116)

1. A contract is bilateral (synallagmatic) when each contracting party undertakes obligations toward the other.
2. A contract is unilateral when a person or several persons obligate themselves towards another person or several other persons without a corresponding obligation on their part.

Article (117)

1. The contract shall be consensual when it is concluded merely by the exchange of consent between the parties by any means whatsoever.
2. A contract shall be formal when its conclusion requires compliance with the form determined by the law.
3. A contract is deemed a real contract when its conclusion is conditional upon the delivery of a specific thing.

Article (118)

1. A negotiated contract is one whose terms are freely negotiated between the parties.
2. A contract of adhesion is one whose general terms are predetermined by one party and are not subject to negotiation.

Part Two

Interpretation of the Contract

Article (119)

1. If the wording of a contract is clear, one may not be departed from it by way of interpretation to ascertain the common intention of the contracting parties.
2. If there is a room for interpreting a contract, the common intention of the contracting parties shall be sought, without being confined to the literal meaning of the words, guidance shall be drawn from the nature of the transaction and from the honesty and trust that should prevail between the contracting parties in accordance with the custom prevailing in transactions.

Article (120)

1. The governing principle of a contract is the consent of the contracting parties and what they have committed to in the contract.
2. Any doubt shall be interpreted in favour of the debtor. However, the interpretation of ambiguous terms in contracts of adhesion shall not be interpreted in a manner prejudicial to the adhering party.
3. In contracts, regard shall be had to intentions and meanings rather than to words and forms.
4. Words shall be construed according to their literal meaning; and a term shall not be construed metaphorically unless its literal meaning cannot be applied.
5. No implication shall prevail over an express statement.
6. Giving effect to contractual wording takes precedence over disregarding it; however, where giving effect thereto is impossible, it shall be disregarded.
7. Reference to part of an indivisible shall be deemed reference to the whole thereof.
8. An absolute term shall apply in its absolute sense unless there is evidence, whether textual or inferential, requiring its restriction.
9. A description of an existing object is deemed superfluous, whereas a description of an absent object is binding.
10. What is customary among merchants shall be deemed a condition agreed upon between them.
11. A contract shall be interpreted in a manner that achieves justice and good faith between the parties.
12. Obligations shall be construed according to the surrounding factual circumstances of the contract at the time of its conclusion.
13. Ambiguity or inconsistency shall be construed in favour of the party bearing the burden of the obligation or the weaker party to the contract.

Part Three
Negotiations and the Obligation of Disclosure

Article (121)

1. The initiation of pre-contractual negotiations, their conduct, and their termination shall be in accordance with the requirements of good faith.
2. If negotiations are conducted, they do not create an obligation on the parties to conclude this contract.
3. Whoever negotiates or terminates negotiations in bad faith shall be liable to compensate the actual damage suffered by the other party. Compensation shall not include the expected benefits from the contract that was not concluded, or the lost opportunities in achieving such benefits, unless otherwise agreed.
4. Bad faith shall be deemed to include the deliberate failure to disclose material information that has a substantive effect on the validity of the contract.

Article (122)

1. A party to negotiations or a contract who has knowledge of information that is of decisive importance to the consent of the other party shall inform them of it whenever the other party's ignorance of the information is presumed or they have placed their trust in the other contracting party. Information that has a direct and necessary connection to the content of the contract or the status of the parties shall be considered essential and decisive information for the consent of the parties.
2. Disclosure of essential and decisive information is an obligation that falls on both parties to the negotiations or contract, under which each party is obliged to exercise due care to provide the other party with the information and data related to the negotiations or the contract intended to be concluded, and the practical circumstances and facts of the contractual process.
3. The party claiming that information that should have been disclosed to them was concealed shall prove it, and it is incumbent on the other party to prove that they informed them of it.

4. The parties may not agree to limit the obligation of disclosure of essential and decisive information, or to be exempted from it or exclude it. Any condition providing otherwise shall be void, and the aggrieved party may request the annulment of the contract as a result of the other party's breach of this obligation.

Article (123)

Any person who uses or discloses without permission confidential information obtained in connection with negotiations or a contract shall be liable in accordance with the general rules.

Part Four

Pillars, Validity, Options, and Types of a Contract

First: Elements of a Contract

Article (124)

The necessary elements required for the conclusion of a contract are:

1. The mutual consent of the parties with respect to the contract's essential elements.
2. The subject matter of the contract exists or is capable of existing, is determinate or capable of determination, and is lawful to transact in.
3. The cause of the contract is lawful.

Article (125)

1. Offer and acceptance are any manifestation of will expressing the exercise of the right to conclude a contract; that which is issued first constitutes the offer, and that which is expressed subsequently constitutes the acceptance.
2. The contract is concluded as soon as the offer is linked with the acceptance and they are in agreement, with due regard to any specific conditions that the law may prescribe for its conclusion.
3. If more than one offer is issued before acceptance, the final offer shall be considered.
4. If the acceptance is coupled with what adds to, restricts, or modifies the offer, it is considered a rejection that includes a new offer.

5. The issuance of an acceptance after the expiration of an offer does not conclude a contract, but it is considered a new offer.

Article (126)

1. The manifestation of will shall be:
 - a. By words or in writing, and it may be in the past tense, as well as in the present or imperative tense, where either is intended to express the present.
 - b. By a gesture customarily understood, even from a person who is not mute.
 - c. By an actual exchange indicating consent.
 - d. By adopting any other course of conduct which, in the circumstances of the case, leaves no doubt as to its indication of consent.
2. The manifestation of will may be implicit, unless the law provides or the two parties agree that it must be explicit.

Article (127)

1. The offer of goods and services accompanied by a statement of the consideration shall be deemed an offer, unless indications exist to the contrary.
2. Publication, advertisement, and statements of current prices, and any other statement related to offers or requests addressed to the public or to individuals, are not considered an offer in case of doubt, but rather an invitation to contract.

Article (128)

1. The silence of the person to whom the offer is directed shall not be deemed an acceptance, unless an agreement or an indicium exists indicating that it is.
2. Silence is considered an acceptance if there was a prior dealing between the contracting parties and the offer was related to this dealing, or if this offer was purely for the benefit of the offeree.

Article (129)

The contracting parties shall have the option to revoke the offer until the end of the contractual session (majlis). The offer shall lapse in the following cases:

1. If the offeror expressly or implicitly retracts it before acceptance is issued.
2. If it is expressly or implicitly rejected by the offeree.
3. If the acceptance does not customarily follow the offer, or if the period specified by the offeror for acceptance expires without it being issued.
4. If the offeror or the offeree dies, or if either of them loses their legal capacity before acceptance is issued, even if the offer has a specific duration.

Article (130)

1. If a time limit is specified for acceptance, the offeror is bound to keep the offer open until the expiry of that time limit.
2. If no time for acceptance is specified, the time shall be deduced from the circumstances of the case, the nature of the transaction, or custom.
3. If the offeror withdraws their offer before the time expires, the person to whom the offer was addressed may claim compensation for the damage they incurred, without this including any expected profit from the conclusion of the contract.

Article (131)

1. The contract shall not be concluded unless the parties agree on the essential elements of the obligation and on the other legitimate conditions that the parties consider essential.
2. If the parties agree on the essential elements of the obligation and on the other legitimate conditions that they consider essential, and they reserve secondary matters to be agreed upon later and do not stipulate that the contract shall not be concluded in the absence of agreement on these matters, the contract shall be deemed concluded. If a dispute arises over matters not agreed upon, the court shall rule thereon according to the nature of the transaction and the provisions of the law.

Article (132)

1. If the contracting parties were present in one place or in two different places but are connected via direct means of communication, the contract shall be considered to have been concluded at the time and place where the acceptance was issued, unless the law or the agreement stipulates otherwise.
2. If the contracting parties are absent, the contract shall be considered to have been concluded at the time and place where the offeror learned of the acceptance, unless the law or the agreement stipulates otherwise.

Article (133)

Without prejudice to the provisions contained in other laws, a contract by auction shall not be concluded except by the fall of the hammer. A bid shall lapse upon the submission of a higher bid, even if it is void, or by the closing of the auction without it being awarded to any person.

Article (134)

Acceptance in contracts of adhesion shall be limited to mere acceptance to uniform conditions set by the offeror for all their other contracting parties and which are not open to negotiation.

Article (135)

1. An agreement under which both or one of the contracting parties undertakes to conclude a specific contract in the future shall not be valid unless all the essential elements of the contract intended to be concluded and the period within which it shall be concluded are specified.
2. If the law requires that a form be fulfilled for the completion of the contract, compliance with this form shall be observed in the agreement that includes the promise to conclude the contract.

Article (136)

If a person undertakes to conclude a contract, then reneges thereon, and the other party brings a claim seeking enforcement of the undertaking, and the requirements for the conclusion of the contract are met, particularly those relating to its form, the judgment, once it has acquired the force of a final ruling, shall stand in place of the contract.

Article (137)

1. Payment of earnest money upon concluding the contract indicates that the contract has become final and may not be withdrawn from, unless the agreement or custom provides otherwise.
2. If the contracting parties agree that the earnest money is a penalty for withdrawal from the contract, each of them has the right to withdraw. If the party who paid the earnest money withdraws, they shall forfeit it, and if the party who received it withdraws, they shall return it together with an equivalent amount.

Article (138)

A framework agreement is a contract pursuant to which the contracting parties determine the principal terms that govern the contracts they conclude between them in accordance with the provisions of this agreement. This agreement shall be deemed to form part of those contracts, unless otherwise expressly or implicitly agreed.

Second: Representation in Contracting

Article (139)

1. Contracting by representation is permissible, unless the law provides otherwise.
2. Representation in contracting may be contractual, legal, or judicial.
3. Where the representation is contractual, the instrument of authority issued by the principal shall determine the scope of the powers of the representative.
4. Where the representation is legal, the law shall determine the powers of the representative.

5. Where the representation is judicial, the court shall determine the powers of the representative.
6. The representative may not exceed the limits of powers conferred upon them.

Article (140)

Whoever personally concludes a contract for their own account is solely bound by the effects resulting therefrom.

Article (141)

1. If a contract is concluded by way of representation, the person of the representative, not that of the principal, shall be taken into consideration in determining defects of consent, or the effect of knowledge of certain special circumstances, or the imputation of knowledge thereof.
2. If the representative is an agent acting in accordance with specific instructions issued thereto by their principal, the principal may not rely on the agent's ignorance of circumstances that the principal knew or ought to have known.

Article (142)

If a representative concludes a contract in the name of the principal within the limits of their agency, the effects of this contract and the rights and obligations arising from it shall accrue to the principal.

Article (143)

If the contracting party, at the time of concluding the contract, does not declare that they are contracting in the capacity of a representative, the effects of the contract shall not be attributed to the principal, whether as creditor or debtor, unless it was necessarily to be presumed that the person with whom the representative contracted knew of the existence of the representative, or it was immaterial to them whether they dealt with the principal or the representative.

Article (144)

Where both the representative and the person with whom they contract are unaware, at the time of concluding the contract, of the termination of the representation, the effects of the contract concluded by the representative shall be attributed to the principal or their successors.

Article (145)

A person may not be permitted to contract with themselves in the name of the person they represent, whether the contract is for their own account or for the account of another person, without the authorization of the principal. However, the principal in this case may ratify the contract. Without prejudice to any contrary provisions of the law or the rules of commerce.

Third: Capacity to Contract

Article (146)

Every person is competent to contract, unless their capacity is removed or restricted by law.

Article (147)

A non-discerning minor has no right to dispose of their property, and all their acts shall be void.

Article (148)

1. Financial acts made by a discerning minor shall be valid if they are exclusively beneficial, and void if they are exclusively detrimental.
2. Financial dispositions made by a discerning minor that fall between benefit and detriment shall be voidable to their benefit. Their guardian has the right to seek annulment of the disposition within one year from the date of knowledge thereof, and the discerning minor has the right to seek annulment of the disposition within one year after attaining the age of majority.

Article (149)

1. The court, upon the request of the guardian or the tutor, or of the discerning minor who has completed fifteen (15) Gregorian years of age, and after conducting the necessary investigation, may authorize the discerning minor to administer all or part of their property, whether unrestricted or subject to such restrictions as it deems appropriate. The guardian, the testamentary guardian, or the discerning minor shall be bound to render an account of such administration at the times specified by the court.
2. The court may revoke or restrict the authorization for administration whenever it deems it necessary.
3. The acts of an authorized discerning minor shall be valid within the limits of the acts for which they have been authorized.

Article (150)

The guardian of a minor's property shall be their father, then their father's testamentary guardian, then the paternal grandfather, and thereafter the court or the custodian appointed thereby.

Article (151)

The law shall determine the capacity required to be met by a guardian to exercise the rights of guardianship over the property.

Article (152)

1. Acts of administration issued by a tutor concerning a minor's property shall be valid and effective in accordance with the conditions and circumstances prescribed by law.
2. The following are considered acts of management: leases whose term does not exceed three (3) years, acts of preservation and maintenance, collection of rights and payment of debts, sale of agricultural produce, sale of perishable movables, and expenditure on the minor.

Article (153)

The acts carried out by a tutor concerning a minor's property that do not constitute acts of administration, including sale, mortgage, loan, settlement, and partition of undivided property and investment of funds, shall be valid and effective only with the authorization of the court, in accordance with the conditions and instances prescribed by law.

Article (154)

A person suffering from insanity or mental incapacity shall be interdicted by operation of law. Any acts concluded by either of them shall be void if it is concluded after the issuance of the interdiction decision. If the act is concluded before the interdiction decision, it shall not be void unless the state of insanity or mental incapacity was notorious at the time of contracting, or the other party was aware thereof.

Article (155)

1. The interdiction of the prodigal and the person of impaired judgement, and the lifting thereof, shall be by a judgment of the court, and the court may publish the judgment.
2. The acts of the prodigal and the person of impaired judgement after interdiction shall be subject to the same rules as the acts of a discerning minor. Their acts prior to interdiction shall be valid, unless they result from exploitation or collusion, or if the condition was notorious, or the other party was aware thereof.

Article (156)

1. The court, after conducting the necessary investigation, may authorize the prodigal or the person of diminished judgement to administer all or part of their property, with an unrestricted or restricted authorization as it deems appropriate. It may also require the prodigal to render an account of their administration at the times it specifies.
2. The court may rescind or revoke the authorization for administration if it deems it necessary.

Article (157)

The laws shall specify the procedures to be followed for the interdiction of persons suffering from insanity, the management and investment of their property, and the acts relating thereto, and other matters related to guardianship, tutorship, and curatorship.

Article (158)

1. If a person is deaf and mute, blind and deaf, or blind and mute, or suffers from illness requiring assistance, and is unable, as a result thereof, to express their will as a result thereof, the court may appoint a judicial assistant to assist them in the acts as their interest requires.
2. Any act for which judicial assistance has been ordered shall be voidable if it is carried out by the person for whom assistance has been ordered without the assistance of their judicial assistant after the issuance of the order for assistance.

Article (159)

The acts carried out by a guardian, tutor, curator, and representative of an absentee are valid within the limits prescribed by law.

Article (160)

If a person of limited capacity resorts to fraudulent means to hide their lack of capacity, they shall be bound to compensate the other party for the damage suffered as a result of the annulment of the contract.

Fourth: Defects of Will

1. Mistake

Article (161)

If a mistake occurs in the nature of the contract, or in a condition of its formation, or in its subject matter, the contract shall be voidable.

Article (162)

1. If a contracting party falls into an essential mistake, they may request the annulment of the contract if the other contracting party has fallen into the same mistake, or was aware thereof, or could easily have detected it.
2. In contracts of donation, the annulment of the contract may be requested without regard to the other contracting party's knowledge of or participation in the mistake.

Article (163)

A mistake is material if it is of such gravity that the contracting party would have refrained from concluding the contract had they not fallen into it. A mistake is considered material in particular:

1. If it occurs in a desired attribute of the thing that is essential in the consideration of the contracting parties, or shall be considered as such, given the surrounding circumstances of the contract and requirements of good faith.
2. If the mistake occurs in the identity of the contracting party or in an attribute thereof, and such identity or attribute was the principal reason for entering into the contract.

Article (164)

A contracting party may request the annulment of the contract if they have made a mistake as to the law and the conditions for a mistake of fact in accordance with the provisions of Article (163) of this Law are met, unless the law provides otherwise.

Article (165)

A mere error in calculation or writing shall not affect the validity of the contract, but shall be corrected.

Article (166)

A person who has made a mistake may not invoke it in a manner that conflicts with the dictates of good faith, and shall be bound by the contract which they intended to conclude if the other contracting party has expressed their readiness to perform it.

2.Coercion (Ikrah)

Article (167)

1. Coercion is the compulsion of a person, without right, to perform an act without their consent. Coercion may be irresistible or non-irresistible, and may also be material or moral.
2. Coercion shall be compelling if it involves a threat of serious and imminent danger to the person or property, and shall be non-compelling if it involves a threat of a lesser degree.
3. Irresistible coercion vitiates consent, whereas non-irresistible coercion negates consent but does not invalidate free choice.

Article (168)

1. A contracting party may request the annulment of the contract on grounds of coercion if they contracted under the influence of fear unlawfully instilled by the other contracting party. Fear shall be deemed to exist if the circumstances lead the party invoking it to perceive that a serious and imminent danger threatens them or another, whether materially or morally, in relation to life, the body, honour, property, or otherwise, and where the coerced party would not have concluded the contract but for the existence of coercion.
2. In assessing coercion, due regard shall be had to the gender, age, social and health condition of the person subjected thereto, and any other circumstance that may affect the gravity of the coercion.

Article (169)

If coercion is exerted by a third party, the coerced party may not request the annulment of the contract unless it is proven that the other contracting party knew, or ought necessarily to have known, of such coercion.

3. Deception and Unfairness

Article (170)

Deception is when one of the contracting parties deceives the other by fraudulent means, whether verbal or physical, which induces them to consent to that to which they would not have otherwise consented.

Article (171)

Deliberate silence regarding a fact or circumstance constitutes deception if it is proven that the person so deceived would not have concluded the contract had they been aware of that fact or circumstance.

Article (172)

If one of the contracting parties deceives the other and it is established that the contract was concluded with gross unfairness, the person so deceived may request the annulment of the contract.

Article (173)

1. Unfairness is the lack of equivalence between the rights acquired by a contracting party under the contract and the obligations they bear thereunder.
2. Unfairness may be either minor or gross. Minor unfairness is that which falls within the assessment of valuers, and gross unfairness is that which does not fall within the assessment of valuers.

Article (174)

1. If a contract results in gross unfairness to any person lacking or of limited legal capacity, or to an endowment authority, the aggrieved party may request the modification of their obligation or the obligation of the other party so as to remove the unfairness.
2. The fact that the contract was concluded on behalf of the aggrieved party by their legal representative in accordance with the law, or that it was authorized by the court, shall not preclude a challenge on grounds of gross unfairness.
3. No challenge shall be admissible solely on the grounds of unfairness in a contract concluded by way of auction.

Article (175)

A contract shall be voidable if unfairness affects the property of a person interdicted for debt or a person suffering from a terminal illness, even where the unfairness is slight, provided that their debts exhaust their property, and the unfairness has neither been removed nor approved by the creditors.

Article (176)

If the deception is committed by a third party, and the person so deceived proves that the other contracting party was aware of the deception, they may request the annulment of the contract.

Article (177)

A contract shall not be annulled for gross unfairness without deception, except in relation to the property of an interdicted person, the property of an endowment, and public property.

Article (178)

The right to annul a contract for deception with gross unfairness shall lapse upon the death of the person entitled to request annulment, by the disposition of the subject matter of the contract in whole or in part in a manner entailing ratification, and by the perishing,

consumption, impairment, or increase of the subject matter of the contract while in the possession of the aggrieved party.

4. Exploitation

Article (179)

1. If a person exploits another's pressing need, manifest recklessness, overpowering desire, lack of experience, apparent weakness, or exploits their moral authority over them, and thereby induces them to conclude, for their own benefit or for the benefit of another, a contract that at the time of its conclusion entails a gross disparity between what they are obliged to perform thereunder and the material or moral benefit accruing thereto, the aggrieved party may request the annulment of the contract or the reduction of their obligation. The other contracting party may avert the annulment of the contract by offering what the court deems sufficient to remove the unfairness.
2. In contracts of donation, the donor may, upon proof of exploitation, request the court to annul the contract or reduce the amount of the donated property.
3. A claim of exploitation shall not be admissible after the lapse of one year from the date of conclusion of the contract; provided that if the defect giving rise to the exploitation is continuous, the one-year period shall not begin until the date of the removal of this defect. In all cases, the claim shall lapse upon the expiry of three (3) years from the date of conclusion of the contract.

Fifth: Subject Matter of the Contract

Article (180)

1. Every contract shall have a subject matter to which it is attached.
2. The subject matter may consist of a tangible thing, a benefit, any other financial right, an act, or an abstention from an act.
3. The subject matter may be a future thing specified by its type and quantity.
4. The estate of a person who is alive may not be the subject matter of a contract, even if they have consented thereto, except in the cases stipulated by law.

Article (181)

1. The subject matter shall meet the following conditions:
 - a. It shall exist or be capable of existence.
 - b. It shall not be outside the scope of dealing by its nature or by law, or contrary to public order or public morals.
 - c. It shall be determined in itself, or by its type and quantity, or it shall be determinable.
 - d. It shall not be impossible in itself at the time of the conclusion of the contract.
2. The contract shall be void if the subject matter does not meet the conditions set out in Paragraph (1) of this Article.

Article (182)

If the parties to the contract do not agree on the quality of the subject matter of the contract and it cannot be inferred from custom or the nature of the transaction, the debtor is obliged to deliver the subject matter with a quality that is consistent with the lawful expectations of the parties, taking into account the nature of the subject matter, customs, and the amount of the consideration.

Article (183)

If the subject matter of the disposition or its consideration is money, its amount and type shall be stated, and any increase or decrease in the value of such money at the time of performance shall have no effect.

Article (184)

1. A contract may include any condition agreed upon by the contracting parties, provided that such condition is not contrary to the law, public order, or public morals.
2. If a contract includes a condition that is contrary to the law, public order, or public morals, the condition alone shall be void, and either contracting party may request annulment of the contract if it is established that they would not have consented to the contract without that condition.

Sixth: Cause

Article (185)

1. The cause is the direct purpose intended from the contract.
2. Every contract for which no cause is stated shall be presumed to have an existing and lawful cause, unless there is evidence to the contrary.
3. The cause stated in the contract shall be deemed to be the true cause, and the burden of proof shall lie on the person who claims otherwise.
4. If the contract has no cause, or the cause is contrary to the law, public order, or public morals, the contract shall be void.

Seventh: The Valid, Void, and Voidable Contract

1. The Valid Contract

Article (186)

A valid contract is a contract that is lawful in its essence and attributes, issued by a person having capacity, related to a subject matter capable of being governed thereby, has an existing, valid, and lawful purpose, and its attributes are valid.

2. The Void Contract

Article (187)

1. A void contract is a contract that is unlawful in its essence and attributes, due to the defect of any of its elements, its subject matter, its cause, or the form imposed by law for its conclusion. Such a contract shall not produce any effect and shall not be subject to ratification.
2. Any interested party may assert the nullity, and the court may declare it of its own motion.
3. A claim of nullity shall not be heard after the lapse of fifteen (15) years from the date of conclusion of the contract.

3. The Voidable Contract

Article (188)

1. A contract shall be voidable if it is concluded by an unauthorized person (Fuduli) in respect of the property of another, or by an owner in respect of property to which another has a right, or by a person of limited legal capacity in respect of their property, where the disposition is capable of resulting benefit and detriment, or by a person under coercion, or if the law so provides.
2. A voidable contract shall produce its effects unless it is annulled. If it is annulled, it shall be deemed as if it never existed. If it is ratified, the ratification shall take effect retroactively from the date of its conclusion, without prejudice to the rights of third parties.

Article (189)

1. The ratification of a voidable contract may be effected by the owner, or by the person who has a right in the subject matter of the contract, or by the guardian or curator, or by the person of limited legal capacity after the completion of their capacity, or by the person under coercion after the cessation thereof, all in accordance with the provisions of the law.
2. If the law grants one of the contracting parties the right to annul the contract, the other contracting party may not assert this right.
3. The ratification of a voidable contract, whether express or implied, by the person who has the right to request its annulment, shall cause such right to lapse in respect of the defect to which the ratification was directed.
4. If a cause for annulment arises and it is asserted by the person in whose favor it is established, the court shall be bound to order its annulment, unless the law provides otherwise.

Article (190)

Any person having an interest may serve a notice upon the person entitled to annul the contract, requiring them to declare their intention to assert the nullity within a period of not less than ninety (90) days, commencing from the day following the date of receipt of such

notice. If the period expires and they have not expressed their intention without an acceptable excuse, to exercise their right to annulment, such right shall lapse.

Article (191)

1. The right to annul a contract shall lapse if it is not asserted by its holder within one year, unless the law provides otherwise. This period shall commence as follows:
 - a. In the case of limited legal capacity, from the day on which the cause of the incapacity ceases.
 - b. In the cases of mistake or deception with gross unfairness, from the day on which the mistake or deception is discovered or detected.
 - c. In the case of coercion, from the day it ceases.
 - d. In the case of exploitation, from the date of concluding the contract.
2. In all cases, the right of annulment for mistake, deception, or coercion may not be asserted if fifteen (15) years have lapsed since the date of concluding the contract.

Eighth: Effects of Nullity or Annulment of the Contract

Article (192)

1. In cases of annulment or nullity of the contract, the contracting parties shall be restored to the position in which they were before the conclusion of the contract. If this is impossible, compensation may be awarded.
2. If a contract is annulled due to the limited capacity of a discerning minor, in such cases as permitted by law, such minor shall only be obliged to return the benefit that has accrued to them from the performance of the contract.

Article (193)

1. If a contract is void or voidable in part, that part alone shall be void, unless it is established that the contract would not have been concluded without the part that is void or voidable, in which case the entire contract shall be void.
2. If a contract is void or voidable and the elements of another contract are present, the contract shall be deemed valid as the contract whose elements are present, if it is

established that the intention of the contracting parties was directed towards the conclusion of that contract.

Ninth: The Non-Binding Contract

Article (194)

A contract shall be non-binding with respect to one or both of its parties, notwithstanding its validity and effectiveness, where a right of rescission is stipulated in their favor without the need for mutual consent or litigation. Each party may independently rescind it if it is non-binding by its nature with respect to them or if such party has stipulated for themselves an option of rescission.

Tenth: Options Affecting the Binding Nature of the Contract

1. Option of Stipulation

Article (195)

In binding contracts that admit of rescission, the contracting parties or one of them may stipulate in the contract or thereafter an option of stipulation for themselves or for a third party for a period they agree upon. If they do not agree on a period, the court may determine it according to custom.

Article (196)

If an option is stipulated for both contracting parties in financial commutative contracts, neither of the two counter-performances shall pass out of the ownership. Where the option is stipulated for one of them, their property shall not pass out of their ownership, nor shall the property of the other enter into their ownership.

Article (197)

The holder of an option of stipulation shall have the right to rescind or ratify the contract. If they choose to ratify, the contract shall become binding, with retroactive effect to the time of its conclusion. If they choose to rescind, the contract shall be rescinded and shall be deemed as though it had never existed.

Article (198)

If the option is stipulated for both contracting parties, and one of them chooses to rescind, the contract shall be rescinded even if the other ratifies. If one chooses to ratify, the other shall retain their option for the duration of the option period.

Article (199)

1. Rescission or ratification shall be by any act or statement indicating either of them, whether expressly or implicitly.
2. If the period expires without choosing rescission or ratification, the contract shall become binding.

Article (200)

For a rescission to be valid, it shall be chosen within the option period, and the other party shall be informed thereof if the rescission is effected by statement. Neither mutual consent nor litigation shall be required for rescission. As for ratification, knowledge of the other party shall not be required.

Article (201)

The option shall lapse upon the death of its holder during its period, and the contract shall become binding with respect to their heirs. The other party shall remain entitled to their option, if the option is granted thereto, until the expiry of its period.

2. Option of Inspection

Article (202)

An option of inspection shall be established in contracts that admit of rescission for the person in whose favor the disposition is made, even if not stipulated, where the subject matter of the contract has not been seen and has been determined by designation.

Article (203)

The option of inspection shall remain in force until the inspection is made within the agreed-upon period or until a cause of lapse occurs.

Article (204)

The option of inspection shall not prevent the effectiveness of the contract; rather, it shall prevent its binding force with respect to the party for whom the option is stipulated.

Article (205)

The option of inspection shall not lapse by waiver; however, it shall lapse upon the inspection of the subject matter of the contract and its acceptance, whether expressly or implicitly. It shall also lapse upon the death of its holder, the total or partial perishing of the subject matter of the contract, its defectiveness, or upon any disposition thereof by the option holder that does not admit of rescission or a disposition that creates a right for another.

Article (206)

Rescission by the option of inspection shall be effected by any act or statement indicating it, expressly or implicitly, provided that the other contracting party is aware thereof.

3. Option of Selection

Article (207)

It may be agreed that the subject matter of the contract shall be one of two or one of three things, and that the option of selection from among them shall vest in one of the contracting parties, provided that the consideration for each is stated and the period for the option is specified.

Article (208)

1. If the contracting parties do not specify a period for the option, the other party may request the court to determine a period for the option.

2. If the period specified for one of them lapses without them making a choice, the other party may request the court to determine the subject matter of the disposition.

Article (209)

The contract shall be non-binding on the party who has the right of option until this right is exercised. If the choice is made expressly or implicitly, the contract shall become effective and binding in respect of what has been chosen.

Article (210)

The selection of the option shall be preferable to the time at which the contract was concluded.

Article (211)

1. If the option of selection is vested in the purchaser:
 - a. If one of the things perishes while in the seller's possession, the purchaser shall have the option either to take the other thing at its price or to leave it. However, if both things perish together, the sale shall be void.
 - b. If the perishing occurs after the purchaser has taken possession of the subject matter of the sale and one of the two things perishes while in their possession, the perished thing shall be deemed the subject matter of the sale, and the purchaser shall be bound to pay its price, and the other thing shall be held in trust (Amanah). If both things perish successively, the first to perish shall be deemed to be the subject matter of the sale, and the second to be held in trust. If they perish simultaneously, the purchaser shall be bound to pay the price of one-half of each.
2. If the option of selection is vested in the seller:
 - a. If one of the two things perishes, whether before or after taking possession, the seller shall have the option either to bind the purchaser to the remaining thing or to rescind the contract. However, if both things perish before taking possession, the contract shall be void.

- b. If the two things perish successively after taking possession, the first to perish shall be deemed to be held in trust and the second to be the subject matter of the sale. If they perish simultaneously, the purchaser shall be bound to pay the price of one-half of each.

Article (212)

If a person vested with the option of selection dies during the option period, their right shall pass to their heirs.

4. Option for a Defect

Article (213)

The right to rescind a contract due to the option for defect is established in contracts that are susceptible to rescission, even if this option is not stipulated in the contract.

Article (214)

For a defect to give rise to an option, it shall be latent, pre-existing, and have a material effect on the value of the subject matter of the contract, and the purchaser shall be unaware thereof, and the seller shall not have stipulated exemption from liability therefor.

Article (215)

1. If the conditions for a defect as set out in Article (214) of this Law are met, the contract is not binding on the party with the option before taking possession and is subject to rescission thereafter.
2. The contract shall be rescinded before taking possession by any act indicating it, without the need for mutual consent or litigation, provided that the other contracting party is aware thereof. After possession, rescission shall take place by mutual consent or by litigation.

Article (216)

Rescission of a contract for a defect shall entail the restitution of its object to its owner and the recovery of what has been paid.

Article (217)

The holder of the option for a defect may keep the subject matter of the contract and claim compensation for the diminution in price.

Article (218)

1. The option for a defect shall lapse by waiver, by acceptance of the defect after becoming aware thereof, by disposing of the subject matter of the contract even before becoming aware thereof, by its perishing or diminution after possession, and by its increase before taking possession where such increase is attached and non-generated therefrom resulting from the act of the purchaser, and after taking possession where the increase is separate and generated therefrom.
2. The option for a defect shall not lapse by the death of its holder and shall be established for their heirs.

Part Five

Effects of the Contract

First: Effects of the Contract as Between the Contracting Parties

Article (219)

1. The legal effect of a valid contract is established in its subject matter and its consideration upon its conclusion, without being contingent on taking possession or any other matter, unless the law or the agreement provides otherwise.
2. The contracting parties shall perform the obligations and exercise the rights imposed on each of them by the contract.

Article (220)

1. A commutative contract over tangible things, if it meets the conditions for its validity, shall entail the establishment of ownership for each of the contracting parties in the consideration for their property, and the obligation of each to deliver their owned subject matter of the contract to the other party.
2. A commutative contract over the usufruct of tangible things, if it meets the conditions for its validity, obliges the disposer of the property to deliver it to the beneficiary, and obliges the beneficiary to deliver the consideration for the usufruct to the owner of the property.

Article (221)

1. The contract shall 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 in accordance with the law, custom, and the nature of the obligation.
3. In contracts prepared on standard forms to unify the regulation of contractual relationships, the conditions added to these forms shall prevail over the original conditions, even if the latter are not struck out, unless the law provides that the original conditions may not be contravened.

Article (222)

In bilateral contracts, if the reciprocal obligations are due for performance, each of the contracting parties may refrain from performing their obligation if the other contracting party fails to perform what they have undertaken.

Article (223)

If a contract is concluded by way of adhesion and contains unfair conditions, the court may modify these conditions or exempt the adhering party from them in accordance with the requirements of justice, and any agreement to the contrary shall be void.

Article (224)

If exceptional, general circumstances arise that could not have been foreseen at the time of contracting, and as a result of their occurrence, the performance of the contractual obligation becomes onerous for the debtor, threatening them with serious loss, the court may, depending on the circumstances and after balancing the interests of the parties, reduce the onerous obligation to a reasonable limit or rule for the rescission of the contract. Any agreement to the contrary shall be void.

Second: Effects of the Contract with Respect to Third Parties

Article (225)

Without prejudice to the provisions relating to inheritance, the effect of the contract shall extend to the contracting parties and the universal successor, unless it is apparent from the contract, the nature of the transaction, or a provision of law that this effect does not extend to the universal successor.

Article (226)

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

Article (227)

A contract shall not create an obligation upon a third party, but it may grant them a right.

Article (228)

1. If a person undertakes that a third party shall be bound by a certain matter, that third party is not bound thereby.
2. If the third party accepts such undertaking, their acceptance produces no effect except from the time it is made, unless it is apparent that they intended, expressly or implicitly, for the effect of this acceptance to relate back to the time of the undertaking.

3. If the third party refuses the undertaking, the undertaker is obliged to compensate the promisee if there is justification therefor, and the undertaker may be released from compensation by performing the obligation they undertook to perform, if that is possible.

Article (229)

1. A person may contract in their own name for obligations stipulated for the benefit of a third party, if they have a personal interest, whether material or moral, in the performance of these obligations.
2. A stipulation for the benefit of a third party results in the third party acquiring a direct right against the promisor, entitling them to demand fulfillment thereof, unless it is agreed otherwise, and the promisor may invoke against the beneficiary the defenses arising from the contract.
3. The stipulator may demand that the promisor perform what was stipulated for the benefit of the beneficiary.

Article (230)

1. The stipulator, but not their creditors or heirs, may revoke the stipulation before the beneficiary declares to the promisor or to the stipulator their wish to benefit from it, unless this is contrary to what the contract requires.
2. The revocation of the stipulation shall not have the effect of discharging the promisor from their liability against the stipulator, unless it is expressly or implicitly agreed otherwise. The stipulator may substitute another beneficiary in place of the original beneficiary, and may also reserve for themselves the benefit of the stipulation.

Article (231)

In a stipulation for the benefit of a third party, the beneficiary may be a future person, or a person who is not determined at the time of the contract, if it is possible to determine them at the time of performance of the stipulated obligation.

Part Six

Dissolution of the Contract

Article (232)

If a contract is valid and binding, neither of the contracting parties may revoke the contract, nor modify or rescind it, except by mutual consent, litigation, or by virtue of a provision of law.

Article (233)

1. The contracting parties may mutually agree to rescind the contract after its conclusion.
2. Mutual rescission (Iqala) shall be subject to the general conditions of a contract.
3. Mutual rescission may be effected in respect of part of the subject matter of the contract in exchange for its corresponding consideration.
4. For the validity of mutual rescission of the entire subject matter of the contract, it shall be possible for the contracting parties to return to the state they were in before the contract.
5. As between the contracting parties, mutual rescission shall have the effect of rescission; however, with respect to third parties, it shall constitute a new contract.

Article (234)

1. In bilateral contracts, if one of the contracting parties fails to perform their obligation upon its due date, the other contracting party may, after giving notice to the debtor, request the court to order the performance of the contract or its rescission.
2. The court may oblige the debtor to perform, or grant them a grace period if the circumstances so require. It may also refuse rescission if it is established that the debtor has averted rescission by performing their obligation, or if what the debtor has failed to perform is of minor importance in relation to the obligation as a whole.
3. In all cases, the court may award compensation where there is justification therefor.

Article (235)

It may be agreed that the contract shall be considered automatically rescinded without the need for a judicial judgment upon failure to perform the obligations arising therefrom. This

agreement does not exempt the parties from giving notice, unless the contracting parties have expressly agreed to waive such notice.

Article (236)

1. In bilateral contracts, if a force majeure arises rendering performance of an obligation impossible, the corresponding obligations are extinguished, and the contract is rescinded automatically.
2. If the obligation becomes partially impossible, either of the contracting parties may invoke the extinguishment of the corresponding obligation or request the court to rescind the contract.
3. If the impossibility is temporary in continuing contracts, either of the contracting parties may invoke the extinguishment of the corresponding obligation or the modification of the contract, or request the court to rescind the contract.

Article (237)

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

Article (238)

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

Chapter Two

Unilateral Act

Article (239)

A disposition may be made by the unilateral will of the disposer without being contingent on the acceptance of the person to whom the disposition is made, unless it involves binding a

third party thereto in accordance with what the law provides, all of this unless the law provides otherwise.

Article (240)

The provisions governing contracts shall apply to a unilateral act, except for those relating to the necessity of the existence of two corresponding wills for the creation of the contract, unless the law provides otherwise.

Article (241)

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

Article (242)

Unless the law provides otherwise, if the unilateral act is:

1. A transfer of ownership, its effect shall not be established for the person to whom the disposition is made except by their acceptance.
2. A waiver that has the meaning of a transfer of ownership or a release from a debt; its effect shall be established for the person to whom the disposition is made unless they reject it in the session (majlis).
3. A pure waiver, its effect shall be established for the person to whom the disposition is made and shall not be reversed by their rejection.

Article (243)

A promise is what a person imposes on themselves for another to be performed in the future, not by way of an obligation in property. It may concern a contract or an act, and the promisor is bound by their promise unless they die, become bankrupt, or become insolvent.

Article (244)

1. Whoever makes a promise to the public of a prize to be given for a specific act and sets a time limit therefor, shall be bound to give the prize to whoever performs this act in

accordance with the announced conditions, even if they performed it without regard to the promise of the prize.

2. If the promisor does not set a time limit for the performance of the act, they may revoke their promise by a public announcement, provided that this does not affect the right of any person who has completed the act before the revocation of the promise. No claim for the prize shall be heard after the lapse of three (3) months from the date of the announcement of the promisor's revocation.

Chapter Three

Harmful Act

Part One

General Provisions

Article (245)

1. Subject to the provisions on liability contained in special legislations, the provisions of this Chapter shall apply to the liability arising from a harmful act committed by a natural or legal person.
2. Civil liability shall not prejudice criminal liability when its conditions are met, and the penalty shall have no effect on determining the scope of civil liability and assessing the compensation.

Article (246)

Every act causing harm to another shall obligate its perpetrator to compensate for the damage, even if the perpetrator lacks discernment.

Article (247)

1. Harm may be caused directly or by causation.
2. If the harm occurs directly, a guarantee is due without any condition. If it occurs by causation, no guarantee is due unless the perpetrator was a transgressor or acted intentionally, or the act led to the harm.
3. If both the direct actor and the cause combine, the ruling is attributed to the direct actor.

4. If one person deceives another, they shall be jointly liable for the harm resulting from that deception.

Article (248)

A person whose property has been destroyed by someone is not entitled to destroy the property of that person; otherwise, each of them shall be liable for what they have destroyed.

Article (249)

If a person proves that the harm arose from an external cause beyond their control, such as an act of God, a sudden accident, force majeure, the act of a third party, or the act of the injured party, they shall not be liable for compensation, unless the law or the agreement provides otherwise.

Article (250)

A person who causes harm while acting in lawful self-defence of their person, honour, or property, or of the person, honor, or property of another, shall not be liable for such harm, provided that they do not exceed the necessary limits; otherwise, they shall be liable for compensation to the extent deemed appropriate by the court.

Article (251)

1. An act shall be attributed to its perpetrator, not to the person who ordered it, unless the perpetrator was compelled. In factual acts, only irresistible coercion is legally relevant.
2. A public official or a person of similar status shall not be liable for an act that harms another if they performed it in implementation of a law or an order issued by their superior, provided that obedience was mandatory or they believed it to be so, and they provide evidence for their belief in the lawfulness of the act, and that their belief was based on reasonable grounds, and that they acted with due care and caution. In this case, the court shall award compensation against the person held responsible for the harm.

Article (252)

Whoever causes harm to another to avert a greater imminent harm threatening them or another shall not be liable for compensation except to the extent deemed appropriate by the court, taking into account the requirements of justice.

Article (253)

1. If there are multiple persons responsible for the harm, each shall be liable in proportion to their share therein, and the court may rule that they be liable equally or jointly and severally.
2. The court may reduce the amount of compensation or not award it at all if the injured party contributed by their act to causing the harm or aggravated it.

Article (254)

1. Liability shall include moral harm. An infringement on another's freedom, honor, reputation, social standing, or financial status shall constitute moral harm.
2. Compensation may be awarded to spouses and relatives up to the second degree for the moral harm suffered as a result of the incapacity or death of the injured person.
3. The right to claim compensation for moral harm shall not be transferred to another unless its value has been determined by an agreement or a final judicial judgment.

Article (255)

In all cases, compensation shall be assessed based on the extent of the loss suffered by the injured party and the loss of their profit, provided that this is a natural consequence of the harmful act.

Article (256)

1. Compensation shall be assessed in cash.
2. The court may, depending on the circumstances and upon the request of the injured party, where damage has occurred, order the restoration of the status quo ante, or order the performance of a specific matter related to the harmful act, by way of compensation.
3. The compensation may be awarded in installments or in the form of a periodic income. In these two cases, the court may compel the debtor to provide security to be assessed thereby, or an acceptable guarantee. The court may reconsider the assessment of installment-based compensation or the periodic income depending on the change in circumstances and prices to provide full compensation for the damage.
4. The injured party may request reconsideration of the assessment of compensation in the event of aggravation of the damage.
5. If the court is unable at the time of the judgment to definitively assess the compensation, it shall reserve, for the injured party, the right to request a reconsideration of the assessment of the compensation within a period it determines.

Article (257)

Any condition providing for exemption or mitigation of liability arising from a harmful act shall be void. However, it shall be permissible to stipulate an aggravation of this liability, unless the law provides otherwise.

Article (258)

1. A claim for compensation arising from a harmful act shall not be admissible after the lapse of three (3) years from the day the injured party became aware of the occurrence of the damage and of the person responsible for it.
2. If the claim for compensation arises from a crime and the criminal action remains admissible after the lapse of the period mentioned in Paragraph (1) of this Article, the period for hearing the claim for compensation shall not commence except upon the termination of the criminal action.

3. In all cases, a claim for compensation shall not be admissible after the lapse of fifteen (15) years from the date of occurrence of the harmful act.

Part Two

Liability for Personal Acts

First: Harm Caused to the Person

Article (259)

1. Compensation shall be required for bodily harm inflicted upon the person.
2. In cases where blood money (Diyah) or Arsh is due, the court may, upon the request of the injured party, award compensation if the death or injury results in material and moral harm not covered by the blood money (Diyah) or Arsh.

Second: Destruction of Property

Article (260)

1. Without prejudice to the provision of Article (265) of this Law, if a person, even if they lack discernment, destroys or damages the property of another, they shall be liable for its equivalent if it is a fungible and its value if it is a non-fungible, taking into account the general provisions for compensation.
2. If the destruction is partial, the destroyer shall be liable for the diminution in value. If such diminution is substantial, the owner of the property shall have the option either to accept compensation for the diminution or to abandon the damaged property and take its value, taking into account the general provisions for compensation.
3. If a person destroys the property of another with the owner's permission, they shall not be liable.

Third: Usurpation (Ghasb) and Trespass

Article (261)

1. Liability attaches to the possession of property taken until it is returned.
2. Whoever usurps property belonging to another shall be obligated to return it to them in the condition it was in at the time of usurpation and at the place where usurpation

occurred. If the property is consumed, destroyed, lost, or damaged as a result of their trespass or without any trespass on their part, they shall be liable to return the equivalent thereof or its value assessed as of the day and place of usurpation. They shall also be liable for its benefits and accretions.

3. If a third party destroys the usurped property while it is in the possession of the usurper, the party from whom the property was usurped shall have the choice either to hold the usurper liable, in which case the usurper shall have recourse against the destroyer, or to hold the destroyer liable, in which case the latter shall have no right of recourse against the usurper.
4. 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 possession of the person to whom the usurper disposed thereof, the party from whom the property was usurped shall have the choice to hold either of them liable. If they hold the usurper liable, the usurper's disposition shall be valid. If they hold the person to whom the usurper disposed of it liable, that person shall have the right of recourse against the usurper in accordance with the provisions of the law.
5. A usurper of a usurper is governed by the same rules as a usurper. If a usurper of a usurper returns the usurped property to the first usurper, they alone are discharged. If they return it to the party from whom it was usurped, both they and the first usurper are discharged.
6. If the usurped property is destroyed or damaged in the possession of a usurper of a usurper, the party from whom it was usurped has the option to hold the first usurper liable or the second usurper liable. If they hold the first usurper liable, that usurper has the right of recourse against the second. If they hold the second liable, the second usurper shall have no right of recourse against the first.
7. The court may, in all cases, rule that the usurper award compensation if it sees justification for it.

Article (262)

1. If the usurped property changes naturally without intervention, the party from whom it was usurped has the option between recovering the usurped property or its substitute.

2. If the usurped property undergoes a transformation such that it becomes a different thing, the usurper shall be liable for its substitute.
3. If the usurped property is altered by an addition made by the usurper from their own property, the party from whom it was usurped shall have the choice between paying the value of the addition and recovering the usurped property in kind, or holding the usurper liable for its substitute.
4. If the usurped property changes due to a decrease in its value as a result of the usurper's use, the usurper shall return the property in kind along with liability for the decrease in value.

Article (263)

Anything equivalent to usurpation is governed by the same rules as usurpation.

Article (264)

1. Whoever holds property held in trust (Amanah) thereafter commits usurpation thereof, disposes of it by way of trespass, or withholds it from its owner without right, finds it while its owner is unknown, or dies while its owner remains unknown, shall be liable for it by equivalent if it is a fungible, or by value if it is a non-fungible, as the case may be.
2. Whoever finds an item dropped on the road and takes it as their own, shall be obligated to return it to its owner if it still exists, or to return its equivalent or value if they have consumed it, even if such consumption occurred under compulsion.

Part Three

Liability for the Acts of Others

Article (265)

1. Anyone who is legally or contractually obligated to supervise a person in need of supervision because they are a minor or due to their mental or physical condition shall be liable for any damage caused by that person to another by their harmful act.
2. Supervision is required for a minor from their guardian or custodian if they have not reached the age of majority. Supervision over the minor is transferred to their teacher at

school or the supervisor of a craft, as long as the minor is under the supervision of the teacher or supervisor. Supervision over a minor wife is transferred to her husband or the person who undertakes the supervision of the husband.

3. The person responsible for supervision may be absolved of liability if they prove that they have fulfilled their duty of supervision with the necessary care or that the harm would have occurred even if they had fulfilled this duty.

Article (266)

1. A principal shall be liable for the harm resulting from a harmful act committed by their subordinate, when it is committed by them in the performance of their duty or because of it.
2. The relationship of subordination exists, even if the principal is not free to choose their subordinate, when the principal has actual authority over them in supervision and direction.

Article (267)

The person liable for the act of another, whether a supervisor or a principal, has the right of recourse against the person who caused the harm to the extent that this other person is liable for compensation.

Part Four

Liability of the Guardian of Things, Animals, and Buildings

Article (268)

The guardian of a thing is any person who, whether personally or through another, exercises actual control over it. The owner of the thing shall be presumed to be its guardian, unless evidence is provided that guardianship has passed to another.

Article (269)

The guardian of an animal, even if not its owner, is liable for any harm caused by the animal, unless the guardian proves that the incident occurred due to an external cause for which they are not responsible.

Article (270)

The guardian of a building, even if not its owner, is liable for the harm caused by the collapse of the building, even if it is a partial collapse, unless it is proven that the harm was due to an external cause for which they are not responsible or that the incident is not attributable to negligence in maintenance, old age of the building, or a defect in it.

Article (271)

Whoever has under their control things that require special care to prevent their harm, or mechanical machinery, shall be liable for the harm caused by these things or machinery, except for what cannot be prevented, without prejudice to what is provided in this regard in special provisions.

Article (272)

Anyone threatened with harm arising from a building, animal, mechanical machinery, or things whose guardianship requires special care may require their guardian or owner take the necessary measures to avert the danger. If such measures are not taken within an appropriate time, they may request the court for authorization to take those measures at the expense of the guardian or owner. In case of urgency, they may take the necessary measures to avert the danger at their expense without obtaining prior authorization from the court.

In all cases, the court shall assess whether a state of urgency exists and shall determine the necessary expenses to avert the danger.

Part Five
Liability for the Use of Public Utilities
Article (273)

The use of public utilities is a right subject to the safety of others. Whoever uses this right and causes damage that could have been averted, shall be liable.

Chapter Four
Beneficial Acts
Part One
Unjust Enrichment
Article (274)

1. No one may take the property of another without a lawful ground. If they take it, they shall return it and shall be liable for its benefits and accretions.
2. Whoever acquires property from another without an acquisitive juridical act shall be obligated to return it if it remains in existence, or restore its equivalent or its value if it no longer exists, unless the law provides otherwise.
3. If a property leaves a person's possession without intent and becomes attached to the property of another due to a cause attributable to neither party, in such a manner where separation is not possible without causing harm to either owner, the lesser in value shall accede to the greater in value upon payment of its value. If the two properties are equal in value, they shall be sold and the proceeds divided between the owners, unless the law or an agreement provides otherwise.

Part Two
Receipt of the Undue
Article (275)

1. Whoever receives, by way of performance, what is undue to them shall be bound to make restitution thereof if it remains in existence, or to restore its equivalent or its value if it is no longer in existence.

2. No restitution shall be due if the person who made the performance knew that they were paying what was not due, unless they were of limited legal capacity or were coerced into this performance.

Article (276)

Restitution of the undue shall be permitted if performance has been made in fulfilment of an obligation whose cause has not been realized, or of an obligation whose cause has ceased after having been realized, or if the performance was in fulfilment of an obligation whose term has not yet fallen due and the performer was unaware of the existence of the term.

Article (277)

No restitution of the undue may be claimed from the creditor if the performance was made by a person other than the debtor and it resulted in the creditor, acting in good faith, having divested themselves of the instrument evidencing the debt, or of the securities obtained therefor, or having abandoned their claim against the true debtor until the period specified for its hearing has lapsed. In such case, the third party who made performance may have recourse against the true debtor for the debt and for compensation, where applicable.

Article (278)

1. Where the recipient of an undue is acting in good faith, they shall only be bound to return what they received. If they refuse to make restitution, they shall be bound to return what they have received, together with any gains or personal benefits they have derived therefrom, as well as what they failed to derive from the thing they received, as from the date of filing the claim for restitution.
2. Where the recipient of an undue is acting in bad faith, they shall be bound to return what they received, together with any gains or personal benefits they have derived therefrom, as well as what they failed to derive from the thing they received without right, as from the date of receipt or from the day they became acting in bad faith.

Article (279)

If the person who received what is undue lacks contractual capacity, they shall be bound only to the extent of the enrichment thereby obtained.

Part Three

Negotiorum Gestio (Fadalah)

Article (280)

Negotiorum gestio (Fadalah) is when a person voluntarily undertakes the performance of a beneficial act for another, without being ordered thereby, authorized by the court, required by necessity, or established by custom, and without being legally bound thereto.

Article (281)

Negotiorum gestio (Fadalah) is established even if the negotiorum gestor, while managing their own affair, also manages the affair of another, due to a connection between the two affairs that makes it impossible to carry out either of them separately from the other.

Article (282)

The rules governing agency shall apply if the principal ratifies the acts performed by the negotiorum gestor.

Article (283)

The negotiorum gestor shall continue the work they have begun until the principal is able undertake it personally. The negotiorum gestor shall also notify the principal of their intervention as soon as they are able to do so.

Article (284)

1. The negotiorum gestor shall exercise, in the performance of the work, the care of an ordinary person and shall be liable for their fault. However, the court may reduce compensation arising from such fault if there is justification for it.

2. If the negotiorum gestor entrusts another with all or part of the work, they shall be liable for the actions of their delegate, without prejudice to the principal's right of direct recourse against the delegate.
3. If several negotiorum gestors jointly undertake a single act, they shall be jointly and severally liable.
4. The negotiorum gestor shall be bound by the same obligations as an agent to return what they have acquired by reason of the negotiorum gestio (Fadalah) and to render an account of their actions.

Article (285)

1. The principal shall be bound to perform the obligations undertaken by the negotiorum gestor on their behalf, to reimburse them for the obligations they have assumed, to refund them for the necessary and beneficial expenses justified by the circumstances, and to compensate them for any damage they have suffered due to carrying out the work.
2. A negotiorum gestor is not entitled to remuneration for their work unless it forms part of their professional activities.

Article (286)

1. If the negotiorum gestor dies, their heirs shall be bound by the same obligations binding the heirs of an agent upon termination of agency by the agent's death.
2. If the principal dies, the negotiorum gestor remains bound toward the heirs by the obligations to which they were bound toward their decedent.

Part Four

Payment of Another's Debt

Article (287)

Whoever pays the debt of another at that person's order shall have the right of recourse against the person who gave the order for what they have paid on their behalf, and shall legally substituted for the original creditor in claiming the debt, whether they stipulated the right of recourse or not.

Article (288)

Whoever pays the debt of another without that person's order shall have no right of recourse against the debtor for what they have paid, unless authorized by the court, required by necessity, or it is customary that they act as the debtor's representative. They shall have no right of recourse against the creditor unless the creditor has discharged the debtor from the debt, even after recovering their debt from the payer.

Article (289)

If a mortgagor pays the debt of another in order to release their property that was mortgaged as security for this debt, they shall have the right of recourse against the debtor for what they have paid.

Part Five

Barring of a Claim Arising from a Beneficial Act

Article (290)

1. No claim arising from a beneficial act shall be admissible after the lapse of three (3) years from the day on which the creditor became aware of their right of recourse.
2. In all cases, no claim shall be admissible after the lapse of fifteen (15) years from the day on which the right of recourse arose.

Chapter Five

The Law

Article (291)

Obligations that arise directly from the law shall be governed by the legal provisions that created them.

Section Two
Effects of the Obligation
Chapter One
General Provisions

Article (292)

The debtor shall perform their obligation upon its maturity once its legal conditions are met. If the debtor refuses, performance shall be compelled against them.

Article (293)

1. Performance shall be voluntary if effected by payment or by its equivalent.
2. Performance shall be compulsory if effected in kind or by way of compensation.

Article (294)

If a right lacks legal protection for any reason, it shall not be subject to compulsory enforcement and shall become a natural obligation incumbent upon the debtor. If the debtor voluntarily performs it, such performance shall be valid and shall not be regarded as a donation, an undue payment, or performance of an obligation that is not due.

Chapter Two
Means of Performance
Part One
Voluntary Performance
First: Parties to Performance
1. The Party Effecting Performance

Article (295)

1. Subject to the provisions of Article (332) of this Law, performance may validly be effected by the debtor, their representative, or a third party.
2. The creditor may refuse performance by a third party if the debtor objects thereto and notifies the creditor of such objection.

Article (296)

For performance to be valid, the person effecting it shall be the owner of what is given in performance and shall have the legal capacity to dispose thereof. If the performer effecting the performance of the obligation lacks the capacity to dispose, the performance shall be deemed invalid, unless it causes harm to them.

Article (297)

Performance made to some creditors shall not be effective as against the other creditors if the debtor has been interdicted for debt and performance is made out of the interdicted property, or if the debtor is suffering from death-illness, and the performance is prejudicial to the remaining creditors.

2. The Person to Whom Performance is Made

Article (298)

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

Article (299)

If the creditor lacks or has limited legal capacity, the debtor's liability shall be discharged only by performance made to the creditor's guardian. If payment is nevertheless made to the creditor and the thing given in performance is lost or perishes while in their possession, their guardian shall be entitled to claim the debt from the debtor.

Second: Refusal of Performance

Article (300)

If the creditor, without justification, refuses to accept a duly offered performance, or declares that they will not accept performance, the debtor shall put the creditor in default, and shall grant them a reasonable period within which the creditor shall fulfil their part to receive their right.

Article (301)

Once the creditor has been put in default, they shall bear the risk of loss of the subject matter of the obligation. The debtor shall have the right, with the court's permission, to deposit it at the creditor's expense, and to claim compensation for any harm they have suffered.

Article (302)

If the subject matter of performance is a specific thing determined by its identity, and shall be delivered at the place where it is located, the debtor may, after putting the creditor in default, obtain permission from the court to deposit it. If this thing is immovable property or a thing intended to remain where it is, the debtor may request that it be placed under judicial sequestration.

Article (303)

If the subject matter of the performance is a perishable thing, or risks losing its value, or entails excessive expenses for its deposit or custody, the debtor may, after obtaining the court's permission, or if it is not possible to obtain such permission in due time, sell it at the prevailing price of the like. If this is not possible, it may be sold by public auction. The creditor's right shall transfer from the thing to its price, and the deposit of the price shall substitute the deposit of the thing itself.

Article (304)

A deposit, or an equivalent measure, shall be permissible if the debtor is unaware of the creditor's identity or domicile, if the creditor lacks or has limited legal capacity and has no representative to accept performance on their behalf, if the debt is disputed among several persons, or if there are other serious reasons justifying such measure.

Article (305)

A formal offer of performance made by the debtor shall be equivalent to performance if it is followed by a deposit that complies with its legal requirements or by any similar measure, provided it is accepted by the creditor or validated by a final judgment.

Article (306)

1. If the debtor makes an offer of performance and follows it with a deposit or a similar measure, they may withdraw this offer as long as the creditor has not accepted it, and no final judgment has been issued validating it. If the debtor withdraws the offer, the obligation of co-debtors and guarantors shall not be discharged.
2. If the debtor withdraws the offer after it has been accepted by the creditor or after it has been validated by a judgment, and the creditor accepts this withdrawal, the creditor may no longer rely on the security for the debt, and the liability of the co-debtors and guarantors shall be discharged.

Third: Subject Matter, Time, Place, Expenses, and Proof of Performance

Article (307)

1. If the debt is a thing determined by designation, the debtor may not perform by delivering another thing in substitution thereof without the creditor's consent, even if this substitute is of equal or higher value than the thing due.
2. If the debt is a thing not determined by designation, the debtor may perform by delivering its equivalent, even without the creditor's consent.

Article (308)

1. The creditor shall not be compelled to accept partial performance of their right, unless the law or the agreement so provides.
2. If part of the debt is in dispute and the creditor accepts receipt of the acknowledged part, the debtor may not refuse performance of that part.

Article (309)

If the debtor is obliged to pay any expenses in addition to the debt, and the amount paid is insufficient to cover both the debt and those expenses, the amount paid shall be applied first to the expenses and then to the principal debt, unless otherwise agreed.

Article (310)

1. If several debts, of the same kind, are owed by the debtor to a single creditor, and the amount paid is insufficient to discharge them all, the debtor may, at the time of performance, designate the debt they intend to discharge, unless prevented by law or agreement.
2. If the debt is not designated in the manner set out in Paragraph (1) of this Article, payment shall be applied to the debt that has fallen due. If several debts have fallen due, it shall be applied to the debt most onerous to the debtor. If the debts are equally onerous, payment shall be applied to the debt designated by the creditor.

Article (311)

1. Performance shall be due immediately once the obligation has become definitively established in the debtor's liability, unless the law or the agreement provides otherwise.
2. In exceptional cases, and unless prohibited by law, the court may grant the debtor a reasonable time or allow performance by installments, if the debtor's circumstances so require, and such deferment does not cause serious harm to the creditor.

Article (312)

1. If the subject matter of the obligation is determined by designation, it shall be delivered at the place where it was located at the time the obligation arose, unless the law or the agreement provides otherwise.
2. In other obligations, performance shall be at the place of the debtor's domicile at the time of performance, or at the place of the debtor's principal place of business if the obligation is related to such business.

Article (313)

1. If the debtor sends the debt with their messenger to the creditor and it perishes in the messenger's possession before arrival, the loss of the debt shall be borne by the debtor.
2. If the creditor instructs the debtor to pay the debt to the creditor's messenger and the debtor does so, the loss of the debt shall be borne by the creditor, and the debtor shall be discharged from the debt.

Article (314)

The expenses of performance shall be borne by the debtor, unless the law or the agreement provides otherwise.

Article (315)

1. A person who has performed a debt in whole or in part may request a receipt for what they have performed.
2. If the creditor refuses to deliver the debtor such receipt, the debtor may deposit the thing due by judicial deposit.

Part Two

Performance by Equivalent

First: Performance by Consideration (Datio in Solutum)

Article (316)

A debt may be discharged by consideration, as agreed upon by the parties to the contract, and such agreement shall be subject to the general provisions governing contracts provided for in this Law.

Article (317)

The provisions governing sale shall apply to performance by consideration if the consideration consists of a specific thing given in the discharge of the debt. The provisions governing performance in discharge of a debt shall also apply.

Article (318)

The original debt, together with its securities, shall be extinguished by the performance by consideration, and the right of the creditor shall be transferred to the thing given in substitution.

Second: Set-off

Article (319)

Set-off is the extinguishment of a debt owed by one party to another by means of a debt owed by the latter to the former. It is either legal, taking effect by operation of law; contractual, effected by agreement of the parties; or judicial, effected by a judgment or order of the court.

Article (320)

The following conditions are required for a legal set-off:

1. Both parties shall be both creditor and debtor of the other.
2. The two debts shall be identical in kind, description, maturity, and strength or weakness.
3. Its implementation shall not prejudice the rights of third parties, whether the cause of the two debts is the same or different.

Article (321)

Legal set-off shall not take effect by operation of law in the following cases:

1. If one of the two debts consists of a thing that has been unlawfully taken from the possession of its owner and is required to be returned.
2. If one of the two debts consists of a thing that has been deposited or lent for use.
3. If the right of one of the creditors is not subject to attachment.
4. If one of the two debts is a claim for compensation for bodily injury.

Article (322)

Contractual set-off shall be effected by agreement of the parties if any of the conditions for legal set-off is not met.

Article (323)

Judicial set-off shall be effected by a judgment or order of the court if its conditions are met and upon an original or incidental claim.

Article (324)

1. Judicial set-off shall take effect upon the request of the interested party, and may not validly be waived before the right thereto is established.
2. Set-off results in the extinction of the two debts to the extent of the lesser amount, from the time they become eligible for set-off.
3. If the debtor has multiple debts, the designation of set-off shall follow the same rules as the designation of payment.

Article (325)

If a debt is time-barred at the time set-off is invoked, this shall not prevent the set-off from taking effect, provided that the period barring the action had not been completed at the time the set-off became possible.

Article (326)

If a debtor pays a debt against which they could have claimed set-off, they may not invoke the securities for that right to the detriment of a third party unless they were unaware of its existence and had a valid excuse for their ignorance.

Article (327)

A set-off may not take effect to the detriment of rights acquired by a third party.

Article (328)

If a third party effects an attachment against the debtor, and the debtor subsequently becomes a creditor of their creditor, they may not invoke set-off to the detriment of the attaching party.

Third: Merger of Patrimonies (Confusion)

Article (329)

1. When the capacities of creditor and debtor in respect of the same debt are united in one person, the debt is extinguished to the extent of such merger.
2. If the creditor is an heir of the debtor, there shall be no merger of patrimonies; rather, the creditor shall stand, like the other creditors, in claiming their debt from the estate.

Article (330)

If the cause that led to the merger of patrimonies ceases, and such cessation has a retroactive effect, the debt and its accessories shall be reinstated with respect to all persons concerned.

Part Three

Compulsory Performance

First: Specific Performance

Article (331)

1. After being put in default, the debtor shall be compelled to perform their obligation by specific performance, whenever this is possible.
2. If specific performance would be excessively onerous for the debtor, the court may, upon the debtor's request, limit the creditor's right to monetary compensation, so long as no substantial prejudice is thereby caused to the creditor.

Article (332)

1. If the subject of the right is an act, and its nature or the terms of the agreement require the debtor to perform it in person, the creditor may refuse performance by any other person.
2. If the debtor fails to perform the act, the creditor may request the court's authorization to have it performed, and may also perform it without permission in case of necessity. In both cases, the performance shall be at the debtor's expense.
3. The court's judgment shall take the place of performance if the subject of the right is an act, and its nature so permits.

Article (333)

If specific performance has been effected, or if the debtor persists in refusing performance, the court shall determine the amount of compensation to be borne by the debtor, taking into account the damage suffered by the creditor and the obstinacy exhibited by the debtor.

Article (334)

1. If the debtor is required to preserve a thing, to manage it, or to exercise care in the performance of their obligation, they shall have fulfilled the obligation if they exert in its performance all the care of an ordinary person, even if the intended result is not achieved, unless the law or the agreement provides otherwise.
2. In all cases, the debtor remains liable for fraud or gross fault.

Article (335)

If the subject matter of the right is an obligation to refrain from an act and the debtor breaches it, the creditor may request the removal of what has been done in violation thereof, or may request the court's authorization to carry out such removal at the debtor's expense.

Second: Performance by Way of Compensation

Article (336)

If it becomes impossible for the debtor to effect specific performance of the obligation, they shall be ordered to pay compensation for failure to perform the obligation, unless they prove that the impossibility of performance arose from a foreign cause beyond their control. The same ruling shall apply if the debtor delays performance of the obligation or performs it partially or defectively.

Article (337)

Compensation shall not be due unless the debtor has been formally put in default, except when the law or the agreement provides otherwise.

Article (338)

Notice to the debtor is not required in the following cases:

1. If the performance of the obligation becomes impossible or futile due to the debtor's act.
2. If the subject of the obligation is compensation arising from an unlawful act.
3. If the subject of the obligation is the return of a thing known by the debtor to be stolen, or a thing they received without right, with knowledge thereof.
4. If the debtor declares in writing that they do not intend to perform their obligation.

Article (339)

If the compensation is not determined in the law or in the contract, the court shall assess it in an amount equivalent to the damage actually sustained.

Article (340)

1. The contracting parties may pre-determine the amount of compensation by stipulating it in the contract or in a subsequent agreement, subject to the provisions of the law.
2. The court may reduce the amount of agreed compensation if the debtor proves that the assessment was excessive or that the original obligation has been partially performed.
3. The court may reduce the amount of the agreed compensation if the creditor contributed by their own fault to the occurrence of or increase in the damage, or may refrain from awarding compensation if the creditor's fault predominates over the debtor's fault.
4. The creditor may claim an amount exceeding the agreed compensation if they prove that the debtor has committed fraud or gross fault.
5. Any agreement contrary to the provisions of this Article shall be void.

Part Four

Means of Securing the Performance of the Obligation

First: Security of the Debtor's Assets for Performance

Article (341)

1. All of the debtor's assets constitute a security for the performance of their debts.
2. All creditors are equal in this security, except those who have a right of priority according to the law.
3. The creditors may agree to determine the order of priority in the satisfaction of debts, provided that this does not conflict with the law.

Second: Indirect Action

Article (342)

1. Any creditor, even if their right is not yet due for performance, may exercise, in the name of their debtor, all of the debtor's rights, except those that are strictly personal thereto or not subject to attachment.
2. The creditor's exercise of their debtor's rights shall not be admissible unless they prove that the debtor has failed to exercise those rights and that such failure is likely to lead to their bankruptcy or insolvency, or aggravate their bankruptcy or insolvency. The debtor shall be joined in the claim.
3. The creditor shall be deemed to act as a representative of their debtor in exercising such rights, and any benefit resulting from the exercise of those rights shall accrue to the debtor's assets and shall constitute security for all the debtor's creditors.

Third: Claim of Simulation

Article (343)

1. If the contracting parties conceal a genuine contract by means of an apparent contract, the effective contract as between the contracting parties and their universal successor shall be the genuine contract.
2. If a simulated contract is concluded, the creditors of the contracting parties and their particular successors, when acting in good faith, may rely on the simulated contract; they

may also rely on the concealed contract and prove, by all means, the simulation of the contract that has caused them harm.

3. If the interests of the concerned persons conflict, and some of them rely on the apparent contract while others rely on the concealed contract, preference shall be given to those who rely on the apparent contract.

Fourth: Claim for Non-Enforceability of the Debtor's Disposition Against the Creditor

Article (344)

Any creditor whose right has become due, and whose debtor has made a disposition, may request the court to rule on the non-enforceability of this disposition against them, whenever this disposition diminishes the debtor's rights, increases their obligations, or results in their bankruptcy or insolvency, or aggravates their bankruptcy or insolvency, in the following cases:

1. If the debtor's disposition is for consideration, its non-enforceability as against the creditor is conditional upon the debtor being bankrupt or insolvent and upon the person in whose favor the disposition was made being aware of the debtor's bankruptcy or insolvency.
2. If the debtor's disposition is a gratuitous disposition which they were not obligated to make and which is not customary, it shall not be enforceable as against the creditor, even if the beneficiary acted in good faith and the debtor did not commit fraud.
3. If a successor to whom a thing was transferred by the debtor has disposed of it for consideration to another successor, the creditor may not rely on the non-enforceability of the disposition unless the second successor was aware of the debtor's fraud and the first successor was also aware thereof.

Article (345)

If the creditors demand payment of their debts from a debtor whose debts have encompassed all of their property, they may not donate of their property or dispose of it for consideration, even without favouritism. The creditors may request a judgment declaring the non-enforceability of their disposition against them, and they may request the sale of their property and the pro-rata apportionment of its price in accordance with the law.

Article (346)

If a creditor claims that a debt encompasses the debtor's property, they shall only prove the amount of the debt owed by the debtor, and the debtor shall prove that they own property exceeding the value of the debt.

Article (347)

The recipient of a disposition may avoid a lawsuit for non-enforceability if they deposit the price of the disposed property with the court's treasury in an amount not less than the value of the like.

Article (348)

Once the non-enforceability of the disposition has been adjudged, the creditors who are harmed thereby shall benefit therefrom.

Article (349)

1. A lawsuit for non-enforceability of a disposition shall not be heard after the lapse of three (3) years from the day on which the creditor became aware of the reason for the non-enforceability of the disposition.
2. In all cases, a lawsuit for non-enforceability of a disposition shall not be heard after the lapse of fifteen (15) years from the date of the disposition.

Fifth: Right of Retention

Article (350)

1. Anyone who is obligated to perform something may withhold performance thereof as long as the creditor has not fulfilled their corresponding obligation that arose from the debtor's obligation and was connected therewith or reciprocal thereto, or as long as the creditor has not provided sufficient security for the performance of their obligation.
2. Whoever has incurred necessary or beneficial expenses on the property of another while it is in their possession may withhold its return until they recover what is due thereto by law, unless the law or the agreement provides otherwise.

3. Each of the contracting parties in financial commutative contracts, in general, may retain the subject matter of the contract while it is in their possession until they receive the due counter-performance.

Article (351)

1. The retaining person shall preserve the retained thing and shall render an account of its yield.
2. If the retained thing is at risk of perishing or damage, the retaining person may request permission from the court to sell the retained thing in accordance with the procedures specific to the sale of a possessory pledged, and the right of retention shall transfer from the thing to its price.
3. If the retained thing is perishable or is likely to lose its value such that it is not possible to obtain permission from the court in a timely manner, the retaining person may sell the retained thing at the price of the like, and the right of retention shall transfer from the thing to its price.

Article (352)

Whoever retains a thing in exercise of the right of retention shall have priority over all other ordinary creditors in satisfying their right therefrom.

Article (353)

1. The right of retention shall be extinguished by the retaining person's recovery of their right from their debtor, by the perishing of the retained thing, or by its departure from the possession of the retaining person, unless the law provides otherwise.
2. The retaining person may, if the thing has left their possession without their knowledge or despite their opposition, request its recovery within thirty (30) days from the date they became aware of its departure from their possession and before the lapse of one year from the date of its departure.

Chapter Three
Attributes of the Obligation

Part One

The Condition

Article (354)

An obligation shall be conditional if its existence or extinction is made to depend on a future, uncertain event.

Article (355)

An obligation shall be void if it is made subject to an impossible condition or a condition that is contrary to public order or public morals.

Article (356)

An obligation shall be void if it is made subject to a suspensive condition that makes its existence dependent solely on the will of the obligor.

Article (357)

An obligation subject to a suspensive condition shall not be effective until the condition upon which it is suspended is fulfilled. The obligation shall not be enforceable before the fulfilment of the condition, and the creditor may take such measures as are necessary to preserve their right.

Article (358)

1. The fulfilment of a resolutive condition shall result in the extinguishment of the obligation. The debtor shall be bound to return what they have taken; if return is impossible for a reason attributable thereto, they shall be liable for compensation.
2. Acts of management issued by the debtor shall remain effective despite the fulfilment of the resolutive condition.

Article (359)

1. If a condition is fulfilled, its effect shall be retroactive to the time at which the obligation arose, unless it is apparent from the will of the contracting parties or from the nature of the contract that the existence or extinction of the obligation is to take effect only at the time the condition is fulfilled.
2. A condition shall not have a retroactive effect if the performance of the obligation before the fulfillment of the condition was impossible for a reason beyond the debtor's control.

Part Two

The Term

Article (360)

1. An obligation shall be for a term if its effectiveness or extinction is made to depend on a future, certain event.
2. An event is considered certain if its occurrence is inevitable, even if the time of its occurrence is unknown.

Article (361)

An obligation deferred to a term shall not be effective until the term falls due. The creditor may, before the term falls due, take such measures as are necessary to preserve their right, including requesting security if they fear the debtor's insolvency and base this on a reasonable cause.

Article (362)

If it is apparent from the obligation that the debtor will not perform it except upon their ability or ease (maysarah), the court shall set a suitable time for the maturity of the term, taking into account the debtor's current and future resources and what is required by the diligence of a prudent person in performing their obligation. Once their ability to perform is proven, the term shall lapse.

Article (363)

1. If the debt is deferred, the debtor may pay it before the term falls due if the term is for their benefit, and the creditor shall be compelled to accept.
2. If the obligation is deferred and no term for its performance is specified, the court shall determine it at the request of the creditor or the debtor, according to custom and the nature of the transaction.
3. If the debtor pays the debt before the term falls due and then the thing received becomes subject to entitlement in favor of a third party, the debt shall revert to being deferred as it was.

Article (364)

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

Article (365)

A deferred debt shall not become due upon the death of the creditor, but it shall become due upon the death of the debtor unless the debt is secured by a real security, or the heirs provide sufficient real or personal security, or the creditor agrees to the debt remaining deferred.

Article (366)

The debtor's right to the term shall lapse in the following cases:

1. If they are adjudged bankrupt, insolvent, or placed under interdiction.
2. If they fail to provide the agreed security for the debt.
3. If the agreed security for the debt is diminished by an act attributable thereto or by a cause beyond their control, unless they promptly complete it.

Article (367)

1. If an obligation is coupled with a suspensive term, it shall not be effective except upon the expiry of the term.

2. The creditor may, even before the expiry of the term, take such measures as are necessary to preserve their rights, and they may demand security if they fear the debtor's bankruptcy or insolvency and base this on a reasonable cause.

Article (368)

Upon the expiry of a resolatory term, the obligation shall be extinguished, without such extinguishment having a retroactive effect.

Chapter Four

Multiplicity of the Subject Matter of the Obligation

Part One

Alternative Obligation

Article (369)

An obligation shall be an alternative if its subject matter includes multiple things, and the debtor is fully discharged by performing one of them. The choice shall belong to the debtor, unless the law or the agreement provides otherwise.

Article (370)

1. If the choice belongs to the debtor and they refrain from choosing, or if there are multiple debtors and they do not agree among themselves, the court may, at the creditor's request, set a time limit for the debtor to designate the subject matter of the obligation. If the term expires without designation, the court shall designate the subject of the obligation.
2. If the choice belongs to the creditor and they refrain from choosing, or if there are multiple creditors and they do not agree among themselves, the court may, at the debtor's request, set a time limit for the creditor to designate the subject matter of the obligation. If the time limit expires without designation, the choice shall pass to the debtor.

Article (371)

If the choice belongs to the debtor, and it then becomes impossible for them to perform all of the multiple things that constitute the subject matter of the obligation. The impossibility is attributable thereto, even with respect to one of these things, they shall be bound to pay the value of the last thing the performance of which became impossible.

Part Two

Facultative Obligation

Article (372)

1. An obligation shall be facultative if its subject matter includes only one thing, but the debtor shall be discharged if they perform another thing in lieu thereof.
2. The original subject matter of the obligation, not the substitute, shall alone constitute the basis of the obligation and shall determine its nature.

Chapter Five

Multiplicity of Parties to the Obligation

Part One

Solidarity

Article (373)

Solidarity among creditors or among debtors shall not be presumed; rather, shall arise from a provision of law or by agreement.

First: Joint and Several of Creditors

Article (374)

1. The joint and several creditors, jointly or severally, may claim the entire debt from the debtor.
2. If one of the joint and several creditors demands performance from the debtor, the debtor may not plead against this creditor defences personal to other creditors, but they may

plead against the demanding creditor defences personal to this creditor, and defences that are common to all creditors.

Article (375)

Whatever one of the joint and several creditors receives from the debt shall be deemed to be the right of all the creditors jointly, and they shall share therein proportionately. The pro rata distribution shall be in equal shares, unless the law or the agreement provides otherwise.

Article (376)

If there is solidarity among the creditors, the debtor may pay the debt to any of them, unless one of them has served a notice on the debtor not to pay their share to a specific creditor, provided that no prejudice results to the debtor.

Article (377)

If the debtor is discharged from their obligation vis-à-vis one of the joint and several creditors for a reason other than performance, their liability shall not be discharged vis-à-vis the other creditors except to the extent of that creditor's share.

Article (378)

If one of the joint and several creditors performs an act that is prejudicial to the other creditors, such act shall not be effective against them.

Article (379)

Solidarity among creditors shall not prevent the division of the debt among the heirs of any of them. Solidarity in respect of the entire debt shall pass to each heir in proportion to their share in the estate, unless the debt is indivisible, in which case solidarity shall pass to each heir in respect of the entire debt.

Second: Joint and Several Liability of Debtors

Article (380)

Solidarity among debtors shall be established even if the debt of one of them is deferred, or subject to a condition, or associated with a description that affects it, while the debt of the other is immediate or free from such a description.

Article (381)

If one of the jointly and severally debtors performs the debt, their liability and that of the other debtors shall be discharged.

Article (382)

1. The creditor may claim their debt from all the joint and several creditors or from any of them, taking into account any attribute affecting their relationship with each debtor that has an effect on the debt, and a claim against one of them shall not preclude a claim against the others.
2. A joint and several debtor may not invoke the defenses personal to other debtors, but they may invoke the defenses personal thereto and the defenses common to all the debtors.

Article (383)

1. If the share of one of the joint and several debtors in the debt is extinguished for a reason other than performance, the debt shall not be extinguished with respect to the other debtors except to the extent of that debtor's share.
2. If the liability merges between the creditor and one of the joint and several debtors, the debt shall not be extinguished with respect to the other debtors except to the extent of the share of the debtor whose liability has merged with that of the creditor.

Article (384)

If the creditor agrees with one of the joint and several debtors on performance by consideration (*datio in solutum*), the liability of the other debtors shall be discharged, unless the creditor has reserved their right against all of them.

Article (385)

1. If the creditor releases one of the joint and several debtors from the debt, their liability and that of the others shall be discharged to the extent of their share, and their solidarity shall remain.
2. If the creditor releases one of the joint and several debtors from the solidarity, their debt shall remain in their liability, and the creditor may not claim against that debtor for the share of the others, and the debtors shall have the right of recourse against that debtor for what they pay on their behalf according to the rule of solidarity between them.
3. If the creditor releases one of the joint and several debtors from the debt in an absolute manner, the release shall apply to both the debt and the solidarity, unless it is clear from the context or the nature of the transaction that the release applies to one of them.

Article (386)

1. In cases where the creditor releases one of the joint and several debtors, whether the release is from the debt or from the solidarity, the other debtors may have a right of recourse against that debtor for their share in the debt, within the limits of the share of any bankrupt or insolvent among them.
2. If the creditor exempts the debtor they have released from all liability for the debt, the creditor shall bear the share of this debtor in the share of the bankrupt or insolvent debtor.

Article (387)

1. The barring of a claim by the lapse of time with respect to one of the joint and several debtors shall not benefit the other debtors except to the extent of that debtor's share.
2. The creditor may not invoke the suspension or interruption of the lapse of time with respect to one of the joint and several debtors against the other debtors.

Article (388)

1. A joint and several debtor shall be liable for the performance of their obligation for their own act.
2. If the creditor serves a notice on one of the joint and several debtors or institutes legal proceedings against them, this shall have no effect on the other debtors; however, a notice served by one of the joint and several debtors shall benefit the others.

Article (389)

1. If the creditor enters into a settlement with one of the joint and several debtors and the settlement includes a release from the debt or a discharge of liability therefrom by any other means, the other debtors shall benefit from this settlement.
2. If the creditor enters into a settlement with one of the joint and several debtors and this settlement creates a new obligation on the other debtors or increases their obligation, this settlement shall not be effective against them unless they approve it.

Article (390)

1. If one of the joint and several debtors acknowledges the debt, this acknowledgment shall not take effect against the other joint and several debtors.
2. If one of the joint and several debtors refuses to take an oath directed to them by the creditor, or directs the oath to the creditor and the creditor takes it, the other joint and several debtors shall not be prejudiced thereby.
3. If the creditor directs an oath to one of the joint and several debtors and they take it, the other joint and several debtors shall benefit therefrom.

Article (391)

If a judgment is rendered in favour of the creditor against one of the joint and several debtors, such judgment shall not be invoked against the others; however, they shall benefit from it if it is rendered in favour of the debtor, unless the judgment is based on a ground personal to that debtor.

Article (392)

1. A joint and several debtor who has performed the debt shall have a right of recourse against any of the others for their respective share. If one of them is bankrupt or insolvent, the performing debtor and the solvent joint and several debtors shall bear the burden of such bankruptcy or insolvency, each in proportion to their share, without prejudice to their right of recourse against the bankrupt or insolvent debtor upon their solvency.
2. The debt, if performed by one of the joint and several debtors, shall be divided into equal shares among all, unless the law or the agreement provides otherwise.

Article (393)

If one of the joint and several debtors is the principal debtor and the other debtors are guarantors; they shall have no right of recourse against them for anything after performing the debt.

Part Two

Joint Debt

Article (394)

A debt shall be joint among several creditors if it has a single cause, or if it is a debt devolved by inheritance to several heirs, or consists of consumable joint property, or constitutes the consideration for a loan taken from joint property.

Article (395)

1. Each of the co-creditors in a joint debt may claim their share thereof, and what they receive shall be deemed joint property among all co-creditors, each in proportion to their share.
2. If one of the co-creditors receives their share in the joint debt, the other co-creditors may either share it therewith, each in proportion to their share, and have recourse against the debtor for the remainder, or they may leave what the receiving co-creditor has received to them and have recourse against the debtor for their shares.

3. If the co-creditors choose to pursue the debtor, they may not have recourse against their receiving co-creditor unless their shares have perished, and recourse shall be in proportion to their shares in what the co-creditor has received, unless otherwise agreed.

Article (396)

If one of the co-creditors receives their share in the joint debt and then disposes thereof or consumes it, the other co-creditors may have recourse against them for their shares therein. If it perishes or is destroyed while in their possession without any fault or negligence on their part, they shall not be liable for the shares of their co-creditors therein, and they shall be deemed to have received their share, while the remainder of the debt in the liability of the debtor shall belong to their other co-creditors.

Article (397)

If the debtor provides one of the co-creditors with surety for their share in the joint debt, or the debtor assigns them to another, the other co-creditors shall be entitled to share, in proportion to their shares, in the amount received from the surety or from the assignee.

Article (398)

If one of the co-creditors, out of their share in a joint debt, purchases property from the debtor, the other co-creditors may require the latter either to indemnify them for the portion of the price corresponding to their respective shares, or to have recourse for their shares against the debtor, and they may share in what has been purchased if they so agree.

Article (399)

One of the co-creditors may grant their share in the debt to the debtor or release them therefrom, and they shall not be liable for the shares of their co-creditors in what they granted or released.

Article (400)

One of the co-creditors in a joint debt may enter into a settlement for their share therein. If the consideration for the settlement is of the same kind as the debt, the others may either share them in what has been received or pursue the debtor. If the consideration for the settlement is of a different kind, they may pursue the debtor or the settling co-creditor, and the settling co-creditor may pay them their share in what has been received or their share in the debt.

Article (401)

1. No one of the co-creditors in a joint debt may, on their own, defer the debt without the consent of the other co-creditors.
2. However, a co-creditor in a joint debt may defer their share without the consent of the others, and in this case, that co-creditor shall not be entitled to share with them in what they receive from the debt.

Part Three

Indivisibility of the Obligation

Article (402)

An obligation shall be indivisible in the following cases:

1. If its subject matter, by its nature, does not admit division.
2. If it appears from the purpose intended by the contracting parties that the obligation may not be performed in divisible parts.

Article (403)

If there are multiple debtors in an indivisible obligation, each shall be bound for the entire debt, and any debtor who has performed the debt shall have the right of recourse against the others, each in proportion to their share, unless otherwise provided by law or agreed upon.

Article (404)

1. If there are multiple creditors in an indivisible obligation, or if the heirs of a creditor in such obligation are multiple, each creditor or heir may demand the performance of the entire obligation.
2. If one of the creditors or heirs objects, the debtor shall perform the obligation thereto jointly or deposit the subject matter of the obligation with the competent authority in accordance with the law.
3. Each of the creditors shall have a right of recourse against the creditor who has received performance of the obligation, each in proportion to their share.

Part Four

Transfer of the Obligation

First: Assignment of Right

Article (405)

A creditor may assign their right to another person, unless this is precluded by a provision of law, the agreement of the contracting parties, or the nature of the obligation. The validity of the assignment shall not be conditional upon the debtor's consent.

Article (406)

A right may only be assigned to the extent that such right is capable of attachment.

Article (407)

An assignment of right shall not be enforceable against the debtor or a third party unless it is accepted by the debtor or notified thereto. However, its enforceability against a third party by the debtor's acceptance requires that such acceptance be of a fixed date.

Article (408)

The assignee creditor may, before the notification of the assignment of the right or its acceptance, take such measures as are necessary to preserve the right that has been transferred thereto.

Article (409)

An assignment of a right includes its securities, such as suretyship, privilege, and pledge, and is also considered to include any instalments that have fallen due.

Article (410)

The assignor shall deliver to the assignee the instrument of the assigned right and all data or means necessary to enable them to exercise their right.

Article (411)

1. If the assignment of right is for consideration, the assignor shall warrant only the existence of the assigned right at the time of the assignment, unless otherwise agreed.
2. If the assignment of right is without consideration, the assignor shall not warrant even the existence of the right.

Article (412)

1. The assignor shall not warrant the solvency of the debtor, unless there is a specific agreement for this warranty.
2. If the assignor warrants the solvency of the debtor, this warranty shall extend only to the solvency at the time of the assignment, unless otherwise agreed.

Article (413)

If the assignee has recourse against the assignor for the warranty under Articles (411) and (412), the assignor is only liable to return what they received along with expenses, even if otherwise agreed. However, the assignor shall be liable, if they knew of the non-existence of

the right in the debtor's liability, to compensate the bona fide assignee for the damage they have suffered.

Article (414)

The assignor shall be liable to compensate the assignee for the damage sustained due to their personal acts, even if the assignment was gratuitous, and any condition to the contrary shall be void.

Article (415)

The debtor may plead, as against the assignee, the defences that they could have raised against the assignor at the time the assignment of right became effective against them, and they may also plead defences arising from the assignment contract.

Article (416)

If multiple assignments are made for the same right, the assignment that first becomes effective against third parties shall prevail.

Article (417)

If an attachment is levied on the assignee before the assignment of the right becomes effective against third parties, the assignment shall, as against the attaching creditor, be deemed equivalent to a further attachment. If a subsequent attachment is levied after the assignment has become effective against a third party, the debt shall be distributed among the prior attaching creditor, the assignee, and the subsequent attaching creditor on a *pari passu* basis, provided that the assignee shall be satisfied, out of the share of the subsequent attaching creditor, to the extent necessary to complete the value of the assignment.

Second: Assignment of Debt

Article (418)

1. A debtor may transfer their obligation to another person, unless this is precluded by a provision of law, the agreement of the contracting parties, or the nature of the obligation.
2. An assignment of debt shall not be concluded except with the consent of both the assignee and the creditor.

Article (419)

1. If the creditor accepts the assignment, the liability of the original debtor shall be discharged as against the creditor, and the debt shall be transferred to the liability of the assignee.
2. If the creditor expressly or implicitly refuses to accept the assignment, the liability of the original debtor shall not be discharged.
3. If the assignee or the original debtor notifies the creditor of the assignment and gives them a reasonable period to approve the assignment, and the period expires without approval, the creditor's silence shall be deemed a refusal of the assignment.

Article (420)

1. The original debtor shall have the right to require the assignee to perform payment to the creditor, unless otherwise agreed.
2. The assignee may refrain from performing the debt to the creditor if the original debtor has not performed what they undertook towards the assignee under the assignment contract.

Article (421)

1. The assigned debt shall retain its securities, notwithstanding any change in the person of the debtor.
2. A guarantor, whether real or personal, does not remain bound to the creditor unless the guarantor has consented to the assignment.

Article (422)

The original debtor warrants the solvency of the assignee at the time of the creditor's approval of the assignment, unless otherwise agreed.

Article (423)

The assignee may plead against the creditor the defences that the original debtor could have raised, and may also plead defences arising from the assignment contract.

Article (424)

1. The sale of a mortgaged property by a registered mortgage shall not entail the transfer of the debt secured by the mortgage to the liability of the purchaser, unless there is an agreement to that effect.
2. If the seller and the purchaser agree to assign the debt, the consent of the mortgagee creditor shall be obtained before the registration of the sale contract, unless the special legislations provide otherwise.

Chapter Six

Extinction of the Obligation

Part One

Release

Article (425)

An obligation shall be extinguished if the creditor voluntarily releases their debtor. The release shall be effected when it comes to the knowledge of the debtor, and shall be revoked by the debtor's rejection thereof. If the debtor dies before acceptance, the debt shall not be taken from their estate.

Article (426)

A release shall not be valid except for an existing debt and shall not be permissible for a future debt.

Article (427)

1. The substantive provisions that apply to every donation shall apply to a release.
2. No special form shall be required for a release, even if it relates to an obligation arising from a disposition for which a form is required by law or agreed upon by the contracting parties.

Part Two

Impossibility of Performance

Article (428)

An obligation shall be extinguished if the debtor proves that performance has become impossible for them due to a foreign cause beyond their control.

Part Three

Barring of a Claim by the Lapse of Time

Article (429)

A right shall not be extinguished by the lapse of time, but a claim thereon shall not be admissible against a denier upon the lapse of fifteen (15) years without an accepted excuse, except for the cases where the law specifies another period and the cases stipulated in this Law.

Article (430)

1. A claim for any periodic recurring right shall not be admissible against a denier upon the lapse of five (5) years without an accepted excuse.
2. A claim for the due quarter against a holder in bad faith shall not be admissible against a denier upon the lapse of fifteen (15) years without an accepted excuse.

Article (431)

A claim shall not be admissible upon denial after the lapse of three (3) years without an acceptable excuse for the following rights:

1. The rights of physicians, pharmacists, lawyers, engineers, experts, professors, teachers, and brokers, provided that these rights are due to them for their professional work and incurred expenses.
2. Amounts due to be refunded in respect of taxes and duties paid unduly, without prejudice to the provisions contained in special laws.

Article (432)

A claim shall not be admissible upon denial after the lapse of two (2) years without an acceptable excuse for the following rights:

1. The rights of merchants and manufacturers for items supplied to persons who do not trade in such items, and the rights of hotel and restaurant owners for the cost of accommodation and food and for all they have spent on behalf of their customers.
2. The rights of workers, servants, and employees for daily and non-daily wages and for the price of supplies they have provided.

Article (433)

1. The claim shall not be admissible in the cases mentioned in Article (432) of this Law, even if the creditors continue to perform other work for the debtor.
2. If an acknowledgment or instrument is made out for any of the rights stipulated in Articles (430), (431), and (432) of this Law, the claim thereon shall not be heard if a period of fifteen (15) years has elapsed since its date of maturity.

Article (434)

The period prescribed for the barring of a claim by the lapse of time shall commence from the day on which the right becomes due for performance, from the time of the fulfilment of the condition if it is subject to a condition, and from the time of the establishment of the entitlement in a claim for warranty of entitlement.

Article (435)

A claim shall not be admissible if it is left unpursued by a predecessor then by a successor after them and the total of the two periods reaches the period prescribed for the non-hearing thereof.

Article (436)

The period that bars a claim shall be calculated in days, and the first day shall not be counted. The period shall be completed upon the expiry of the last day thereof, unless it is an official holiday, in which case it shall extend to the following day.

Article (437)

1. The lapse of time barring a claim shall be suspended whenever there is an acceptable excuse that makes it impossible to claim the right, and the period during which such impediment exists shall not be counted in the prescribed period.
2. The lapse of time barring a claim shall be suspended in respect of a person who lacks legal capacity, or an absent or missing person, or in respect of any person prevented from disposing of their property by law or a judicial judgment, unless any of them has a legal representative.

Article (438)

If some of the heirs do not file a claim related to the right of their decedent within the period prescribed for it to be admissible, and the remaining heirs have an acceptable excuse, the claim of the latter shall be heard to the extent of their respective shares.

Article (439)

An express or implied acknowledgment by the debtor of the right shall interrupt the lapse of time prescribed for the barring of a claim.

Article (440)

The period prescribed for the barring of a claim shall be interrupted by a judicial claim or by any judicial proceeding taken by the creditor to assert their right.

Article (441)

1. If the period prescribed for the barring of a claim is interrupted, a new period, equal to the original period, shall commence.
2. If a judgment is rendered for the debt and the judgment has acquired the force of res judicata, or if the debt is of a kind in respect of which a claim is barred after one year and the period is interrupted by the debtor's acknowledgment, the new period for the barring of the claim shall be fifteen (15) years, unless the debt for which judgment is rendered includes periodic recurring obligations that do not fall due for performance until after the judgment is issued.

Article (442)

The barring of a claim in respect of a right by the lapse of time entails the barring of a claim relating to its accessories, even if the period prescribed for the barring of a claim for these accessories has not been completed.

Article (443)

1. A waiver of the defense of the barring of a claim by the lapse of time shall not be valid before the right to invoke such defense is established, nor may it be agreed that a claim shall not be admissible after a period other than that specified by law.
2. Any person who has the capacity to dispose of their rights may expressly or impliedly waive the defense after the right to invoke it has been established, provided that such waiver shall not be enforceable against creditors if it is made to their detriment.

Article (444)

1. The court may not rule on its own motion on the non-admissibility of a claim; such ruling shall be made only upon a request by the debtor or by an interested party among the litigants.
2. The defence may be raised at any stage of the lawsuit, unless it is apparent from the circumstances that the person entitled to invoke it has expressly or impliedly waived it.

Book Two

Nominate Contracts

Section One

Contracts of Transfer of Ownership

Chapter One

Contract of Sale

Part One

Definition and Elements of the Contract of Sale

Article (445)

A sale is a contract whereby the seller undertakes to transfer to the purchaser ownership of the subject matter of the sale or any other financial right, in consideration of a monetary price.

Article (446)

1. The purchaser shall have sufficient knowledge of the subject matter of the sale; failing which, they shall have the right to seek the annulment of the contract.
2. Knowledge shall be deemed sufficient if the purchaser has seen the subject matter of the sale, or if the contract includes a description thereof and its essential attributes in a manner that allows for its identification in a way that does not lead to a dispute.
3. If the contract of sale that the purchaser has sufficient knowledge of the subject matter of the sale, their right to seek the annulment of the sale on the grounds of lack of knowledge shall lapse, unless they prove that the seller has deceived them.

4. If the purchaser receives the subject matter of the sale and has not objected thereto within a reasonable period according to custom, this shall be deemed acceptance thereof.

Article (447)

1. If the sale is by "sample or model", the subject matter of the sale shall conform thereto.
2. If it appears that the subject matter of the sale does not conform to the sample or model, the purchaser shall have the option to accept or reject it.
3. If the sample or model is damaged, destroyed, or lost while in the possession of one of the parties to the sale, the statement of the other party regarding conformity or non-conformity shall prevail, unless the opposing party proves otherwise.

Article (448)

1. If the contracting parties disagree as to whether the subject matter of the sale conforms to the sample or model, and both the sample or model and the subject matter of the sale exist, the opinion of the experts shall prevail.
2. If the sample or model, by agreement of the parties, was in the possession of a third party of a third party and was damaged, destroyed, or lost, and the subject matter of the sale was specifically determined by its identity and agreed to be the subject matter of the contract, the seller's statement as to conformity shall prevail, unless the purchaser proves the contrary. If the subject matter of the sale was determined by kind, or was specifically determined by its identity but not agreed to be the subject matter of the contract, the purchaser's statement as to non-conformity shall prevail, unless the seller proves otherwise.

Article (449)

1. In a sale subject to trial, the purchaser may accept or reject the subject matter of the sale, and the seller shall enable the purchaser to conduct the trial. If the purchaser rejects the subject matter of the sale, they shall declare the rejection within the agreed period. If no period is agreed upon, the rejection must be declared within a reasonable period to be

determined by the seller. If this period expires and the purchaser remains silent despite being able to conduct the trial, their silence shall be deemed acceptance.

2. A sale subject to trial is deemed to be contingent upon a suspensive condition, namely the purchaser's acceptance of the subject matter of the sale, unless it is apparent from the agreement or the circumstances that the sale is subject to a resolutive condition.
3. If the subject matter of the sale perishes in the purchaser's possession after delivery, the purchaser shall be bound to pay the agreed price to the seller. If it perishes before delivery due to a cause not attributable to the purchaser, the loss shall be borne by the seller.

Article (450)

In a sale on approval, the rules of sale shall apply as from the date of the sale.

Article (451)

If the purchaser loses their legal capacity before they approve the sale, the guardian, tutor, curator, as the case may be, shall choose what is in their best interest, in compliance with the conditions and provisions stipulated by law.

Article (452)

If the purchaser dies before choosing the subject matter of the sale, and a creditor whose debt exhausted all the purchaser's property, the right of trial shall pass to the creditor. Otherwise, this right shall pass to the heirs. If the heirs agree on the approval or rejection of the sale, their agreement shall be binding. If some approve the sale and others reject it, rejection shall prevail.

Article (453)

The purchaser may not use the subject matter of the sale during the trial period except to the extent required for the purpose of the trial according to custom. If they exceed such use in a manner not intended for trial, the sale shall become binding.

Article (454)

The fruits of the subject matter of the sale during the trial period shall belong to the seller, and the expenses thereof shall be borne thereby, unless the fruits form part of the subject matter of the sale in which case they shall belong to the purchaser if the purchase is completed.

Article (455)

The provisions of a sale subject to trial shall apply to a sale subject to tasting, provided that the option of tasting is not inheritable, and the sale becomes final and binding.

Article (456)

The price is what the contracting parties have agreed upon in exchange for the subject matter of the sale, whether it exceeds or is less than its value. The value is the objective worth of the thing, assessed without increase or decrease.

Article (457)

1. The determination of the price may be limited to stating the criteria according to which it shall be determined at a later stage.
2. If it is agreed that the price shall be the market price, it shall, in case of doubt, be the market price at the place and time at which the subject matter of the sale shall be delivered to the purchaser. If there is no market at the place of delivery, reference shall be made to the market price at the place whose prices are customarily considered applicable.
3. The contracting parties may entrust a third party with the task of determining the price according to certain criteria they agree upon or according to the criteria determined by that third party, and their determination in this case shall be binding on the contracting parties.

Article (458)

If the contracting parties do not specify a price for the subject matter of the sale, this shall not result in the nullity of the sale if it is apparent from the circumstances that the contracting parties intended to adopt the price prevailing in trade or the price previously applied in their dealings.

Article (459)

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

Article (460)

If the price is determined on the basis of weight, the net weight shall be taken into consideration, unless the two parties agree or custom dictates otherwise. Custom shall determine the tolerable amount of shortage in the goods resulting from transport or other reasons.

Article (461)

1. A sale may be conducted by a Murabaha (cost-plus sale), Tawliya (sale at cost), or Wadi'a (sale at a loss).
2. Murabaha is a sale at the original purchase price paid by the seller, with a specified added profit. Tawliya is a sale at the original purchase price without addition or reduction. Wadi'a is a sale at the original purchase price with a specified reduction.
3. In these types of sales, the original purchase price must be known, in order to avoid deception and accusation.
4. If it appears that the seller has unjustifiably overstated the cost of acquiring the subject matter of the sale, the purchaser shall be entitled to deduct the excess.
5. If the cost of acquiring the subject matter of the sale was not known at the time of contracting, or if the seller concealed a matter affecting the subject matter of the sale or its acquisition cost, the purchaser shall have the right to rescind the contract upon becoming

aware thereof. This right shall lapse if the subject matter of the sale perishes, is consumed, or is disposed of by the purchaser after delivery.

Article (462)

1. If an immovable property owned by a person lacking or of limited legal capacity is sold, and the sale involves gross lesion, the seller may request completion of the price to the value of the like.
2. The assessment of whether the lesion is gross or not shall be made by appraising the immovable property according to its market value at the time of the sale.

Article (463)

1. A claim for completion of the price due to gross lesion shall not be admissible after the lapse of three (3) years from the time of attaining legal capacity or from the day of the death of the owner of the sold immovable property.
2. The claim for completion of the price due to gross lesion shall not prejudice a third party acting in good faith who has acquired a real right (jus in rem) over the sold immovable property.

Article (464)

1. An increase in the price by the purchaser after the contract shall attach to the original contract if accepted by the seller, and the agreed price together with the increase shall constitute the consideration for the entire subject matter of the sale.
2. A reduction of the agreed price by the seller after the contract shall likewise attach to the original contract if accepted by the purchaser, and the remainder shall thereafter constitute the agreed price.

Article (465)

1. The price shall be due for immediate payment, unless the parties agree that it shall be deferred or paid in instalments over a specified term.

2. If the price is deferred or to be paid in instalments, the term shall commence from the date of delivery of the subject matter of the sale, unless the parties agree otherwise.

Part Two

Effects of Sale

First: Seller's Obligations

1. Transfer of Ownership

Article (466)

1. The ownership of the subject matter of the sale shall be transferred to the purchaser as soon as the sale is concluded, unless the law or the agreement provides otherwise.
2. Each of the parties to the sale shall proceed to perform their obligations, except for those that are deferred.
3. The seller is obligated to do what is necessary to transfer ownership of the subject matter of the sale to the purchaser and to refrain from any act that would render such transfer of ownership impossible or difficult.

Article (467)

If the sale is a lump-sum sale (Juzāf), ownership shall be transferred to the purchaser in the same manner as it is transferred in respect of a specifically designated thing. A sale shall be deemed lump sum even if the determination of the price is dependent on the measurement of the subject matter of the sale.

Article (468)

1. If the price is deferred, the seller may stipulate that the transfer of ownership to the purchaser shall be suspended until full payment of the price, even if the subject matter of the sale has been delivered to the purchaser.
2. If the price is payable in installments, the contracting parties may agree that the seller shall retain a portion of the price as compensation in the event of rescission of the sale if all installments are not paid. Nevertheless, the court may, depending on the circumstances, reduce the agreed compensation.

3. If the purchaser has paid part of the price, they may not demand the delivery of the corresponding part of the subject matter of the sale if its division would result in a diminution in its value.
4. If all installments are paid, the transfer of ownership to the purchaser shall be deemed effective retroactively from the date of the sale.

2. Delivery of the Subject Matter of the Sale

Article (469)

1. The seller shall deliver the subject matter of the sale to the purchaser free from any third-party right, unless the law or the agreement provides otherwise.
2. If the nature of the subject matter of the sale requires, by law or custom, the delivery of its documents evidencing ownership, the seller shall deliver them to the purchaser. If the seller refuses to deliver them, or alleges their loss and they later appear, the court shall compel them to deliver them. If they do not appear after a claim of loss, the purchaser shall have the option either to rescind the sale or to uphold it.
3. The seller shall deliver the subject matter of the sale in the condition it was in at the time of the sale.
4. Delivery includes the accessories of the subject matter of the sale, whatever is permanently affixed thereto, whatever has been prepared for its permanent use, and whatever custom considers to be appurtenant to the subject matter of the sale, even if not mentioned in the contract.

Article (470)

A contract relating to a building or a tree includes the land on which the building stands and the land into which the tree's roots extend. A contract relating to land includes the buildings and trees thereon, unless a condition or custom provides otherwise in either contract. A contract relating to a house includes the immovable fixtures therein, but not the movable items, unless the purchaser stipulates their inclusion in the contract.

Article (471)

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

Article (472)

The sale of a tree, whether independently or as appurtenant to the land, shall include the fruit born thereon if it has not been pollinated, or if it has not been set, in whole or for the most part. If it has been pollinated or has set, in whole or for the most part, it shall not be included in the contract, unless otherwise stipulated by a condition or established by custom as being appurtenant to the tree. Where the fruit has been pollinated or has set only as to one-half thereof, each part shall be governed by the foregoing rule applicable thereto.

Article (473)

A contract for crops that are harvested by cutting does not include subsequent growth, unless a condition or custom provides otherwise.

Article (474)

If the seller delivers the subject matter of the sale to the purchaser in a proper manner, they shall no longer be liable for any damage or loss occurring to the subject matter of the sale thereafter.

Article (475)

If the quantity of the subject matter of the sale is specified in the contract and a shortage or surplus appears therein, and there is no agreement or custom in this regard, the following rules shall be followed:

1. If the subject matter of the sale is not adversely affected by division, any surplus shall belong to the seller, who is entitled to recover it in kind, and any shortage shall be borne by the seller, whether the price is determined per unit of measurement or for the total quantity sold.

2. If the subject matter of the sale is harmed by division, and the price is determined on the basis of the unit of measurement, the surplus is the right of the seller, and they are entitled to its price, and the shortage is at their expense. If the price is named for the whole subject matter of the sale, the surplus is for the purchaser, and the shortage is not compensated for by any part of the price.
3. If the surplus or shortage obliges the purchaser to take more than what they purchased or results in fragmentation of the transaction, they shall have the option to rescind the sale, unless the discrepancy is insignificant and the shortage does not affect the purchaser's intended purpose. If the purchaser takes delivery of the subject matter of the sale with knowledge of the shortage, their right to rescind the sale shall lapse.

Article (476)

A claim for rescission of the contract, or reduction or completion of the price, shall not be admissible if one year has elapsed from the date of delivery of the subject matter of the sale.

Article (477)

Delivery is effected by placing the subject matter of the sale at the disposal of the purchaser in such a way as to enable them to take possession of it and benefit from it without hindrance, even if actual possession does not occur, as long as the seller has informed them thereof. Delivery shall take place in a manner consistent with the nature of the subject matter of the sale, and in accordance with the agreement or established custom.

Article (478)

1. If the contract does not specify a time for the delivery of the subject matter of the sale, the seller is obligated to deliver it immediately upon the conclusion of the contract.
2. If the two parties to the sale agree that delivery will take place at a time determined by the purchaser, the seller is obligated to deliver at that time, taking into account the timeframes required by the nature of the subject matter of the sale or by custom.

Article (479)

1. The sale requires the delivery of the subject matter of the sale at the place where it is located at the time of the contract, unless there is an agreement between the parties or a custom to the contrary.
2. If the subject matter of the sale was not at the place of the contract at the time of contracting and the purchaser was unaware thereof, the seller is obligated to deliver the subject matter of the sale at the place of the contract, unless there is an agreement or a custom to the contrary.
3. If the contract or custom contemplates the dispatch of the subject matter of the sale to the purchaser, delivery shall not be completed until it reaches them, unless agreed otherwise.

Article (480)

If the subject matter of the sale is in the possession of the purchaser before the sale, under any capacity or for any reason, such possession shall be deemed a delivery, unless otherwise agreed.

Article (481)

Delivery shall be deemed to have taken place in the following cases:

1. If the seller retains the subject matter of the sale in their possession at the request of the purchaser.
2. If the seller notifies the purchaser to pay the price and take delivery of the subject matter of the sale within a specified period, failing which it shall be deemed delivered, and the purchaser fails to do so.
3. If the two parties to the sale agree to consider the purchaser as having taken delivery of the subject matter of the sale in a specific case, or if the law requires that certain cases be considered as delivery.
4. If the seller registers the subject matter of the sale in the name of the purchaser, when the law requires registration for the transfer of ownership.

Article (482)

1. If the subject matter of the sale perishes in the purchaser's possession after delivery, the purchaser shall be obliged to pay the agreed price to the seller.
2. If the subject matter of the sale perishes before delivery due to a cause not attributable to the seller, the sale shall be rescinded, and the purchaser shall recover the price, unless the perishing occurs after the seller has notified the purchaser to take delivery of the subject matter of the sale.
3. If part of the subject matter of the sale perishes before delivery, the purchaser shall have the option to either rescind the sale or take the remaining part in proportion to their share of the price. In this case, the contract may also be upheld in respect to the entire subject matter of the sale at the named price, with recourse against the person who caused the loss of the value of what perished.
4. If the subject matter of the sale perishes before delivery, or part thereof is damaged, due to an act of the purchaser, the purchaser shall be deemed to have taken possession of the subject matter of the sale and shall be obliged to pay the price.
5. If the subject matter of the sale perishes or part thereof is damaged due to an act of the purchaser, and the seller has a right of withdrawal and elects rescission, the purchaser shall indemnify the seller by delivering a similar item or its value, and shall acquire ownership of what remains thereof.

3. Warranty Against Disturbance

Article (483)

1. The seller warrants that the subject matter of the sale is free from any third-party right that may be asserted against the purchaser, if the cause of such entitlement claim predates the contract of sale.
2. The seller warrants the subject matter of the sale if the entitlement is based on a cause subsequent to the sale and arising from the seller's own act.

Article (484)

1. Any entitlement claim (*rei vindicatio*) concerning the subject matter of the sale brought before its delivery shall be directed against both the seller and the purchaser.
2. If an entitlement claim concerning all or part of the thing is brought against the purchaser after delivery, the purchaser shall notify the seller thereof, and the seller shall intervene in the proceedings in support of the purchaser or substitute themselves for the purchaser therein.
3. If the seller is notified in due time and fails to intervene in the claim, they shall be liable under the warranty, unless they prove that the judgment resulted from fraud or gross fault on the part of the purchaser.
4. If the purchaser fails to notify the seller of the claim in due time, and a final judgment having the force of *res judicata* is rendered against them, the purchaser's right to invoke the warranty shall lapse if the seller proves that their intervention would have led to the dismissal of the claim.

Article (485)

The purchaser's right to the warranty shall be established even if they, acting in good faith, acknowledge the third party's right or conclude a settlement with them in respect thereof without awaiting a judicial ruling to be issued, provided that the purchaser had notified the seller of the claim in due time and called upon them to substitute for them therein, and the seller failed to do so.

Article (486)

1. If the purchaser settles with the claimant of entitlement regarding the subject matter of the sale before a judgment is rendered in their favor, and the seller denies the claimant's right, the purchaser shall be entitled to prove that the claimant is well-founded in their claim. Upon such proof, the seller shall have the option to either pay the equivalent of the settlement amount or refund the price to the purchaser.

2. If the settlement is concluded after a judgment has been rendered in favor of the entitled party, the purchaser shall retain the subject matter of the sale and shall be entitled to recover the price from the seller.

Article (487)

If the whole of the subject matter of the sale is subject to entitlement and the entitled party does not authorize the sale, the contract shall be rescinded, and the purchaser may claim the following from the seller:

1. The value of the subject matter of the sale at the time of the entitlement claim, unless the law provides otherwise.
2. The value of the fruits that the purchaser was compelled to return to the entitled party.
3. The value, as assessed at the time of the entitlement claim, of any useful improvements made by the purchaser to the subject matter of the sale.
4. Compensation for any loss sustained or profit lost as a result of the entitlement of the subject matter of the sale.
5. All expenses incurred in the warranty proceedings and the entitlement claim, except for those which the purchaser could have avoided if they had notified the seller of the claim.

Article (488)

1. If part of the subject matter of the sale is subject to entitlement before the purchaser has taken possession of the whole thereof, the purchaser may return what they have possessed and recover the price, or accept the sale and claim the price corresponding to the entitled part.
2. If part of the subject matter of the sale becomes subject to entitlement after the purchaser has taken possession of the whole thereof, and the entitlement causes a defect in the remainder, the purchaser may return it and have recourse against the seller for the price, or retain the remainder for a proportionate part of the price. If no defect is caused and the entitled part is the lesser part, the purchaser shall have no right other than recourse for the proportionate value of the entitled part.

3. If it appears after the sale that the subject matter of the sale is subject to a third-party right, the purchaser shall have the option to either await the removal of such right or to rescind the sale and recover the price from the seller.
4. If judgment is rendered establishing entitlement to the subject matter of the sale, and the entitled party authorizes the sale, they may have recourse against the seller for the price and the subject matter of the sale shall be freed from the third-party right in favor of the purchaser.
5. With respect to easement, it shall be presumed that the seller has stipulated an exclusion of warranty if the easement was apparent or if the seller had disclosed it to the purchaser.

Article (489)

1. The contracting parties may agree to increase the warranty against entitlement.
2. Any condition that excludes or reduces the warranty shall be void.
3. The purchaser's knowledge that the subject matter of the sale is not owned by the seller shall not prevent them from recovering the price in the event of entitlement.

Article (490)

1. If the entitlement is established on the basis of the purchaser's admission or their refusal to take an oath, they may not have recourse against the seller.
2. The purchaser may have recourse against the seller under the warranty, even if entitlement is established by their admission or refusal to take an oath, provided that the purchaser acted in good faith and had notified the seller of the entitlement claim in due time and invited them to join the proceedings, and the seller failed to do so, unless they prove that the entitled party was not justified in their claim.

Article (491)

1. If entitlement is claimed after the subject matter of the sale has perished while in the purchaser's possession, the purchaser shall be liable to the entitled party for its value as at the date of sale, and shall have recourse against the seller for the price.

2. If the value for which the purchaser is liable exceeds the agreed price, they shall be entitled to recover the difference, along with compensation for damages due under Clause (5) of Article (487) of this Law.

Article (492)

The entitled party may claim from the purchaser the benefit derived from the fruits or yield of the subject matter of the sale, after deducting the production expenses required, and the purchaser shall have recourse against the seller for whatever they have paid to the entitled party.

4. Warranty for Latent Defects

Article (493)

1. A sale is deemed to be concluded on the basis that the subject matter of the sale is free from defects.
2. The general rules governing the option for defect shall apply to the contract of sale, with due regard to the provisions of the following Articles.

Article (494)

1. The defect giving rise to the purchaser's option for defect is the latent defect.
2. A defect is latent if it is old and existed in the subject matter of the sale before the sale, or arose thereafter while in the seller's possession and before delivery, and is of a kind that cannot be detected by ordinary inspection, is not apparent to an ordinary person, can only be discovered by an expert, or only appears through testing.
3. Any defect that appears after the purchaser has taken delivery of the subject matter of the sale shall likewise be deemed a latent defect if it is proven to have arisen from a cause existing in the subject matter of the sale before delivery.

Article (495)

If a latent defect appears in the subject matter of the sale, the purchaser shall have the option to either return it or retain it and demand from the seller a reduction of the price proportionate to the defect, and the seller may avert this by providing a defect-free equivalent of the subject matter of the sale.

Article (496)

The seller shall be liable under the warranty if, at the time of delivery, the subject matter of the sale lacks the qualities that the seller guaranteed to the purchaser to exist therein, or if the subject matter of the sale has a defect that diminishes its value or its utility for the intended purpose, as stated in the contract or as apparent from the nature of the thing or the purpose for which it was prepared. The seller shall be liable for this defect even if they are unaware of its existence.

Article (497)

The seller shall not be liable for a defect in the following cases:

1. If the seller disclosed the defect to the purchaser at the time of sale.
2. If the defect is one that is customarily tolerated.
3. If the purchaser accepted the defect after having examined it or after becoming aware of it through another.
4. If the purchaser purchased the subject matter of the sale, knowing of the defect therein.
5. If the seller stipulates exclusion of liability for any defect or for a specific defect, unless the seller deliberately concealed the defect by way of fraud, or the purchaser was in a condition that prevents them from inspecting the defect.
6. If the defect arose after delivery, unless it is attributable to a cause existing in the subject matter of the sale before delivery.
7. If the sale is conducted by judicial or administrative auction.

Article (498)

The seller shall not be liable for defects known to the purchaser at the time of the sale, or which the purchaser could have discovered by themselves had they inspected the subject matter of the sale with the care of an ordinary person, unless they prove that the seller affirmed that the subject matter of the sale was free from such defect, or proves that the seller deliberately concealed the defect by way of fraud.

Article (499)

If the purchaser disposes of the subject matter of the sale as an owner after becoming aware of the latent defect, their option for defect shall be forfeited.

Article (500)

If the subject matter of the sale perishes due to a latent defect while in the purchaser's possession or is consumed before they become aware of the defect, they may recover from the seller the reduction in price caused by the defect.

Article (501)

1. If a new defect occurs in the subject matter of the sale while in the purchaser's possession, they may not return it on the basis of the latent defect, but may only demand from the seller a reduction in the price, unless the seller agrees to take it back with the new defect.
2. If the new defect ceases, the purchaser's right to return the subject matter of the sale to the seller on the basis of the latent defect shall be restored.

Article (502)

1. If the seller warrants the fitness of the subject matter of the sale for use for a specified period and a defect appears in the subject matter of the sale during that period, the purchaser shall notify the seller of this defect within one month from its appearance, unless a longer period is agreed upon.

2. If the seller fails to repair the defect, the purchaser may request rescission of the contract with compensation, or retain the subject matter of the sale and claim compensation for the damage suffered due to the defect.

Article (503)

1. If several things are sold in a single transaction and a defect appears in some of them before delivery, the purchaser shall have the option to accept them for the agreed price or to return them all.
2. If several things are sold in a single transaction and a latent defect appears in some of them after delivery, and their separation does not cause harm, the purchaser may return the defective thing for its proportionate share of the price, and shall have no right to return all of them without the seller's consent. If their separation does cause harm, the purchaser may return all the things sold or accept them for the full price.

Article (504)

1. If the subject matter of the sale has a defect that requires its return, and the purchaser has, before becoming aware of the defect, encumbered it with a right in favor of a third party that does not divest them of ownership, the purchaser may return it to the seller on account of such defect after releasing it from such right, provided that the subject matter of the sale has not changed during this period.
2. If the purchaser encumbers the subject matter of the sale with a right in favor of a third party after becoming aware of the defect, their right to return it for that defect shall be forfeited. If the subject matter of the sale has changed, it shall be governed by the rules applicable to changes occurring to a subject matter of the sale affected by a pre-existing defect.

Article (505)

The purchaser's right to return the subject matter of the sale for a defect shall not be forfeited solely due to a change in its value.

Article (506)

1. The yield of a subject matter of the sale returned for a defect, which is not considered part thereof, shall belong to the purchaser from the date of taking possession of the subject matter of the sale until the date of rescission of the sale, and the purchaser may not claim from the seller the expenses incurred in relation thereon.
2. The yield of a subject matter of the sale returned for a defect, which is considered part thereof, shall belong to the seller.
3. The purchaser may recover from the seller the expenses incurred in respect of the subject matter of the sale returned for a defect that produced no yield.

Article (507)

The risk of a subject matter of the sale returned for a defect shall pass from the purchaser to the seller upon the seller's consent to take it back from the purchaser, even if actual delivery has not taken place, or upon the establishment before the court of the defect warranting return, even if no judgment ordering the return has been rendered, provided that the seller is present. If the seller is absent, the risk shall not pass thereto except upon the issuance of a judgment ordering the return of the subject matter of the sale.

Article (508)

The warranty for a defect shall pass to the purchaser's heirs.

Article (509)

The claim for warranty in respect of a defect subsists even if the subject matter of the sale has perished for any reason whatsoever.

Article (510)

A claim for warranty in respect of a defect shall not be admissible upon the lapse of one year from the day following the delivery of the subject matter of the sale, unless the seller has undertaken to provide a longer warranty period. The seller may not rely on this period if it is established that the defect was concealed by fraud on their part.

Second: Purchaser's Obligations

1. Payment of the Price and Taking Delivery of the subject matter of the sale

Article (511)

The purchaser shall pay the price upon conclusion of the contract and before taking delivery of the subject matter of the sale or demanding it, unless otherwise agreed.

Article (512)

1. The seller may withhold the subject matter of the sale until they receive the price due to them, even if the purchaser has offered a pledge or a guarantee.
2. If the subject matter of the sale perishes while in the seller's possession while they are withholding it, the loss shall be borne by the purchaser, unless the perishing was caused by the act of the seller.
3. If the seller agrees to defer the price, their right to withhold the subject matter of the sale shall be forfeited, and they shall be obliged to deliver it to the purchaser.

Article (513)

1. If the purchaser takes possession of the subject matter of the sale before paying the due price, in the presence of the seller and without objection on their part, this shall be deemed consent to delivery.
2. If the purchaser takes possession of the subject matter of the sale before paying the due price, without the seller's consent, the seller may recover the subject matter of the sale. If the subject matter of the sale perishes or becomes defective while in the purchaser's possession, they shall be deemed to have taken delivery, and the seller may recover the price and claim compensation from the purchaser, where applicable.

Article (514)

The destruction of the subject matter of the sale by the purchaser, even without intent, shall be deemed to constitute taking possession thereof.

Article (515)

If the purchaser was unaware of the location of the subject matter of the sale at the time of the contract and then becomes aware thereof, they shall have the option to either rescind the sale or to affirm it and take delivery of the subject matter of the sale at its place of existence.

Article (516)

1. The purchaser shall be obliged to pay the immediate price at the location of the subject matter of the 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 upon the purchaser and there is no agreement on its payment at a specific place, it shall be paid at the purchaser's domicile at the time the payment falls due.

Article (517)

If the purchaser takes possession of an item on approval for purchase and it perishes or is lost while in their possession, and the price has been specified, they shall be bound to pay it. If the price has not been specified, the purchaser shall not be liable except in cases of transgression or negligence.

Article (518)

1. If an entitlement claim (*rei vindicatio*) is brought against the purchaser in respect of the subject matter of the sale based on a right predating the sale or deriving from the seller, the purchaser may withhold the price until the seller provides a suitable guarantee or a solvent surety who ensures the return of the price to the purchaser upon establishment of the entitlement. The seller may request the court to order the purchaser to deposit the price with it instead of providing the guarantee or a surety.
2. The provision of Paragraph (1) of this Article shall apply if it becomes apparent to the purchaser that the subject matter of the sale has an old defect guaranteed by the seller.

Article (519)

If a specific date for payment of the price is set in the sale, and it is stipulated therein that if the purchaser does not pay the price on that date, there shall be no sale between them, and the purchaser does not pay it while the subject matter of the sale is remains in the seller's possession, the sale shall be deemed to be legally rescinded.

Article (520)

1. If the purchaser has taken possession of the subject matter of the sale and then dies bankrupt or insolvent before paying the price, the seller may not demand the return of the subject matter of the sale, and the price becomes a debt upon the estate, with the seller being pari passu with the other creditors.
2. If the purchaser dies bankrupt or insolvent before taking possession of the subject matter of the sale and paying the price, the seller has the right to retain the subject matter of the sale until the price is recovered from the purchaser's estate, and shall have priority over other creditors.
3. If the seller takes possession of the price and dies bankrupt or insolvent before delivering the subject matter of the sale, it shall be deemed a trust in their possession, and the purchaser shall have priority thereto over the other creditors.

2. Expenses of the Sale

Article (521)

The purchaser shall bear the expenses of payment of the price, registration of the sale contract, and other expenses, and the seller shall bear the expenses of delivery of the subject matter of the sale and other costs, unless there is a provision of law, an agreement, or a custom to the contrary.

Part Three
Certain Types of Sales

First: Salam Sale

Article (522)

Salam is a sale with deferred delivery for an advance price.

Article (523)

1. The following conditions shall be met for a Salam sale to be valid:
 - a. The subject matter of the sale shall be of property that can be specified by description and quantity, and that is usually available at the time of delivery.
 - b. The contract shall include a statement of the genus, type, quality, quantity, and the time of delivery of the subject matter of the sale.
2. The Salam capital (the price) shall be known to the contracting parties, and payment shall be made at the time of contracting.

Article (524)

The purchaser may dispose of the Salam subject matter before taking possession thereof.

Article (525)

It shall not be valid for both the Salam capital and the subject matter of the Salam to consist of two foodstuffs or currencies; in cases other than foodstuffs, it shall be sufficient that they differ in genus and benefit.

Article (526)

If the delivery date for the subject matter of the Salam arrives, it shall be delivered at the agreed-upon location. If the seller and purchaser differ on the place of delivery of the Salam subject matter, preference shall be given to the party who alleges delivery at the place where the contract was concluded. If neither of them alleges this, it shall be delivered in accordance with the custom prevailing in this matter.

Article (527)

If the seller and the purchaser disagree on the quantity of the Salam subject matter, or on the term of its delivery, and neither has evidence, the statement of the one preference shall be given to the party who alleges the quantity prevailing among people shall be accepted. If no prevailing quantity exists, they shall be judged by the average quantity.

Article (528)

The settlement of the Salam subject matter shall be made in its own genus. By way of exception, it may be agreed that settlement be effected in a different genus, subject to the following conditions:

1. The substitute consideration by which settlement is made shall be delivered immediately.
2. This substitute consideration shall be of a kind that may validly serve as the Salam capital.
3. The subject matter of the Salam shall not be foodstuff.

Article (529)

1. If the Salam subject matter has a specific time of availability, and it becomes unavailable at the time it falls due before the purchaser takes possession thereof, the purchaser shall wait until it becomes available again. If the delay in taking possession is not due to a reason attributable to the purchaser, the purchaser shall have the option either to rescind the Salam contract or to wait until it becomes available.
2. If its availability ceases after the purchaser has taken possession of part thereof, waiting shall be required until the remainder becomes available, unless the parties agree to settle accounts in respect of the part already taken possession of.

Article (530)

1. If delivery of the Salam subject matter becomes impossible due to a temporary supervening cause at the time it falls due, the purchaser shall have the option either to wait for its availability or to rescind the contract and recover the capital.
2. If the seller in a Salam contract dies before the maturity date of the subject matter of the sale, the purchaser shall have the option either to rescind the contract and recover the price from the estate, or to wait until maturity. In the latter case, an amount from the estate that covers the value of the subject matter of the sale shall be attached, unless the heirs provide an appropriate guarantee or a solvent surety who ensures the delivery of the subject matter of the sale upon its maturity.

Article (531)

1. If a purchaser, in a Salam contract, exploits the need of a farmer and buys a future crop from them at a price or on terms that are manifestly grossly unfair, the seller shall, when the time for performance falls due, have the right to request the court to adjust the price or the terms in a manner that removes the unfairness. The court shall take into consideration the circumstances of time and place, the general level of prices, and their differences between the date of the contract and the date of delivery, in accordance with the prevailing custom.
2. The purchaser shall have the right not to accept the adjustment ordered by the court and to recover the actual price they actually paid to the seller, in which case the seller shall have the right to sell their crop to whomever they wish.
3. Any agreement or condition intended to waive this right shall be void, whether such condition is in the Salam sale contract itself or in the form of a separate obligation whatever its nature.

Second: Sale of Another's Property

Article (532)

If a person sells the property of another without their permission, the sale shall not be effective as against the owner except by their ratification.

Article (533)

1. If the owner ratifies the sale, the contract shall become effective with respect thereto and binding with respect to the purchaser. The contract shall likewise become effective if ownership of the subject matter of the sale passes to the seller after the conclusion of the contract.
2. If the purchaser was unaware that the subject matter of the sale was not owned by the seller at the time the contract was concluded, the purchaser may demand the annulment of the contract and claim compensation, even if the seller was in good faith.

Third: Takhāruj

Article (534)

Takhāruj is the sale by an heir of their share in an estate, after the death of the decedent, to one or more other heirs for a known consideration, even if the assets of the estate are not specified.

Article (535)

1. Takhāruj shall transfer the seller's share in the estate to the purchaser who shall replace the seller in the entitlement to their share of the estate.
2. Takhāruj shall not include everything that appears to belong to the deceased after the contract and of which the contracting parties were unaware at the time of the contract.
3. Takhāruj shall not include the rights that the estate has against the parties to the Takhāruj or against any of them, nor the obligations that it has towards them or any of them.

Article (536)

If the sale is effected without itemizing the components of the estate, the seller shall not warrant to the purchaser anything other than the existence of the estate and the confirmation of their hereditary share therein.

Article (537)

1. The purchaser shall follow the procedures required by law for the transfer of each right included in the hereditary share subject to the Takhāruj.
2. Takhāruj shall not be effective against a third party until the purchaser has completed the procedures required by law for the transfer of each right included in the hereditary share subject to the Takhāruj.

Fourth: Sale During Death Illness

Article (538)

1. Death illness is the illness in which a person is unable to pursue their usual activities, and in which death is predominant, and which is connected with death.
2. Cases which a person is surrounded by a danger of death and in which death is the most likely outcome shall be deemed equivalent to death illness, even if the person is not suffering from a disease.

Article (539)

1. A sale by a sick person to an heir or to another for the price of the like or with minor unfairness shall be effective and shall not require the ratification of the heirs.
2. A sale by a sick person to an heir or to another at a price below the value of the subject matter of the sale at the time of death shall be effective as against the heirs if the excess of the value thereof over the price does not exceed one-third of the estate, including the subject matter of the sale.
3. If the value of the subject matter of the sale exceeds the price by more than one-third of the estate, the sale shall not be effective unless ratified by the heirs or the purchaser completes two-thirds of the value of the subject matter of the sale; otherwise, the heirs shall have the right to rescind the sale.

Article (540)

A sale by a sick person to a non-heir for less than the value of the like, even with minor unfairness, shall not be effective as against the creditors if the estate is fully encumbered with debts, and the purchaser may pay the price of the like, otherwise the creditors shall have the right to rescind the sale.

Article (541)

The rescission of a sale by a sick person shall not be permitted if the purchaser has disposed of the subject matter of the sale in a manner that confers, for consideration, a right therein upon a good faith person. In this case, the creditors of the estate fully encumbered with debts may have recourse against the purchaser from the sick person for the difference between the price and the value of the subject matter of the sale, and the heirs shall have this right if the purchaser is one of them. If the purchaser is a non-heir, they shall return, to the estate, an amount completing two-thirds of the value of the subject matter of the sale.

Fifth: Sale by a Representative to Themselves

Article (542)

A person who acts as a representative for another by virtue of an agreement, a provision of law, or an order from the competent authorities may not, whether directly or under an assumed name, even by way of public auction, purchase for themselves the property entrusted to them for sale by virtue of such representation, without prejudice to the applicable legislation.

Article (543)

An intermediary or an expert, or any person in a similar capacity, may not buy in their name or under an assumed name, even by public auction, the properties that entrusted thereto for sale or for the valuation of their value.

Article (544)

By way of exception to the provisions set forth in Articles (542) and (543) of this Law, the representative, intermediary, or expert may purchase for themselves if authorized by the principal or the relevant person.

Sixth: Sale of Disputed Rights

Article (545)

1. A right is considered disputed if a lawsuit has been instituted regarding its subject matter or if a serious dispute has arisen concerning it.
2. If a disputed right is sold, the person disputing with the seller may recover it from its purchaser if they refund them the price paid and the expenses incurred.
3. The right of recovery shall be extinguished upon the lapse of sixty (60) days from the date on which the recovering party became aware of the sale.

Article (546)

The provisions of Article (545) of this Law shall not apply in the following cases:

1. If the disputed right is part of a group of properties sold en bloc for a single price.
2. If the disputed right is held in common among heirs or owners and one of them sells their share to another.
3. If a debtor assigns a disputed right to a creditor in settlement of a debt due therefrom.
4. If the disputed right encumbers an immovable property and the right is sold to the possessor of the property.

Article (547)

1. Judges, members of the Public Prosecution, experts, court officials, or persons in a similar capacity, or their relatives up to the second degree, may not purchase, whether in their own names or in assumed names, all or part of a disputed right, if the consideration of the dispute falls within the jurisdiction of the court in whose division they perform their duties; otherwise, the sale shall be void.

2. Arbitrators, conciliators, or mediators, or their relatives up to the second degree, may not purchase, in their own names or in assumed names, all or part of a disputed right, if the consideration of the dispute falls within the tasks assigned to them; otherwise, the sale shall be void.
3. Lawyers may not deal with their clients concerning the disputed rights for which they are defending, whether the dealing is in their own names or in assumed names; otherwise, the contract shall be void.

Chapter Two

Barter Contract

Article (548)

Barter is a contract by which each of the contracting parties undertakes to transfer to the other, by way of exchange, the ownership of property other than money.

Article (549)

The addition of a sum of money to one of the two exchanged items for balancing purposes shall not remove from the barter its nature, if the exchanged items have different values in the estimation of the contracting parties.

Article (550)

The expenses of the barter contract, delivery expenses, and any other expenses shall be borne equally by the two parties to the barter, unless there is an agreement or a custom to the contrary.

Article (551)

The provisions of the sale contract shall apply to the barter contract to the extent permitted by the nature of the barter, and each of the two parties to the barter shall be deemed a seller of the thing they exchanged and a purchaser of the thing they received in exchange.

Chapter Three

Gift Contract

Part One

Definition and Conditions of the Gift Contract

Article (552)

A gift is a contract whereby the donor undertakes, during their lifetime, to transfer the ownership of the gifted property to the donee without consideration.

Article (553)

1. If the donor stipulates a consideration from the donee, the contract shall be a commutative contract to which the provisions governing commutative contracts shall apply, according to the nature of the consideration.
2. The consideration in a gift subject to consideration shall be known, otherwise either party may rescind the contract, even after the donee has taken possession of the gifted property, unless the parties agree on specifying the consideration before rescission.
3. If the gifted property perishes or is disposed of by the donee before rescission, the donee shall be bound to return its value as of the date of taking possession.

Article (554)

1. A gift is concluded by offer and acceptance and is completed by taking possession.
2. If the gifted property is immovable, its gift shall not be valid unless documented in accordance with the applicable legislation.
3. If the gifted property is movable, the gift shall not be valid unless documented in accordance with the applicable legislation, or by taking possession if such legislation does not so require.

Article (555)

A contract of gift shall not be effective in the following cases:

1. If the gifted property is not owned by the donor, unless ratified by the owner.
2. A gift made by a debtor whose debt has encompassed their property, unless ratified by the creditor.

Article (556)

A gift of a debt to the debtor is valid and shall be deemed a discharge (ibra'). A gift of a debt to a non-debtor is valid and shall take effect if the debtor pays the debt to the donee.

Article (557)

A partner may validly gift their share in an undivided property to their partner or to a third party is valid, whether the gifted property is immovable or movable, and even if the gifted property is divisible.

Article (558)

It shall be a condition for the validity of a gift that the donor is not legally interdicted from making the gift.

Article (559)

Whoever mortgages a thing for a debt owed thereby and then gifts it to a person other than the mortgagee, and the mortgagee consents to the gift to another, the gift shall be valid and the debt shall remain without security, even if the mortgagor is insolvent. If the mortgagee does not consent to the gift of the mortgaged property to another and the mortgagor is insolvent, the gift shall be void. If the mortgagor is solvent, the gift shall be valid provided that the debt is paid immediately to the mortgagee or that adequate security is provided.

Article (560)

If the mortgaged property is gifted to a person other than the mortgagee and then the donor dies before redeeming the mortgage, the gift shall be void.

Article (561)

A gift shall be void if the donor's debts encompass their property before the donee takes possession of the gifted property, even if the debt arises after the gift.

Article (562)

1. A gift of trees with the exclusion of their fruit for one year or more, on the condition that the donee undertakes their irrigation and maintenance during that period, shall not be permissible; if such a gift occurs, it shall be rescinded.
2. As a result of the rescission of the gift, the donee shall return the trees to the donor if they remain in the same condition.
3. If the condition of the trees has changed, the donee shall pay their value as of the day of taking possession thereof, and ownership shall pass to the donee from that date. In this case, the donee shall have recourse against the donor for the equivalent of what the donor has taken of their fruits, if the quantity thereof is known, or for their value if the quantity is not known.

Article (563)

Whoever gifts a thing to a person and then gifts it, before possession, to a second person, and the second person takes possession before the first, it shall be adjudged to the second, and the donor shall not be bound to pay its value to the first.

Article (564)

A gift of a deposit to the depositary, or a gift of a thing lent for use to the borrower, shall be void if the depositary or the borrower does not accept it except after the donor's death, whether they were aware of the gift before or after the donor's death.

Article (565)

If a thing lent for use is gifted to a person other than the borrower, or a deposit is gifted to a person other than the depositary, and the donor dies before the expiry of the period of the loan for use or before the recovery of the deposit, the possession of the borrower of the thing lent for use, or of the depositary of the deposit, shall be deemed possession on behalf of the donee, and the gift shall be completed thereby, provided that the donor has had it witnessed. If the gift is not witnessed, the possession of each shall be deemed possession on behalf of the donor, and the gift shall be void.

Article (566)

1. A gift by a minor or a prodigal without consideration shall be void.
2. The guardian of an interdicted person may not make a gift of any property of their ward, unless the guardian is the father, and the gift is made for consideration.

Article (567)

If the leased property is gifted to someone other than the lessee and the donor dies before the expiry of the lease period, the possession of the lessee shall not, after the gift, be possession for the donee, unless the donor has also gifted the rent to the donee before receiving it from the lessee, in which case the lessee's possession shall be possession for the donee.

Article (568)

If one spouse gifts property to the other where necessity requires their joint possession thereof, or the wife gifts the dwelling house to the husband, the completion of the gift does not depend on the independent possession of the gifted property by the donee. However, if one spouse gifts something to the other which necessity does not require their joint possession thereof, or the husband gifts the dwelling house to his wife, the gift is not completed except by the independent possession of the gifted property by the donee.

Article (569)

A promise to make a gift shall not be valid, nor shall a gift of a future property be valid.

Article (570)

If one of the parties to a gift dies, becomes bankrupt, or insolvent before the contract is documented or the gifted property is possessed, the gift shall be void, even if made without consideration.

Article (571)

A gift after the donor's death is valid if the donee sought to document it or to take possession thereof during the donor's lifetime but was unable to do so until after their death.

Article (572)

The provisions of a will shall apply to a gift made during a death illness.

Part Two

Effects of the Contract of Gift

First: The Donor's Obligations

Article (573)

The donor is obliged to deliver the gifted property to the donee, and the provisions governing the delivery of the sold property shall be followed in this regard.

Article (574)

1. If the gift is made without consideration, the donor does not guarantee the entitlement of the gifted property nor its freedom from defects, unless they intentionally conceal the cause of the entitlement or the defects. In this case, the court shall assess for the donee fair compensation for the damage they have suffered.
2. If the gift is made for consideration, the donor does not guarantee except to the extent of the consideration provided by the donee, and the parties may agree to modify the guarantee or to waive it.

Article (575)

1. If the gifted property becomes subject to entitlement after it has perished while in the possession of the donee, and the entitled party chooses to have recourse against the donee for the guarantee, the latter may claim from the donor what they have guaranteed to the entitled party.
2. If the gifted property becomes subject to entitlement and the donee has made an addition to the gifted property that cannot be separated without damage, the entitled party may not recover it before paying the value of the addition.

Article (576)

The donor does not guarantee a latent defect in the gifted property, even if the donor intentionally concealed it, unless the gift is made for consideration.

Second: The Donee's Obligations

Article (577)

The donee is obliged to perform what has been stipulated as consideration for the benefit of the donor, a third party, or the public interest.

Article (578)

If it is found that the gifted property is of lesser value than the stipulated consideration, the donee is not obliged to pay more than the value of the gifted property.

Article (579)

If the donor stipulates as consideration for the gift the payment of their debts, the donee is not obliged to pay except the debts that existed in the donor's liability at the time of the gift, unless otherwise agreed.

Article (580)

If the donor stipulates that the donee shall provide maintenance for them or for another for life, the donee shall be bound by such stipulation. If the donee breaches this obligation, the donor may demand the performance of this obligation or the rescission of the gift.

Article (581)

If the gifted property is encumbered with a real right (jus in rem) securing a debt owed by the donor or by another person, the donee is obliged to pay this debt, unless otherwise agreed.

Part Three

Revocation of the Gift

Article (582)

1. The donor may revoke the gift before taking possession thereof without the donee's consent.
2. The donor may revoke the gift after taking possession thereof with the donee's consent. If the donee does not consent, the donor may request the court to authorize the revocation if based on an acceptable excuse and no impediment to revocation exists.

Article (583)

An acceptable excuse for rescinding and revoking a gift is considered to be:

1. That the donee fails to fulfill their obligation towards the donor or one of their relatives, such that it is considered ingratitude on their part.
2. That the donor becomes unable to provide for themselves in a manner consistent with their social standing, or becomes unable to discharge their legal obligation of maintenance towards others.
3. If the gift was made by one betrothed party to the other and the engagement was rescinded due to the withdrawal of the donee from the engagement.
4. If the donor had no child and is blessed with a child after the gift, who remains alive until the time of revocation, or if they had one child, whom they believed to be dead at the time of the gift, and it turns out that the child is alive.

Article (584)

1. Either parent may recover what they have gifted to their child.
2. The right of either parent to recover what they have gifted to their child is forfeited in the following cases:
 - a. If the nature of the gifted property changes or is disposed of by the donee in a way that removes it from their ownership.
 - b. If a financial transaction arises with the donee because of the gift, and the revocation of the gift would cause harm to the donee or to a third party.
 - c. If the donee or the donor contracts a serious illness after the gift, unless such illness ceases, in which case the right of each parent to recover what they have gifted to their child shall revive.

Article (585)

An impediment to the revocation of a gift is considered to be:

1. If the gifted property has had an attached addition that causes an increase in its value, and if the impediment ceases, the right of revocation shall revive.
2. If either of the parties to the contract of gift dies.
3. If the donee has disposed of the gifted property by a final disposition. If the disposition is limited to part of the gifted property, the donor may revoke the remainder.
4. If the gift is from one spouse to the other or to a mahram relative, unless it results in an unjustified preference among them.
5. If the gift is to either or both parents.
6. If the creditor gifts the debt to the debtor.
7. If the gifted property perishes while in the possession of the donee, whether the perishment is by their act or by an external event for which they are not responsible or due to use. If only part of it perishes, the revocation may be made for the remainder.
8. If the donee has provided consideration for the gift.
9. If the gift is a charity or an act of piety.

Article (586)

If the donee intentionally and unlawfully kills the donor, any of their heirs has the right to invalidate the gift.

Article (587)

1. The donor may recover the gifted property if they have stipulated in the contract that such recovery shall occur in the event the donee fails to fulfill certain obligations for the benefit of the donor or someone they care about.
2. If the gifted property has perished or the donee has disposed thereof, the donor is entitled to its value at the time of the disposition or perishment.

Article (588)

1. Revocation results in the return of the gifted property to the ownership of the donor from the time the revocation is completed, without prejudice to the rules related to registration.
2. The donee shall not be required to return the fruits except from the time of agreement on the revocation or from the time of filing the lawsuit. They may have recourse for all necessary expenses they have incurred, while for beneficial expenses, recourse shall not exceed the value of the increase in the gifted property.

Article (589)

1. If the donor recovers the gifted property without mutual consent or litigation, they shall be liable to the donee for the perishment of the thing, whether the perishment is by the donor's act, by an external event for which they are not responsible, or due to use.
2. If a judgment is issued revoking the gift and the thing perishes while in the possession of the donee after being notified to deliver it, they shall be liable for this perishment, even if it is due to an external event for which they are not responsible.

Article (590)

The expenses and costs of the gift shall be borne by the donee, and the expenses and costs of the revocation shall be borne by the donor, unless otherwise agreed.

Chapter Four

The Loan Contract

Article (591)

1. A loan is a contract whereby the lender undertakes to transfer to the borrower the ownership of a sum of money or any other fungible thing, on the condition that the borrower returns to the lender at the end of the loan term an item of the same amount, type, and description.
2. If the loan contract stipulates an additional benefit exceeding the nature of the contract, other than securing the lender's right, the condition shall be void, and the contract shall remain valid.

Article (592)

The subject matter of the loan shall be fungible and consumable.

Article (593)

1. The lender shall be of full legal capacity, and the borrower shall be legally capable of assuming obligations.
2. The guardian, tutor, curator, or representative of an absentee may not borrow funds for the benefit of the person under their guardianship, except by permission of the court.

Article (594)

1. The lender shall deliver the subject matter of the contract to the borrower upon completion of the contract, unless it is agreed to deliver it at another time.
2. If the item perishes before its delivery to the borrower, the loss shall be borne by the lender.

Article (595)

If a third party is adjudged entitled to the property received under the loan while it is still in the possession of the borrower, the latter's obligation to return a similar item shall lapse, and

they may have recourse against the lender for any damage they may have suffered as a result of such entitlement, if the lender was acting in bad faith.

Article (596)

1. If a latent defect appears in the property received under the loan, the borrower shall only be obliged to return its value in its defective condition.
2. If the lender intentionally concealed the defect, they shall be liable for the damage caused by the defect.

Article (597)

If the loan is subject to a term, the lender may not demand repayment before the expiry of the term. If no term is agreed upon, or if it is agreed that repayment shall be made when the borrower is able to do so, the court shall determine a suitable time for repayment according to the circumstances.

Article (598)

1. The borrower is obliged to return the same amount, type, and description of what they have received at the end of the loan period, and no regard shall be had to any change in its value, at the time and place agreed upon.
2. If it is impossible to return an item of the same kind as the borrowed item, the lender's right shall transfer to its value on the date of receipt.

Article (599)

If several persons borrow funds and one of them receives the amount with the consent of the others, none of them may demand from that person more than their share of what was received.

Article (600)

1. The borrower is obliged to repay at the place where the loan was concluded, unless expressly or implicitly agreed otherwise.

2. If the domicile of both parties moves to another country, whether the same or different, where the value of the property received under the loan differs from its value in the country of the loan, the lender's right shall transfer to the value at the place where the loan was contracted.

Article (601)

The expenses of the loan and its repayment shall be borne by the borrower, unless otherwise agreed.

Chapter Five

Company Contract

Part One

General Provisions

Article (602)

The provisions set out in this Chapter shall not prejudice the provisions of any special laws.

Article (603)

1. A company is a contract whereby two or more persons undertake to contribute to an enterprise by each providing a contribution of property or service, for the purpose of investing in that enterprise and sharing in any profits or losses resulting therefrom.
2. Notwithstanding Paragraph (1) of this Article and in accordance with the applicable legislation, any of the following shall be permissible:
 - a. The establishment or ownership of a company by a single person.
 - b. The reinvestment of the net profits of the company to achieve the purposes for which it was established.

Article (604)

The company contract shall be in writing. The absence of writing shall not affect the rights of third parties, but as between the partners themselves, the contract shall be deemed valid,

unless one of them requests that it be declared invalid, in which case such invalidity shall take effect in respect of the contract from the date the claim is instituted.

Article (605)

A company shall acquire legal personality upon its formation. Such legal personality may not be relied upon against a third party except after completion of the procedures prescribed by law. However, third parties may rely on such personality notwithstanding the non-completion of the prescribed procedures.

Article (606)

1. A company shall be civil if its activity is non-commercial.
2. A company shall be commercial if its activity is commercial, or if it adopts one of the forms of commercial companies, even if its activity is non-commercial, and in such case, it shall be subject to the Commercial Companies Law.
3. A company shall be subject to the provisions set out in this Chapter and the provisions of the special legislation regulating the activities it carries out.

First: The Contributions

Article (607)

1. The capital of the company shall consist of cash contributions and in-kind contributions of assessed value. The contribution of a partner to the capital of the company may also be in the form of services.
2. The partners' contributions to the capital of the company may be equal or unequal.
3. The contribution of a partner to the capital of the company may not be limited to their influence or the financial standing they enjoy.
4. A debt owed by a third party may not constitute a contribution to the capital of the company.

Article (608)

1. If the contribution of a partner in the company consists of a right of ownership, a right of usufruct, or any other real right (jus in rem), the provisions governing sale shall apply to the warranty of such contribution in the event of its perishing, entitlement thereto, or the appearance of a defect or deficiency therein. However, if the contribution is merely of the right of enjoyment of the property, the provisions governing lease shall apply in all such cases, unless the law provides otherwise.
2. If the contribution of a partner consists of services, such partner shall perform the services undertaken under the contract and shall render an account of their earnings from the date the company commenced carrying on the activity for which such services were contributed. In this case, the partner shall not be obliged to transfer to the partnership any intellectual property rights acquired thereby, unless otherwise agreed.

Second: The Company's Financial Year

Article (609)

1. Every company shall have a financial year to be determined in the company contract, provided that the first financial year of the company shall not exceed eighteen (18) months and shall not be less than six (6) months, calculated from the date of its registration with the competent authority.
2. The subsequent fiscal years shall be consecutive periods, each of twelve (12) months, commencing immediately after the end of the preceding fiscal year.

Third: Profits and Losses

Article (610)

1. Profits and losses shall be distributed in the manner set out in the company's contract.
2. If the company's contract does not specify the share of each partner in the profits and losses, they shall be distributed in proportion to each partner's share in the capital of the company.
3. If the contract only specifies the partner's share in the profit, their share in the loss shall be equal thereto.

4. If a partner's contribution is limited to their services, their share in the profit and loss shall be assessed in proportion to the benefit derived by the company from such services. If, in addition to their services, the partner contributes cash or any other property, they shall be entitled to a share in respect of their services and another share in respect of what they have contributed in addition thereto.

Article (611)

If the partners agree in the contract that one of them shall receive a fixed sum of the profit, such condition shall be void, and the profit shall be distributed in proportion to each partner's share in the capital.

Article (612)

If it is agreed in the contract that one of the partners shall not benefit from the company's profits or shall not contribute to its losses, the company contract shall be void.

Fourth: Management of the Company

Article (613)

1. If neither the law nor the company contract contains a specific provision on the method of management, each partner shall be deemed authorized by the others to manage the company and may carry out acts of management and acts of disposition falling within its objects without referring to the other partners. Such acts shall be effective against the company and all partners, provided they do not contravene the company contract or the law.
2. Any of the partners shall have the right to object to any act before it is completed, and the majority of the partners shall have the right to overrule this objection.
3. No partner may perform any act of disposition that does not fall within the objects of the company, unless approved by the unanimous consent of the partners.

Article (614)

1. The partners may appoint, from among them or from third parties, a person to manage the company and act on their behalf under the company contract or under a separate contract, with or without remuneration.
2. The manager of the company shall have the authority to carry out acts of management and acts of disposition that fall within the purpose of the company and what is necessarily incidental thereto, provided that such acts and dispositions are free from fraud, breach of trust, gross fault, or negligence, and are consistent with the company contract.
3. If the manager of the company exceeds the powers specified in the contract, they shall be liable for any damage that befalls the company as a result of such act.
4. The manager of the company may delegate some of their management powers if authorized to do so under the company contract or a separate contract, provided that they shall remain liable towards the company for the acts of the person to whom such powers are delegated.
5. Any of the partners may object to acts of management and acts of disposition that exceed the objects of the company or violate the company contract or established custom. They may discuss the objection with the other partners and may also resort to the court.

Article (615)

1. There may be multiple managers for the company, and the powers of each shall be determined in the company contract, a separate contract, or any subsequent agreement. Each manager shall be bound by the powers conferred thereupon and shall not encroach upon the powers of the other managers.
2. If there are multiple managers and the powers of each are not specified, and it is not stipulated that they shall act jointly, each may individually perform any act of management, provided that the others have the right to object to the act before completion thereof. In this case, the decision of the majority of the managers shall prevail. If the opinions are equal, the matter shall be referred to the partners for determination, and their decision shall be final.
3. If it is agreed that the decisions of the company's managers shall be taken unanimously or by majority, no departure from such agreement shall be permitted, except in urgent

matters where failure to act would result in a serious loss that the company cannot compensate.

Article (616)

If a decision is required to be taken by majority, the majority shall be calculated on the basis of the value of the partners' shares, unless the law or the agreement provides otherwise.

Article (617)

1. Partners who are not managers are prohibited from participating in management.
2. Partners who are not managers have the right to request a report on the acts of management and acts of disposition, and to personally inspect the company's books, records, and documents. This right may not be delegated, and any agreement to the contrary shall be void.

Article (618)

A person appointed to manage the company or delegated with its management may not resign from management at a time where such resignation would cause harm to the company.

Fifth: Effects of the Company

Article (619)

The partner entrusted with the pursuit of the interests of the company shall refrain from any act that would cause damage to the company or contravene the purpose for which it was established, and shall, in pursuit of the company's interests, exercise the same degree of care as they exercise in their own affairs, unless they are appointed to act for remuneration, in which case they may not exercise a degree of care lower than that of an ordinary person.

Article (620)

A partner may not appropriate to themselves any of the company's property. If they do so, they shall be liable for any damage that results therefrom.

Article (621)

1. If a partner has personal creditors, they may not, during the existence of the company, claim their rights from the partner's share in the company's assets, but may claim them from that partner's share in the profits. After the liquidation of the company, they may claim their rights from the debtor's share in the company's assets.
2. The personal creditor of a partner may levy a precautionary attachment in the hands of the liquidator over what will develop upon their debtor from the company's assets upon liquidation.

Sixth: Dissolution of the Company

Article (622)

A company shall be dissolved upon the expiry of its specified term or the completion of the work for which it was formed. The partners may extend this term after obtaining the approval of the competent authority.

Article (623)

1. A company shall be dissolved by the loss of all its assets or of a substantial part thereof, such that there is no benefit in its continuation.
2. If one of the partners has undertaken to contribute a specific thing in kind and that thing perishes before being contributed, the company shall be dissolved with respect to all partners.

Article (624)

A company shall be dissolved in the following cases:

1. Unanimous agreement of the partners to dissolve it.
2. Issuance of a judicial judgment ordering its dissolution.
3. Any other case provided by law.

Article (625)

A company shall be dissolved upon the death of a partner, their interdiction, their insolvency, or their bankruptcy, with due regard to the following:

1. It may be agreed that, upon the death of any partner, the company shall continue with their heirs, even if they are minors, unless the law provides otherwise.
2. It may be agreed that the company shall continue among the remaining partners if one of them dies, is placed under interdiction, becomes insolvent, or is declared bankrupt. In such a case, this partner or their heirs shall only be entitled to their share in the company's assets. Such share shall be valued according to its value on the date of occurrence of the event that led to their exit from the company and shall be paid in cash. They shall have no share in any subsequent rights arising thereafter, except to the extent that such rights result from transactions prior to that event.

Article (626)

A company shall be dissolved by the withdrawal of a partner if its term is not fixed, provided that the withdrawing partner notifies their intention to withdraw to the other partners before the withdrawal, and that their withdrawal is not tainted by fraud or made at a time that would cause harm to the company or the partners, with due regard to the following:

1. It may be agreed that the company shall continue among the remaining partners upon the withdrawal of one of them, and that a new partner may be introduced to replace the withdrawing partner, or that the remaining partners shall acquire the share of the withdrawing partner, each in proportion to their share or contribution to the capital, unless otherwise agreed.
2. If the company consists of two partners, and in cases where the company is permitted to be formed by a single person, the remaining partner may continue the company after the withdrawal of the other partner, provided that the necessary procedures are taken to convert the company into the new form in accordance with the procedures followed by the competent authorities.

Article (627)

The court may order the dissolution of a company at the request of any partner if another partner fails to fulfil their undertaking or for causes substantial harm to the company. Any agreement to the contrary shall be void.

Article (628)

1. The partners holding a majority of the capital may request the court to order the exclusion of any partner where serious reasons justifying such exclusion exist.
2. Any partner may request the court to order their withdrawal from the company if the company is for a fixed term, where they provide reasonable grounds therefor.
3. In both of the preceding cases, the provisions of Paragraph (2) of Article (625) of this Law shall apply to the share of the excluded or withdrawing partner. Such share shall be valued according to its value on the date of filing the claim.

Seventh: Liquidation and Division of the Company

Article (629)

The assets of the company 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, in accordance with the provisions contained in the following Articles.

Article (630)

The authority of the managers shall terminate upon the dissolution of the company, and they may not undertake any new act related to the company; otherwise, whoever participates in such act shall be personally and jointly liable with the participating managers, as the case may be.

Article (631)

Upon dissolution, the company shall, during the liquidation phase, retain its legal personality to the extent necessary for the purposes of liquidation.

Article (632)

1. The liquidation shall be carried out, where applicable, either by all the partners or by one or more liquidators appointed by a majority of the partners.
2. If the partners do not agree on the appointment of the liquidator, the court shall appoint one upon the request of one of them.
3. In cases where the company is void, the court shall appoint the liquidator and determine the method of liquidation upon the request of the interested parties.
4. The manager(s) of the company shall be deemed liquidators, vis-à-vis third parties, until a liquidator is appointed.

Article (633)

1. The liquidator may not commence any new acts for the company, unless such acts are necessary for the completion of previous acts.
2. The liquidator shall carry out all liquidation acts, such as preparing an inventory of the company's assets, collecting its receivables, paying its debts, and selling its assets until they become ready for division. The liquidator may sell the company's movable or immovable property by public auction or by private sale, unless their instrument of appointment provides for a restriction on this power.
3. The liquidator, in their capacity as an agent for the partners, shall submit an account of the liquidation works, provide them with the information they request concerning the liquidation, and enable them to inspect the books, records, and documents related thereto.
4. If the liquidator is appointed by a majority of the partners, their remuneration shall be specified. If the liquidator is appointed by a judicial ruling, the appointment ruling shall determine their remuneration. In all cases, the liquidator shall have a first-ranking privilege over all the company's assets.

Article (634)

1. The assets of the company shall be divided among all the partners after the creditors have been paid their rights, after deducting the amounts necessary for the settlement of debts that have not yet fallen due or are disputed, and after reimbursing any expenses or loans owed by the company to any of the partners.
2. Each partner shall be entitled to an amount equal to the value of the share contributed thereby to the capital, as stated in the contract, or equal to the value of such share at the time of its contribution if its value is not stated in the contract, unless the partner's contribution was limited to the provision of services or was limited, in respect of what was contributed, to the mere right of use.
3. If any balance remains thereafter, it shall be divided among the partners in proportion to each partner's share in the profits.
4. If the net assets of the company are insufficient to cover the partners' shares, the loss shall be apportioned among them in accordance with the provisions of Article (610) of this Law.

Article (635)

The rules governing the division of undivided property shall be followed in the division of companies.

Part Two

Business Partnership

Article (636)

A business partnership is a contract whereby two or more persons undertake to perform a service and guarantee its performance to third parties, for remuneration, whether they are equal or unequal in the distribution of services, provided that the works are unified or interrelated.

Article (637)

The partners shall be jointly liable for the performance of the services, and each of them shall be entitled to their share of the profit even if they did not perform the services.

Article (638)

1. Each partner shall be bound to perform the services undertaken and agreed upon by any of them.
2. Each of them shall be entitled to claim the agreed remuneration, and the employer's obligation is discharged by payment to any of them.

Article (639)

A partner who has undertaken to perform the services may entrust its performance to another partner or to a third party, unless the employer has stipulated that the services must be performed personally by that partner.

Article (640)

Profit shall be distributed among the partners in the proportion agreed upon in the partnership contract, without regard to the nature or extent of services performed by each partner. It may be agreed that profit be unequally distributed even if equality in the performance of services is stipulated, and profits shall be due even where an impediment prevents a partner from contributing to the services.

Article (641)

Losses shall be apportioned among the partners in proportion to the services undertaken by each of them.

Article (642)

If the thing in which the services are to be carried out perishes or becomes defective by the act of one of the partners, the owner of the services may hold any partner of their choice liable for the damage, and the loss shall be divided among the partners in proportion to the extent of each partner's liability.

Article (643)

In a business partnership, it is permissible for the premises to be provided by some partners and the machines and tools by others, just as it is permissible for the premises, machines, and tools to be provided by some of them and the services from others.

Article (644)

1. The activity of a business partnership may be confined to carrying and transporting things, and no regard shall be had to any disparity in the means of transport owned by each partner, whether in type and carrying capacity, so long as each partner is liable for the performance of the services.
2. If the activity of the partnership is confined to leasing the means of transport themselves and dividing the fare, the partnership shall be voidable, and the rent of each means of transport shall belong to its owner. Whoever assisted in loading and transport shall be entitled to the remuneration of the like.

Part Three

The Professional Company

First: Definition and Conditions of a Professional Company

Article (645)

A professional company is a company established by one or more persons licensed to practice a liberal profession, or thereby with others, and its purpose is to practice that profession, unless the law or the agreement provides otherwise.

Article (646)

1. A professional company may be established by persons licensed to practice a liberal profession.
2. A professional company may be established in partnership between persons licensed to practice the profession and a foreign professional company, unless prohibited by the law or an agreement.
3. A professional company may be established in partnership between persons licensed to practice the profession and other natural or legal persons, unless there is a provision in the law or an agreement that prevents it.

Article (647)

1. The company may be named after the name or names of its partners or by a distinctive name, with the approval of the Competent Authority.
2. In the event of the withdrawal or death of the partner after whom the company is named or whose name or surname is included in its name, the company's name shall be amended in the records of the Competent Authority; however, the professional company may continue to bear their name or include it in its name with their written consent or the written consent of their heirs, as the case may be.

Article (648)

1. The professional company shall practice the profession that is its activity through the licensed partners.
2. The professional company may engage other persons licensed to practice the profession that constitutes its activity, provided that they are subject to the supervision of and responsibility of the company.

Article (649)

A partner may not assign, sell, or pledge their shares in the professional company except with the approval of the majority of the partners.

Article (650)

A partner may not be a founder or a partner in more than one professional company or be employed by another professional company.

Second: Liability of the Professional Company and the Partner

Article (651)

1. Each partner shall be personally liable for their professional faults towards the professional company and the rest of the partners, and the professional company shall be liable for the faults of the partners vis-à-vis third parties.
2. The professional company shall be liable for any act or conduct carried out by the manager or managers in the ordinary course of management, and shall also be liable for any act carried out by one of its employees or agents whenever such person has the authority to act on its behalf, and the third party has relied on such authorization in dealing with it.
3. Any provision contained in the articles of association of a professional company that permits the approval of the exemption of any person from any personal liability borne thereby in their capacity as a current or former manager in the professional company shall be void.

Article (652)

If a partner in a professional company temporarily loses their license to practice the profession, or if a disciplinary or criminal judgment is issued against them preventing them from working for a temporary period, they shall refrain from working in the company until the end of the suspension period and the removal of the cause thereof.

Article (653)

1. If a partner in a professional company loses their license to practice the profession on a permanent basis, they shall be deemed to have withdrawn from the professional company by operation of law, while retaining their share of the proceeds of the contracts concluded with the clients of the professional company until the issuance of the financial statements for the fiscal year following the loss of such license.

2. If one of the founding partners or shareholders in the professional company dies, or a judgment is rendered declaring their insolvency or bankruptcy, the professional company shall continue to exist among the remaining partners. The share of the partner shall devolve to their heirs after its valuation on the date of death, and the heirs shall also be entitled to any rights accruing to the company, if they result from contracts concluded prior to the death of their decedent, and up to a maximum of the issuance of the financial statements for the fiscal year following the date of death.
3. It may be provided in the articles of association of the professional company or in a special agreement between the heirs of the partner and the remaining partners in the professional company that one of the heirs shall replace the decedent in their share in the professional company, unless there is a provision that prevents it.

Third: Dissolution of the Professional Company

Article (654)

In addition to the general reasons for the dissolution of companies contained in this Law, a professional company shall be dissolved by a decision of the Competent Authority if all partners cease to meet the conditions for practicing the profession.

Chapter Six

Mudaraba Contract

Part One

Formation of the Mudaraba Contract

Article (655)

Mudaraba is a contract under which a capital provider delivers funds to another who undertakes to invest them in return for a proportional share of the profit.

Article (656)

1. The Mudaraba capital may be a debt owed by the mudarib to the capital provider.
2. If the capital provided by the capital provider for the purposes of the mudaraba consists of assets other than cash, the capital shall be the value of what is contributed at the time

of contracting, or such value as the contracting parties agree upon as appropriate basis for its valuation.

Part Two

Effects of the Mudaraba Contract

Article (657)

The capital provider is obligated to deliver the Mudaraba capital to the mudarib and to enable them to manage and dispose thereof.

Article (658)

The mudarib shall have the right of management and disposal after delivery of the capital, in accordance with the provisions set forth in this Law, subject to the terms of the Mudaraba contract.

Article (659)

The mudarib shall provide the capital provider with information related to the Mudaraba activities and shall render an account thereof at the end of its term. If the contract is for an indefinite term, this information shall be provided at the end of each year, unless otherwise agreed.

Article (660)

1. If the Mudaraba contract is restricted by time, place, type of work, or otherwise, the mudarib shall be bound by the restrictions imposed by the contract.
2. If the Mudaraba contract is unrestricted, the mudarib shall be authorized to carry out the work in accordance with the prevailing custom.

Article (661)

1. The mudarib may not mix the Mudaraba capital with their own funds, nor entrust it to another for Mudaraba, unless the custom so permits or the capital provider has authorized them to act as they see fit.

2. In cases where the mudarib is permitted to mix the Mudaraba capital with their funds, the profit attributable to each capital shall be calculated in proportion to its ratio in the mixed funds, and the share due to the Mudaraba capital shall be distributed between the contracting parties according to the provisions of this chapter.

Article (662)

1. The capital provider alone shall bear any loss of capital, and any condition to the contrary shall be void.
2. If the capital is diminished in the hands of the mudarib without any transgression or negligence on their part, they shall not be liable to compensate the capital provider for the loss.
3. If the mudarib commits any transgression or negligence, they shall be liable to compensate the capital provider for the loss of capital and for any damage resulting therefrom.

Article (663)

1. The share of each of the contracting parties in the profit shall be determined according to the agreement.
2. If there is no agreement on determining the share of each of the contracting parties in the profit, it shall be determined in accordance with the prevailing custom, and either contracting party may, in this case, terminate the Mudaraba contract in accordance with Article (667) of this Law.

Article (664)

1. It is not permissible in the Mudaraba contract to stipulate a fixed amount of profit for one of the contracting parties.
2. It is permissible to agree that the profit shall be shared between the contracting parties and that any amount exceeding a certain limit shall be allocated exclusively to one of them, or to agree that the share of each of them in the profit shall vary according to the profit realized by the Mudaraba, based on valid criteria for its determination.

3. It is permissible to agree that one of the contracting parties shall be entitled to a specific remuneration in return for a specific service, in addition to their entitlement to their share of the profit.

Article (665)

1. A contracting party is entitled to their share of the profit upon the expiration of the Mudaraba, unless it is agreed to value the Mudaraba and determine the entitlement of each of the contracting parties at specific intervals while the Mudaraba continues, and it shall be presumed that what is distributed during the Mudaraba constitutes profit.
2. A contracting party may not take their share of the profit before it is due without the consent of the other.

Part Three

Expiration of the Mudaraba Contract

Article (666)

The Mudaraba contract expires upon the lapse of its term if the contract is for a fixed term, or upon the completion of the work for which the Mudaraba was contracted.

Article (667)

1. If the Mudaraba contract is for an indefinite term, either contracting party may withdraw from it at any time, provided that they inform the other contracting party of their intention to withdraw a reasonable period in advance, and that the withdrawal is not in bad faith or at an inappropriate time.
2. If the Mudaraba contract is for a fixed term, a contracting party may not withdraw from it before the lapse of the term, but may request this from the court if they present acceptable reasons, provided that they compensate the other contracting party for any harm caused thereby.

Article (668)

1. The mudarib shall, upon the termination of the Mudaraba contract, complete the works already commenced to a state in which the Mudaraba funds or their profits are not exposed to perishing or diminution.
2. The mudarib may not dispose of the Mudaraba funds after the termination of the Mudaraba contract. If they are other than cash, the mudarib shall convert them into cash, unless the agreement or the nature of the transaction requires otherwise.

Article (669)

1. The mudarib is obligated, upon the termination of the Mudaraba contract, to return to the capital provider's share of the Mudaraba funds.
2. If the mudarib delays the return without an acceptable justification and the capital decreases, they shall bear the loss; and if profit is realized, the capital provider shall be entitled to compensation equivalent to the capital would have earned until its return.

Article (670)

1. The Mudaraba contract shall terminate upon the death of either of the contracting parties, their interdiction, insolvency, or the initiation of liquidation proceedings against them.
2. If the Mudaraba contract terminates upon the death of the mudarib, their heirs, if they have the legal capacity, or their representative, provided that they are aware of the Mudaraba, shall promptly inform the capital provider of the death of their decedent and take the measures required by the circumstances to preserve the capital.

Chapter Seven

Settlement Contract

Part One

Definition and Conditions of the Settlement Contract

Article (671)

A settlement is a contract by which the two parties resolve an existing dispute or prevent a potential dispute, by each of them mutually waiving part of their claim.

Article (672)

1. A person who concludes a settlement shall have the capacity to dispose, for consideration, of the rights covered by the settlement contract.
2. The capacity for donation is required if the settlement includes the waiver of any of the rights.

Article (673)

The settlement made by an authorized discerning minor or an authorized person suffering from mental incapacity, shall be valid, provided that it does not involve manifest prejudice. The same rule applies to the settlement by guardians, tutors, and curators, taking into account the provisions of special laws.

Article (674)

Settlement is not permissible in matters related to personal status or public order, but settlement is permissible in respect of financial rights arising from personal status, or arising from the commission of one of the crimes in accordance with the applicable laws.

Article (675)

The proof of settlement shall be made in accordance with the general rules of evidence in the applicable legislation.

Article (676)

1. It is required that the subject matter of the settlement be something in respect of which a consideration may lawfully be taken in exchange.
2. It is required that both the subject matter of the settlement and the consideration thereof be known.
3. If the consideration for the settlement is a specific thing or a usufruct owned by a third party, the effectiveness of the settlement depends on the ratification of that third party.

Article (677)

1. A settlement in respect of rights is valid whether the defendant admits them, denies them, or remains silent and expresses neither admission nor denial.
2. If the settlement occurs in the case of an admission for a specific consideration paid by the admitting party, it shall be deemed a sale, and if it is for a usufruct, it shall be deemed a lease.
3. If the settlement occurs upon denial or silence, it is considered a commutative transaction with respect to the claimant, and with respect to the defendant a redemption from the oath and a termination of the dispute.

Part Two

Effects of the Settlement

Article (678)

If a person settles for part of the claim or for a portion of what they allege is owed by another, they shall be deemed to have waived their right to claim the remainder.

Article (679)

1. If two persons settle, each claiming a specific thing in the possession of the other, on the condition that each retains the thing in their possession, the settlement shall be governed by the rules of barter, and its validity shall not depend on knowledge of the value of the two considerations.
2. The provisions of the contract most closely resembling the settlement in terms of its validity and the effects arising therefrom shall apply to the settlement.

Article (680)

The settlement entails the transfer of the right of the settling party to the agreed consideration and the extinction of their right that was the subject of the dispute, and it is not permissible for either of them or their heirs thereafter to revoke it.

Article (681)

The settlement terminates the disputes it covered, and it entails the extinction of the rights and of claims that either of the contracting parties has definitively waived.

Article (682)

The effect of the settlement is limited to the rights it covered and the resolution of the dispute therein, and does not extend to any other matters.

Article (683)

The two parties to a settlement may rescind it by mutual consent if it is in the nature of a commutative transaction, and it may not be mutually rescinded if it involves a waiver of some rights.

Article (684)

A settlement is indivisible, so the invalidity of a part of it entails the invalidity of the entire contract, unless it is clear from the contract's expressions, or from the circumstances, that the contracting parties have agreed that the parts of the contract are independent of each other.

Section Two

Contracts of Usufruct

Chapter One

Lease Contract

Part One

Definition of the Lease Contract

Article (685)

A lease is a contract whereby the lessor undertakes to enable the lessee to benefit from a specific thing for a specific period in return for a known rent.

Part Two
Elements of the Lease Contract

Article (686)

The legal capacity of the contracting parties at the time of the contract is required for the conclusion of a lease.

Article (687)

1. For a lease contract to be effective, the lessor or their representative shall have the right to dispose of what they lease.
2. A lease concluded by a negotiorum gestor is suspended pending ratification by the holder of the right of disposition, subject to the conditions required for such ratification.

Article (688)

The subject matter of a lease is the usufruct, and its delivery is effected by the delivery of its subject matter.

Article (689)

The usufruct which is the subject matter of the contract shall be subject to the following conditions:

1. It shall be capable of being enjoyed.
2. It shall be sufficiently known to resolve any dispute.

Article (690)

The thing from which the usufruct is to be derived shall be known whether by inspection, by mentioning its designated location, or by a clear description; otherwise, the contract shall be void.

First: Lease Term

Article (691)

The lease term shall commence from the date agreed upon in the contract. If the contracting parties do not specify such date, then from the date of the contract.

Article (692)

1. The lease term shall be specified.
2. If a lease is concluded without an agreement on a term, or for an unspecified term, or if the claimed term cannot be proven, the lease shall be deemed concluded for the period specified for the payment of the rent, and it shall terminate upon the expiry of this period at the request of one of the contracting parties, provided that the contracting party has notified the other contracting party of his unwillingness to renew.

Article (693)

If the lease contract expires and the lessee remains in enjoyment of the leased property with the knowledge of the lessor and without their objection, the lease shall be deemed renewed under its original terms and for a similar term.

Article (694)

It is permissible to extend a lease to a future term, and it shall be binding by virtue of the contract, unless the leased property is an endowment property or belongs to a minor or a person of similar status, in which case its addition to a future term exceeding one year from the date of the contract shall not be valid.

Article (695)

If the lease term expires and a pressing necessity for its extension is proven, the court may extend it to the extent of the necessity, provided that the lessee pays the rent of the like in respect thereof.

Second: The Rent

Article (696)

1. The rent may be in cash, in kind, a debt, or a usufruct.
2. It is required that the rent be known, by specifying its type and amount if it is cash, and by stating its type, description, and specifying its amount if it is not cash.
3. If the rent is unknown, the lease may be rescinded, and the rent of the like shall be due for the period elapsed prior to rescission.

Article (697)

It is permissible to agree on the advance payment, deferral, or payment of the rent in instalments to be paid at specified times.

Article (698)

1. Rent shall become due upon enjoyment of the usufruct or upon the ability to enjoy it.
2. If the contract does not specify a time for payment of the rent, the rent specified for the usufruct shall be due absolutely after the enjoyment of the usufruct or after the realization of the ability to enjoy it.
3. The rent due for a time unit shall follow the custom regarding its payment dates; otherwise, the court shall determine them at the request of the interested party.

Article (699)

Rent is not due for a period that has elapsed before the delivery of the leased property, unless the lessee was the cause thereof.

Part Three

Effects of the Lease Contract

First: Obligations of the Lessor

1. Delivery of the Leased Property

Article (700)

1. The lessor shall deliver to the lessee the leased property and its appurtenances in a condition fit for the full enjoyment of the intended usufruct, in accordance with the agreement or the nature of the leased property.
2. Delivery shall be effected by enabling the lessee to take possession of the leased property without any impediment obstructing enjoyment thereof, with the property remaining continuously in their possession until the lease term expires.

Article (701)

If the leased property is delivered in a condition that renders it unfit for the enjoyment for which it was leased, or if such enjoyment is substantially diminished, the lessee may request the rescission of the contract or a reduction of the rent in proportion to the diminished enjoyment, with compensation in both cases where justified.

Article (702)

The lessor may refrain from delivering the leased property until the advance rent is paid.

Article (703)

1. If a lease is concluded for a lump-sum rent and the number of units of the leased property is stated without specifying the rent for each unit, and the units are found to be more or fewer, the rent shall be the amount specified in the contract, with no increase or reduction. In the event of a deficiency, the lessee shall have the option to rescind the contract.
2. If the contract specifies a rent for each unit, the lessee shall be bound by the specified rent for the additional units, and the lessor shall be bound to reduce the specified rent for the missing units. The lessee shall have the option to rescind in both cases.

3. If the amount of the deficiency or excess is minor and has no effect on the intended usufruct, the lessee shall have no option.

Article (704)

The provisions governing the obligation to deliver the sold property shall apply to the obligation to deliver the leased property and its appurtenances, unless otherwise agreed.

2. Maintenance of the Leased Property

Article (705)

1. The lessor shall be obligated to maintain the leased property so that it remains in a condition fit for the intended usufruct and shall, during the lease term, carry out all necessary repairs in accordance with custom, unless otherwise agreed.
2. If the lessor, after being notified, delays in performing the obligations set out in Paragraph (1) of this Article, the lessee may obtain authorization from the court to carry out the repairs themselves and recover the amounts spent by deducting them from the rent, without prejudice to their right to request rescission or a reduction of rent.
3. The lessee may, without need for court authorization, carry out urgent or minor repairs for which the lessor is responsible, whether the defect existed at the commencement of enjoyment or occurred thereafter, if the lessor fails to perform this obligation within a reasonable time after being notified, on the condition that they recover what they have spent by deducting it from the rent.

3. Warranty of the Leased Property

Article (706)

1. If the leased property perishes completely during the lease, the contract shall be rescinded ipso facto.
2. If the leased property perishes partially or becomes unfit for the usufruct for which it was leased, or if such enjoyment is substantially diminished and the lessee had no part therein, the lessee may, if the lessor does not, within a reasonable time, restore the property to its original condition, request from the court, according to the circumstances, either a

reduction of rent or the rescission of the lease, without prejudice to their right to perform the lessor's obligation themselves in accordance with the provisions of Article (705) of this Law.

3. The lessee, in the two preceding cases, may not claim compensation if the perishing or damage is due to a cause for which the lessor is not responsible.

Article (707)

1. The lessee may not prevent the lessor from carrying out repairs that are necessary for the preservation of the leased property, but if such repairs cause a total or partial impairment of the enjoyment of the property, the lessee may, according to the circumstances, request either the rescission of the lease or a reduction of rent.
2. If the lessee remains in the leased property until the repairs are completed, their right to request rescission shall lapse.

Article (708)

1. The lessor shall be obligated to refrain from any act that would prevent the lessee from enjoying the leased property, and may not make any change to the property or its appurtenances that would impair such enjoyment.
2. The lessor's warranty is not limited to acts committed thereby or by their subordinates but extends to any disturbance or damage based on a legal cause committed by any other lessee or by any person who has received rights from the lessor.

Article (709)

1. If the lessee, with the lessor's permission, carries out constructions or repairs for the benefit or maintenance of the leased property, they shall have recourse against the lessor for what they spent within the customary limits, even if no recourse was stipulated.
2. If what the lessee has carried out is for their personal benefit, they shall have no recourse against the lessor, unless otherwise agreed.

Article (710)

1. If a third party claims a right that conflicts with the rights of the lessee under the lease contract, the lessee shall promptly notify the lessor thereof and may request to be removed from the lawsuit, in which case the legal proceedings shall be directed against the lessor.
2. If such claim results in depriving the lessee of the enjoyment of the leased property, they may, according to the circumstances, request the court to order either rescission or a reduction of the rent with compensation if justified.

Article (711)

1. If there are multiple lessees for a single property, preference shall be given to the one who first took possession of it without fraud or collusion, unless one of the lessees' contracts has a fixed date and was concluded in good faith before another lessee took possession of the leased property or before the renewal of their lease, in which case such lessee shall be preferred.
2. If there is no reason to prefer one of the lessees, they shall have no recourse for their conflicting rights other than to claim compensation.

Article (712)

If an act is issued by the competent authorities that prevents the lessee's enjoyment of the leased property wholly or partially in a manner that affects the intended usufruct, the lessee may request the rescission of the contract or a reduction of rent, without prejudice to the lessee's right to claim compensation from the lessor if the act of the competent authority was issued for a reason for which the lessor is responsible.

Article (713)

1. The lessor does not warrant the lessee against material disturbance if it originates from a third party, as long as the disturber does not claim a right, and the lessee may bring, in their own name, a claim for compensation and possessory lawsuits against the disturber.

2. If the material disturbance is not attributable to the lessee and is of such gravity that it deprives the lessee of the enjoyment of the leased property, the lessee may, according to the circumstances, request the court to rescind the contract or reduce the rent.

Article (714)

1. The lessor warrants the lessee against any defects in the leased property that prevent or substantially diminish its enjoyment, and does not warrant defects that are customarily tolerated.
2. If a defect results in depriving the lessee of the enjoyment of the leased property, they may request rescission or a reduction of rent, with a warranty for any damages incurred.
3. The lessor does not warrant a defect if the lessee was aware of it at the time of contracting or could have easily become aware thereof.

Article (715)

Any agreement providing for exemption or limitation of the warranty against disturbance or defects is void if the lessor has fraudulently concealed the cause of such warranty.

Second: Obligations of the Lessee

Article (716)

1. The leased property is a trust held by the lessee, who shall be liable for any deficiency, damage, or loss resulting from a cause attributable thereto, and they shall preserve it with the care of an ordinary person.
2. If there are multiple lessees, each shall be liable for damages arising from their own act, unless the law provides otherwise.

Article (717)

The lessee is obligated to use the leased property in the manner agreed upon; if there is no agreement, the lessee is obligated to use the property according to the purpose for which it was prepared.

Article (718)

1. The lessee may not make any change to the leased property without the lessor's permission, unless it is necessary for its repair and does not cause harm to it.
2. If the lessee exceeds this prohibition, they shall be obligated to restore the leased property to the original condition, with compensation where justified.

Article (719)

1. The lessee is obligated to carry out minor repairs customarily required, unless otherwise agreed.
2. The lessee is obligated during the lease term to clean the leased property and remove any accumulated dust or waste, in accordance with custom.

Article (720)

The lessee shall refrain from any act that leads to the destruction or alteration of the leased property or the placement of machines or equipment that harm it or diminish its value. Should the Lessee fail to so refrain, the lessor may apply to the court for the rescission of the contract and for compensation for the damage caused by such act.

Article (721)

The lessee shall promptly notify the lessor of any matter that requires their intervention, such as if the property needs urgent repairs, a defect is discovered, an usurpation occurs, or a third party commits a disturbance or causes damage thereto, unless the lessee proves that the lessor knew or was necessarily presumed to have known thereof.

Article (722)

The lessee shall pay the rent at the agreed times. If there is no agreement, the rent shall be paid at the times determined by custom.

Article (723)

1. The lessor shall, as security for any right arising under the lease contract, have the right to retain the attachable movables that are present in the leased property, as long as they are encumbered by the statutory privilege of the lessor, even if they are not owned by the lessee. The lessor shall also have the right to object to their removal, and if they are removed despite the lessor's objection or without their knowledge, they shall have the right to recover them from their possessor, even if acting in good faith, without prejudice to any rights such possessor may have.
2. The lessor may not exercise their right of retention or recovery if the removal of these items is required by the lessee's profession or by the ordinary course of life, or if the movables left in the leased property are sufficient to secure the rent.

Article (724)

1. The lessee shall return the leased property upon the expiry of the lease. If they retain it under their possession without right, they shall be obligated to pay the lessor the rent of the like (*ujrat al-mithl*) for the period of use and shall also be liable for any harm to the leased property and for any expenses borne by the lessor that are chargeable to the lessee.
2. The leased property shall be returned in the state in which the lessee received it, except for what may have befallen it from destruction or damage due to a cause not attributable to them.

Article (725)

1. If the lessee introduces to the leased property any construction, planting, or other improvements that increase its value, with the lessor's consent, the lessor shall be obligated to reimburse the lessee, upon the expiration of the lease, for the amount spent on such improvements or for the amount by which the value of the property has increased, unless otherwise agreed.
2. If such improvements were made without the lessor's knowledge or despite their objection, the lessor may require the lessee to remove them, together with compensation if justified.

Article (726)

If the lessor requests a specific increase in the specified rent from the lessee after the expiry of the lease term, the lessee shall be deemed to have accepted the increase if the term expires and they remain in possession of the leased property without objection.

Article (727)

If the lessee assigns the contract with the lessor's consent, the new lessee shall replace the original lessee in all rights and obligations arising under the original contract.

Article (728)

If the lease pertains to a property in which a factory or a shop has been established, and necessity requires the lessee to sell this factory or shop, the court may order the continuation of the lease if the purchaser provides a sufficient security and the lessor suffers no actual harm therefrom.

Article (729)

1. The lessee may not assign the lease contract or sublease the leased property, whether in whole or in part, except with the written consent of the lessor. The lessor's subsequent consent to the assignment of the lease contract or the subleasing of the leased property, whether express or implied, shall have the same effect as prior written authorization for the act.
2. The lessor may grant the lessee in the lease contract the right to assign the contract or sublease the leased property. In the case of subleasing, the terms of the sublease contract may differ from the terms of the original contract, provided they do not conflict therewith, and the term of the sublease contract shall not exceed the term specified in the original contract.
3. If the lessee subleases the leased property, the sublease contract shall govern the relationship between the lessee and the sublessee, and the sublease shall not affect the rights and obligations of the lessee toward the lessor under the original lease contract.

4. If the lease contract concluded with the original lessee is rescinded or terminated, the lessor shall have the right to terminate the contract concluded between the original lessee and the sublessee and to recover the leased property.

Part Four

Termination and Rescission of the Lease Contract

Article (730)

The lease contract shall terminate upon the expiration of the period specified in the contract without the need for a notice to vacate, unless the law or the agreement provides otherwise.

Article (731)

1. If the lease contract expires and the lessee continues to enjoy the leased property with the lessor's knowledge and without their objection, the lease shall be deemed to have been renewed under its original terms for a period of one year, unless the lease term was shorter than that.
2. This renewal shall be deemed a new lease, not merely an extension of the original lease. However, the real (in rem) securities that the lessee provided in the old lease shall transfer to the new lease. As for personal or real suretyship, it shall not transfer to the new lease unless the surety agrees thereto.

Article (732)

1. If the lessor notifies the lessee of eviction, and the lessee nevertheless continues to benefit from the leased property after the expiration of the lease contract, renewal of the lease shall not be presumed unless proven otherwise.
2. If the lessor notifies the lessee to vacate unless the latter accepts a new rent or other new terms, and the lessee remains silent, such silence shall be deemed acceptance, and the lease shall be renewed implicitly under the new rent or terms.

Article (733)

1. A lease shall not terminate upon the death of the lessor, nor upon the death of the lessee.

2. If the lessee dies, their heirs may request the termination of the contract if they prove that, due to the death of their decedent, the obligations of the contract have become beyond their financial capacity or that the lease exceeds their needs.

Article (734)

If the lease was concluded only due to the lessee's profession or for other reasons related to their personal qualifications and they then die, their heirs or the lessor may request the termination of the contract.

Article (735)

1. The insolvency or bankruptcy of the lessee shall not cause rent that is not yet due to become payable.
2. If the lessee becomes insolvent or bankrupt, the lessor may request the rescission of the lease contract if adequate security is not provided to secure the payment of rent that has not yet fallen due.
3. The lessee, if they become insolvent or bankrupt, and are not authorized under the lease contract to assign the contract or to sublet, may apply to the court for rescission of the lease contract. In this case, the lessor shall be entitled to fair compensation.

Article (736)

1. If the ownership of the leased property is transferred to a particular successor, the lease shall not be effective against them, unless it is proven that they were aware of it, or that it had a fixed date prior to the cause that led to the transfer of ownership.
2. The person to whom ownership has been transferred may uphold the lease contract even if this contract is not effective against them.

Article (737)

1. If the leased property is sold without the permission of the lessee, the sale is effective between the seller and the purchaser, but this does not affect the rights of the lessee.

2. If the lessee authorizes or approves the sale, the sale shall be effective against them and they shall be obligated to deliver the leased property, unless they have paid the rent in advance, in which case they shall have the right to retain possession of the leased property until they recover the equivalent of the rent for the remaining period during which they have not benefited.

Article (738)

1. Either of the contracting parties may, for a supervening excuse relating thereto, request the termination of the lease contract, in which case they shall be liable for any damage arising from such termination to the other contracting party within the limits recognized by custom.
2. If the lessor is the one who requests the termination of the contract, the lessee shall not be compelled to return the leased property until they receive the compensation or obtain sufficient security.

Article (739)

A lease contract shall be rescinded if the lessee uses the leased property in a manner that violates public order or public morals.

Part Five Lease of Agricultural Lands

Article (740)

1. Agricultural land may be leased, with a statement of what is to be cultivated therein, or by granting the lessee the option to cultivate whatever they wish.
2. A person who leases land to cultivate whatever they wish may cultivate it throughout all seasons of the year, unless otherwise agreed.

Article (741)

It is not permissible to lease land occupied by immature crops to another party if it was lawfully planted, unless the lessee is the owner of the crops.

Article (742)

A lease of land occupied by crops is permissible, and its owner shall be required to uproot and deliver it to the lessee in the following cases:

1. If it was lawfully planted and the crops are mature at the time of the lease.
2. If it was planted without right, whether the crops are mature or not.

Article (743)

A lease of land occupied by crops is permissible as a deferred lease to a time when the land becomes vacant.

Article (744)

1. If a person leases land for agriculture purposes, the lease shall include the land and its appurtenances and accessories.
2. The lease of agricultural land shall not include livestock, tools, and agricultural machinery, or anything not permanently affixed to the land, unless otherwise agreed.
3. If the contract includes the lease of livestock, tools, agricultural machinery, and other items, the lessee shall be obligated to care thereof and maintain them, and to use them in accordance with the ordinary practice.

Article (745)

If the term of the lease of land expires before the crops have matured for a reason not attributable to the lessee, the contract shall be extended for a rent equivalent to the like until the crops mature and are harvested.

Article (746)

The lessee shall exploit the agricultural land in accordance with the requirements of customary exploitation, and shall work to keep the land productive, and may not change the method of its use in a way the effect of which extends beyond the expiry of the lease contract.

Article (747)

The lessor shall undertake the repairs upon which the realization of the intended benefit depends, and the lessee shall undertake the repairs required by the customary use of the land and the maintenance of irrigation equipment, drains, roads, culverts, and wells, unless there is an agreement or custom to the contrary.

Article (748)

If the leased land is overcome by water to the extent that its cultivation becomes impossible, or if water is cut off therefrom and its irrigation becomes impossible or excessively costly, or if force majeure prevents its cultivation, the lessee may rescind the contract and shall not be liable for the rent, unless there is an agreement or custom to the contrary.

Article (749)

1. If the crops perish before harvesting due to force majeure, the lessee shall be entitled to request remission of the rent.
2. If part of the crops perishes due to force majeure and such loss results in a substantial reduction in the yield of the land, the lessee shall be entitled to request a reduction of the rent.
3. The contract may not be rescinded, nor may the rent be remitted or reduced, if the lessee has been compensated for the damage sustained, whether by profits gained during the entire lease term, by insurance proceeds, or by any other means.

Part Six

Certain Types of Leases

First: Sharecropping (Muzara'ah) Contract

1. Definition and Conditions of a Sharecropping Contract

Article (750)

1. Sharecropping is a contract under which agricultural land is exploited jointly between the provider of the land and another party who undertakes its cultivation, on the basis that the produce shall be shared between them in the agreed-upon shares.

2. Subject to the following provisions, the provisions governing lease contract shall apply to sharecropping, unless there is an agreement or custom to the contrary.

Article (751)

In sharecropping, the cultivation period shall be specified; if it is not specified, the period shall be one agricultural cycle.

Article (752)

For the validity of a sharecropping contract, the following shall be required:

1. The land shall be known, defined, and suitable for cultivation.
2. The type of crop and the genus of the seed shall be specified, or the option shall be left to the farmer to plant whatever they wish.
3. The share of each of the two parties in the produce shall be determined as an undivided proportional share.

Article (753)

1. It is not permissible for the share of one of the contracting parties to be a specified quantity of the produce, or the produce of a specific part of the land, or anything other than the agricultural yields.
2. The yield shall be distributed between the two parties in the agreed-upon proportion or in the proportion determined by custom; if there is no agreement or custom, each of them shall have half of the yield.
3. If all or part of the yield perishes due to force majeure, both parties shall bear the risk of such loss, and neither shall have recourse against the other.

Article (754)

The farmer may not substitute another in their place in the sharecropping contract, nor associate another with them therein, except with the consent of the landowner. If they breach this obligation, the landowner may rescind the contract or claim compensation from the farmer.

2. Effects of the Sharecropping Contract

a. Obligations of the Farmer

Article (755)

1. The farmer shall bear the expenses of cultivation and preservation of the crop until its harvest, and shall be responsible for the maintenance of tools and the customary repairs to buildings, unless otherwise agreed.
2. The landowner shall bear the expenses of non-routine repairs and improvements necessary for the land, unless otherwise agreed.
3. Both parties shall bear, each according to their share in the yield, the costs of seeds, fertilizers, pesticides, and harvesting and what follows until division, unless otherwise agreed.

Article (756)

1. A sharecropping contract shall not include the machinery, agricultural tools, and livestock present on the land at the time of contracting, unless it is so agreed.
2. If the farmer (sharecropper) takes delivery of the agricultural land, livestock, machinery, and agricultural equipment from the landowner, they shall care for and maintain them in accordance with the customary use.

Article (757)

1. The farmer shall exercise in cultivation and in the preservation of the crop the care they exercise in managing their own property, and they shall be liable for any damage that befalls the land during the period of use, unless they prove that they exercised in its preservation and maintenance the care of an ordinary person.
2. The farmer (sharecropper) shall not be obliged to compensate the landowner for any livestock that perishes or any agricultural tools that wear out, provided that this occurs without any fault or negligence on the farmer's part.

b. Obligations of the Landowner

Article (758)

1. The land provider shall deliver it fit for cultivation, with its appurtenances and accessories and what is designated for its exploitation, provided that such item is permanently affixed thereto.
2. The land provider is obliged to repair the agricultural tools that they shall deliver fit for work, if they require repair as a result of customary use.

c. Entitlement of a Right in the Sharecropping Land

Article (759)

1. If the sharecropping land is subject to an entitlement after it has been planted and before the crops are harvested, and both contracting parties were acting in good faith and unaware of the cause of the entitlement, they may keep the land under sharecropping until the end of the season for what was planted, and the land provider shall owe a rent of the like to the entitled party.
2. If both were acting in bad faith, the entitled party may uproot the crops and take their land free of any encumbrance, and shall owe nothing to either of them.
3. If the land provider alone was acting in bad faith and the entitled party does not agree to leave the land thereto for a remuneration of the like until the end of the season, the following shall apply:
 - a. If the seeds were provided by the land provider, they shall be liable to pay the farmer (sharecropper) remuneration of the like, along with compensation equivalent to what they spent in money, remuneration for labourers, and similar expenses, to the customary extent, if the contract binds them to bear such expenditures. The land provider may avoid this liability by paying the farmer (sharecropper) the value of their share of the crops as standing, not uprooted, until ripening.
 - b. If the seeds were provided by the farmer (tenant farmer), they shall be entitled, as against the land provider, to the value of their share of the crops, valued as standing until ripening.

c. The farmer, in both cases, whether the seeds were provided thereby or by the land provider, may choose to take their share of the crops uprooted, in which case they shall have no further claim.

3. Termination of the Sharecropping Contract

Article (760)

A sharecropping contract shall not terminate upon the death of the landowner, but shall terminate upon the death of the farmer.

Article (761)

1. If the sharecropping contract terminates before the end of its term, the farmer or their heirs shall be reimbursed for what they spent on the crops that have not yet been harvested, along with fair compensation for the work performed by the farmer.
2. If the sharecropping contract terminates upon the death of the farmer, their heirs may, in lieu of exercising their right to recover the aforesaid expenses, replace their decedent until the crops ripen, provided they are able to do so.

Article (762)

1. If the sharecropping contract is rescinded, or is found to be void, or is annulled, all the produce shall belong to the owner of the seed. If the owner of the seed is the landowner, the farmer (sharecropper) shall be entitled to a remuneration of the like. If the owner of the seed is the farmer (tenant farmer), the landowner shall be entitled to a fair rent for the land.
2. In either case, such remuneration or rent shall not exceed the value of the owner's share of the produce.

Second: Musaqah Contract

1. Definition and Conditions of a Musaqah Contract

Article (763)

Musaqah is a contract between a laborer and an owner of trees or plants, whereby the laborer undertakes to tend to the trees or plants for a specific period in return for a shared portion of the yield.

Article (764)

For a Musaqah contract to be valid, it is required that the share of each of the two contracting parties in the yield be determined as an undivided proportional share.

Article (765)

1. If the term for the Musaqah is not specified in the contract, it shall extend to the first yield obtained in the first agricultural cycle, unless custom provides otherwise.
2. If a term is specified in the contract during which fruit is likely to appear but does not appear at all, neither of the contracting parties shall be entitled to anything from the other.

2. Effects of the Musaqah Contract

Article (766)

The following provisions shall apply to the works and expenses required for the Musaqah, unless otherwise agreed:

1. The works required for tending to the trees, growing and enhancing the yield, and preserving it until ripening, such as irrigation, pollination, and pruning, shall be the responsibility of the Musaqi (worker). As for fixed works that are not repeated each year, such as digging wells and building storage facilities for preserving the yield, they shall be the responsibility of the owner of the trees or crops.
2. The financial expenses required for customary use and care, such as the price of fertilizer and pesticides for combating pests until the ripening of the yield, shall be borne by the owner of the trees or crops.

3. The expenses required after the ripening of the yield, such as picking and storage costs, shall be borne by both parties, each according to their share in the yield.

Article (767)

The Musaqi may not substitute another in the Musaqah to another without the permission of the owner of the trees or crops. If they do so, the owner of the trees or crops shall have the option to either take all the yield and give the person who performed the work a rent for the like of their work, or leave the yield to them both and have recourse against the first Musaqi for a rent for the like of the Musaqah subject matter, and hold them liable for any damage they incurred due to their action.

Article (768)

If the trees, fruit, or crops are subject to an entitlement, and the contracting parties in the Musaqah or one of them had expended or performed work that had an effect on the growth of the trees, fruit, or crops, the following shall apply as the case may be:

1. If the rightful owner ratifies the Musaqah contract, they shall replace the provider of the trees or crops vis-à-vis the Musaqi in all rights and obligations arising from the contract, and the rightful owner shall pay to the provider of the trees or crops the equivalent of what they spent in useful expenses according to custom.
2. If the rightful owner does not ratify the contract and the Musaqah was contracted in good faith without either party being aware of the cause of the entitlement, the rightful owner shall have the option to either take what they are entitled to and pay the Musaqi a rent for the like and pay to the provider of the trees or crops what they spent in useful expenses according to custom, or to leave the yield to them until the end of its season and take from the provider of the trees or crops fair compensation according to custom for what they missed in benefit due to this waiting period.
3. If the contracting parties in the Musaqah were acting in bad faith at the time of contracting, the rightful owner may take what they are entitled to and shall owe nothing to either of them.

4. If one of them was acting in bad faith and the other was of good faith, the one of good faith shall be entitled to fair compensation from the rightful owner according to custom for what the trees, fruit, or crops benefited from their expenditure or work.

3. Extinction and Rescission of the Musaqah Contract

Article (769)

1. The Musaqah shall not extinct upon the death of the owner of the trees or crops, and their heirs may not prevent the Musaqi from continuing the performance their work in accordance with the contract.
2. If the Musaqi dies, their heirs shall have the option to rescind the contract or to continue the work. If they choose to rescind and the fruits have not yet ripened, they shall be entitled, upon their ripening, to their decedent's share in proportion to the work performed by the Musaqi until their death.
3. If it was stipulated that the Musaqi shall perform the work personally, the Musaqah shall be rescinded upon their death, and their heirs shall be entitled, upon the ripening of the fruits, to the share that their decedent would have been entitled to, in proportion to the work performed thereby.

Article (770)

The owner of the trees or crops may rescind the contract if the Musaqi become unable to perform the work or is proven to be untrustworthy in relation to the fruits, and the Musaqi shall be entitled to a wage of the like for the period preceding the rescission.

Article (771)

If the Musaqi fails to perform the work stipulated in the contract or customarily, required, their share in the yield shall be reduced in proportion to the extent of their failure to perform the work.

Article (772)

The provisions of a sharecropping contract shall apply to a Musaqah contract in matters not expressly provided for in the preceding texts.

Third: Mugharasah Contract

1. Definition and Conditions of a Mugharasah Contract

Article (773)

Mugharasah is a contract whereby the owner of agricultural land agrees with another to deliver the land to them in order to reclaim it, plant it, cultivate the seedlings, care for them, and establish the necessary means for that, on the condition that thereafter the land, the planted trees, and the appurtenant constructions shall be shared between them as the agreement provides.

Article (774)

For a Mugharasah contract to be valid, the following conditions shall be required:

1. The Mugharasah shall be in respect of permanent trees, not for crops planted annually.
2. The type of trees to be planted in the land shall be specified at the time of the contract.
3. The partnership in both the land and trees together shall be in a specific proportion.
4. The commencement of the partnership in the trees and land shall be determined by the tree reaching a certain degree of growth before bearing fruit.

2. Termination of the Mugharasah Contract

Article (775)

1. If the Mugharasah terminates without achieving its intended purpose, the owner of the land shall pay the planter compensation taking into account the value of the seedlings and a remuneration of the like.
2. The owner of the land may be relieved from paying the compensation referred to in Clause (1) of this Article, and may oblige the planter to uproot the seedlings if they prove that the planting is of no benefit.

Article (776)

The provisions of the Musaqah shall apply to the Mugharasah insofar as they do not conflict with its nature.

Fourth: Endowment Lease Contract

Article (777)

The person who undertakes the administration of the endowment (Waqf) shall have the authority to lease it and collect the rent.

Article (778)

The administrator (Mutawalli) of the endowment may not lease the endowment property to themselves or lease it to their ascendants or descendants, even for a rent of the like, except with the permission of the court.

Article (779)

The beneficiary of a endowment may not lease it nor collect its rent, even if the entitlement is exclusively theirs, unless they are the administrator appointed by the founder (Waqif), or are authorized by the person vested with the authority to lease, or by the court.

Article (780)

1. The condition stipulated by the founder shall be observed in the lease of the endowment; if a lease term is specified, it may not be violated.
2. If it is not possible to find a person willing to lease the endowment for the specified term, and the administrator has not been granted the right to lease it in a manner more beneficial to the endowment, the matter shall be referred to the court, which may authorize leasing it for the term it deems appropriate.

Article (781)

1. If the founder has not specified the term, immovable property shall be leased for a term of one year and lands for a maximum term of three (3) years, unless the interest of the endowment requires otherwise and permission is granted by the court.
2. If the lease is concluded for a longer term, even through successive contracts, it shall be reduced to the term specified in Paragraph (1) of this Article.
3. If the endowment is in need of development and has no revenue with which to finance such development, the court may authorize its lease for a term sufficient to enable its development.

Article (782)

1. The lease of an endowment for less than fair rent is not permissible, and the lessee shall be obligated to complete the fair rent and pay the shortfall for the past period of the contract, and they shall have the option to rescind or accept the rent of the like for the remaining period.
2. The rent of the like shall be assessed by experts, and consideration shall be given to the time the lease contract was concluded, and no regard shall be had to any subsequent change.

Article (783)

If an improvement occurs in the location of the endowment property in itself, and this leads to a gross increase in the rent, and such increase is not attributable to what the lessee has spent or to any repair or development carried out thereby, the lessee shall have the option either to rescind or to accept the new rent of the like from the time of the improvement.

Article (784)

1. If the lease term expires and the lessee has built or planted on the endowment property at their own expense with the permission of the person having authority to lease, they shall have priority over others for a future term at the rent of the like.

2. If the lessee does not accept the rent of the like, and the demolition of the building or the uprooting of the trees is detrimental to the endowment property, the endowment authority may acquire what has been constructed thereon for its value as standing, unless the law provides or the agreement stipulates otherwise.
3. The administrator of the endowment (Mutawalli) may lease the endowment property along with the building and plants with the permission of their owner, provided that the owner is given their share of ownership from the rent.

Article (785)

If the lease term expires and the lessee had built or planted on the endowment property at their own expense without permission, they shall be ordered to demolish what they built and uproot what they planted if there is no harm to the endowment. If such demolition or uprooting would cause harm to the endowment, they shall be compelled to wait until the building or trees collapse, whereupon they may take the debris. In both cases, the endowment authority has the right to acquire what has been built or planted for a price not exceeding the lesser of its two values, its value as demolished or uprooted, or its value as standing, in either case.

Article (786)

In matters requiring the court's permission, the opinion of the authority competent for endowment affairs shall be obtained regarding what is in the interest of the endowment before such permission is issued.

Article (787)

The provisions of the lease contract shall apply to the lease of an endowment, insofar as they do not conflict with the preceding provisions.

Chapter Two
Loan for Use (Commodatum)
Part One
Definition and Effects of Loan for Use

Article (788)

A loan for use is the granting of the usufruct of a thing to another without consideration for a specific period or for a specific purpose, to be returned after use. The loaned thing is whose usufruct is granted.

Article (789)

A loan for use is effected by taking possession of the loaned thing, and it has no effect prior to such possession.

Article (790)

It is a condition for the loaned thing to be specific and fit for use while its corpus remains.

Article (791)

If the term of the loan for use is restricted by time or work, the lender may not recover the loaned thing from the borrower before the expiration of its term. If it is not restricted by time or work, the lender may not recover it before the expiration of the customary period for lending a similar thing.

Article (792)

It is a condition for the borrower to be legally competent to receive a gratuitous benefit in respect of the loaned thing.

Article (793)

The loaned thing is a trust held by the borrower. If it is destroyed or its value is diminished for a reason not attributable to them, they shall not be liable, unless agreed otherwise.

Article (794)

It is not permissible for either of the spouses to lend a thing belonging to the other that is not customarily under their possession without their permission. If they do so and the loaned thing is destroyed or damaged, the owner has the option to seek recourse against the lender or the borrower for compensation.

Article (795)

1. It is not permissible for anyone to lend for use a thing whose ownership and usufruct they do not own without the permission of its owner. If they do so, the owner has the right to:
 - a. Hold the lender and the borrower jointly liable to pay the rent of the like.
 - b. Seek recourse against the lender and the borrower jointly for compensation in the event of the perishing or damage of the loaned thing.
2. The borrower may seek recourse against the lender for what they are held liable for, if they prove they were acting in good faith and that the perishing or damage of the loaned thing was not due to their transgression or negligence.
3. The lender may not seek recourse against the borrower for the rent of the like if the borrower were acting in good faith, nor may the lender seek recourse for compensation if the loaned thing perishing or damage for a reason not attributable to the borrower.
4. The provisions of this Article shall apply to the guardian, curator, custodian, and the representative of an absentee if any of them lends a thing whose ownership belongs to the person under their guardianship or whose property they administer, without obtaining the permission of the court.

Article (796)

1. If the borrower is compelled to incur expenses to preserve the loaned thing from damage or perishing during the loan for use, the lender shall be obligated to reimburse the borrower for the expenses incurred.
2. The lender shall be obligated to pay the beneficial expenses incurred by the borrower or the increase in value of the loaned thing resulting from such expenses. The lender may

request the borrower to remove, at the borrower's own expense, what the borrower has added, with compensation where justified, unless agreed otherwise.

Article (797)

If any defect arises from the use of the loaned thing that results in a diminution in its value, the borrower shall not be liable for the value of that diminution unless it is due to use contrary to the customary practice.

Article (798)

If a person borrows land to build or plant thereon for a period limited by stipulation or by custom, the lender shall, upon the expiration of this period, have the option to either require the borrower to demolish the building or uproot the trees and restore the land to its former condition, or to pay them the value of the building or the value of the trees uprooted, unless agreed otherwise.

Article (799)

The lender shall not be entitled to claim rent from the borrower for the loaned thing after the use.

Article (800)

1. If the loaned thing becomes subject to entitlement while in the possession of the borrower, the lender shall not be liable, unless otherwise agreed or unless the lender intentionally concealed the cause of the entitlement.
2. The lender shall be liable for any damage suffered by the borrower as a result of such entitlement.
3. If the entitlement occurs after the loaned thing has perished while in the possession of the borrower without any transgression or negligence on their part, and the entitled party chooses to hold the borrower liable, the borrower shall have recourse against the lender for whatever they have warranted to the entitled party.

4. The lender shall not be liable for latent defects unless the lender deliberately concealed the defect or warranted the thing to be free from defects.

Article (801)

The borrower is obligated to use the loaned thing in the specified manner and to the extent specified, in accordance with the contract, accepted by the nature of the loaned thing, or determined by custom. The borrower shall not be liable for any change or damage that befalls the loaned thing due to its customary use.

Article (802)

The borrower may not, without the lender's permission, dispose of the loaned thing in a manner that grants a right to another in its usufruct or substance by transferring it, pledging it, leasing it, or any other disposition.

Article (803)

If the use of the loaned thing requires expenditure by the borrower, they are not entitled to recover it and are obliged to bear the necessary expenditure for the customary maintenance of the loaned thing. They may remove from the loaned thing whatever the borrower has added thereto, provided that they return the thing to its original state.

Article (804)

1. The borrower shall exercise in preserving the loaned thing the care they exercise in preserving their own property, without falling below the care of an ordinary person.
2. The borrower shall be liable for the perishing of the loaned thing if the perishing arises from a force majeure and it was within their power to prevent it by using their own property, or if they could have saved either their own property or the loaned thing and chose to save their property.

Article (805)

If the borrower exceeds the customary manner in using the loaned thing or uses it contrary thereto and it is destroyed or damaged, the borrower shall be liable to the lender for the damage sustained by the loaned thing.

Article (806)

The borrower may deposit the loaned thing with a trustworthy person capable of preserving it, and shall not be liable if it is destroyed while in that person's possession for a reason not attributable thereto.

Part Two

Termination of Loan for Use

Article (807)

The contract of loan for use shall terminate in the following cases:

1. The death of the lender or the borrower; the loan shall not pass to the heirs, unless agreed otherwise.
2. Upon expiration of the agreed term or upon fulfilment of the usufruct, that is the subject of the loan for use.
3. Upon the declaration of the lender's insolvency or bankruptcy.
4. If the borrower returns the loaned thing before the expiration of the term of the loan for use, the lender shall be bound to accept it, unless harm results therefrom.

Article (808)

1. The lender may request the termination of the loan for use in the following cases:
 - a. If an urgent and unforeseen need for the thing arises.
 - b. If the borrower misuses the loaned thing or fails to exercise the due care required to preserve it.
 - c. If the borrower becomes insolvent or bankrupt after the loan for use is concluded, or was insolvent or bankrupt before its conclusion without the lender's knowledge.

2. If there is a compelling necessity for the borrower to retain the loaned thing, they may do so until the state of necessity ceases, against payment of the rent of the like for the period following the return.

Article (809)

If the borrower dies without disclosing the loan for use of the loaned thing, and it is not found in their estate, its value at the time of death shall constitute a debt on the estate.

Article (810)

1. If the loan for use is rescinded or terminated, the borrower shall return the loaned thing to its owner and refrain from using it, unless the law permits its retention.
2. If the loan for use is terminated by the death of the borrower, their heirs shall be obliged to deliver it to the lender upon request.

Article (811)

The loaned thing shall be returned at the place it was loaned, unless there is an agreement or custom to the contrary.

Section Three

Employment Contracts

Chapter One

Muqawala Contract

Part One

Definition and Scope of the Muqawala Contract

Article (812)

A contracting agreement (Muqawala) is a contract whereby one of the contracting parties undertakes to manufacture a thing or to perform a work for a consideration to be paid by the other contracting party.

Article (813)

The Muqawala contract shall specify its subject matter, indicating its nature and quantity, the method of performance, the period of completion, and the consideration payable in return therefor.

Article (814)

1. It may be agreed in the Muqawala contract that the contractor is obligated to provide the work only, and that the employer shall provide the materials to be used by the contractor in performing their work.
2. It may also be agreed in the Muqawala contract that the contractor is obligated to provide all or part of the materials, in addition to their obligation to perform the work.

Part Two

Effects of Muqawala Contract First: Obligations of the Contractor

Article (815)

If the contractor undertakes to provide all or part of the materials for the work, such materials shall be provided according to the terms of the contract, if any, and otherwise according to the prevailing custom. The contractor shall be responsible for their quality and shall warrant them to the employer.

Article (816)

1. If the employer provides the materials for the work, the contractor shall preserve them with the care of an ordinary person, observe the technical standards in performing the work, and return to the employer what remains thereof. The contractor shall be liable for such materials, or what remains thereof, if they are destroyed, damaged, or lost while in their possession due to a reason attributable to the contractor.
2. If some or all of the materials provided by the employer become unusable due to the contractor's negligence, the contractor shall refund their value to the employer with compensation where justified.

3. If defects arise or appear during the execution of the work in the materials provided by the employer, or if other factors arose that would hinder the execution of the work in appropriate conditions, the contractor shall immediately notify the employer thereof. If the contractor fails to give such notice, they shall be liable for all consequences resulting from such failure.

Article (817)

The contractor shall provide all additional machinery and tools necessary for the completion of the work at their own expense, unless the contract or prevailing custom provides otherwise.

Article (818)

1. The contractor shall complete the work according to the terms of the contract and within the agreed period. If no terms are stipulated or no period is agreed, the contractor shall complete it according to the recognized professional standards and within a reasonable period required by the nature of the work.
2. If it becomes apparent during the work that the contractor is performing it in a defective manner or in violation of the contractual terms, the employer may serve notice requiring such terms and correction of the defective work within a reasonable period specified thereby. If this period expires without rectification, the employer may, after establishing the facts, rescind the contract or entrust another contractor with the completion or correction of the work at the expense of the first contractor.
3. The employer may request immediate rescission of the contract, without the need to grant a period, if rectification of the defects is impossible or inconsistent with the terms of the contract, if the contractor delays the commencement or completion of the work in such a manner that it is absolutely unlikely that they will be able to complete it within the agreed period, if the contractor adopts conduct indicating their intent not to perform their obligation, or if the contractor commits an act that renders performance of the obligation impossible.

Article (819)

The contractor shall be liable for any damage or loss resulting from their act or workmanship, whether arising from their transgression or negligence, or otherwise. Liability shall be excluded if such damage or loss results from an unavoidable event.

Article (820)

1. If the contractor's work has produced an effect on the thing, they may retain it until the due remuneration is paid. If the thing perishes while in their possession before payment of the remuneration, they shall bear no liability, nor shall they be entitled to the remuneration.
2. If the contractor's work does not produce an effect on the thing, they shall not have the right to retain it for the collection of the remuneration. If they do so and the thing perishes, they shall be liable as for usurpation.

Article (821)

1. If the subject matter of a Muqawala contract is the construction of buildings or other fixed installations, for which the engineer has prepared the design to be executed by the contractor under the engineer's supervision, they shall both be jointly liable for what occurs within a period of ten (10) years by way of total or partial collapse of the buildings they have constructed or the fixed installations they have erected, even if the collapse arises from a defect in the land on which they were erected or if the employer had authorized the erection of the defective structures, unless the contracting parties intended, in this case, for such installations or buildings to remain for a period shorter than ten (10) years.
2. The warranty stipulated in Paragraph (1) of this Article shall include any defects in the buildings and installations that threaten the structural integrity and safety of the construction.
3. The warranty period shall commence from the date the employer takes delivery of the work.

4. The provisions of this Article shall not apply to any right of recourse the contractor may have against subcontractors.

Article (822)

1. If the engineer's work is limited to preparing the design for the building or installation, or a part thereof, they shall be liable for defects that are attributable to the design or construction they have prepared, but not for defects attributable to the method of execution.
2. If the engineer's work is limited to supervising the execution, or a part thereof, they shall be jointly liable, with the contractor, for execution defects that occur under their supervision.

Article (823)

Any clause intended to exempt or limit the liability of the engineer or the contractor shall be void.

Article (824)

A claim for warranty shall not be admissible after the lapse of three (3) years from the occurrence of the collapse or the discovery of the defect.

Second: Obligations of the Employer

Article (825)

The employer shall be obliged to take delivery of the completed work once the contractor completes it and places it at their disposal. If the employer refrains from doing so without a legitimate cause despite being served with a formal notice, and the work perishes or becomes defective while in the contractor's custody without any fault or negligence on their part, the contractor shall not be liable.

Article (826)

The employer shall be obliged to pay the remuneration upon taking delivery of the work, unless otherwise agreed.

Article (827)

If the work consists of several parts or the remuneration is determined on a unit basis, the employer shall be obliged to pay the contractor a portion of the remuneration in proportion to the work completed after its inspection and acceptance, provided that what has been completed is distinct or consists a part of significant importance in relation to the work as a whole, unless otherwise agreed.

Article (828)

1. If the contract is concluded pursuant to a bill of quantities (BOQ) calculated on a unit-price basis, and it becomes apparent during the course of the work that, in order to execute the agreed design, it is necessary to exceed the estimated bill of quantities to a non-burdensome excess, the contractor shall notify the employer thereof, stating the expected increase in the consideration. If the contractor fails to do so, their right to recover the expenses exceeding the value of the estimated bill of quantities shall lapse.
2. If the excess required to execute the design is burdensome, the employer may be released from the contract and suspend the execution thereof, provided they do so without delay and compensate the contractor for the value of the works they have completed as estimated in accordance with the terms of the contract; alternatively, the employer may request the contractor to proceed with the execution, subject to the employer's obligation to pay the value of the increase in the consideration.

Article (829)

1. If a Muqawala contract is concluded based on an agreed design in exchange for a lump-sum remuneration, the contractor may not claim any increase in the remuneration, even if the prices of the materials used in the work or the remunerations of the workers or other expenses have increased.

2. The contractor may not claim any increase in the remuneration if a modification or addition is made to the design, unless this is due to a fault attributable to the employer or is made by their authorization and they have agreed with the contractor on the increase in remuneration.
3. If the contractual equilibrium between the obligations of both the employer and the contractor is disrupted due to general exceptional circumstances that could not have been foreseen at the time of contracting, thereby undermining the basis upon which financial assessment of the Muqawala contract was founded, the court may, depending on the circumstances and after balancing the interests of both parties, order the restoration of the contractual equilibrium, including the extension of the execution period, the increase or reduction of the remuneration, or may order the rescission of the contract.

Article (830)

If the remuneration for the work is not specified in the contract, the contractor shall be entitled to the remuneration of the like, together with the value of the materials they have supplied as required by the work.

Article (831)

1. The engineer shall be entitled to a separate consideration for preparing the design and preparing the bill of quantities, and another for managing the work and supervising its execution, unless otherwise agreed.
2. If the contract does not specify these considerations, the engineer shall be entitled to the remuneration of the like.
3. If the work is not completed in accordance with the design prepared by the engineer, the consideration shall be assessed based on remuneration of the like.

Part Three
The Subcontractor

Article (832)

A contractor may subcontract the execution of the work, in whole or in part, to a subcontractor, unless prohibited by a condition in the contract or unless the nature of the work requires that they perform it in person. The contractor shall remain liable to the employer for the subcontractor.

Article (833)

A subcontractor may not claim from the employer any amount due to the original contractor unless the latter has referred the subcontractor to the employer.

Part Four
Extinction of the Muqawala

Article (834)

The Muqawala contract shall be extinguished upon the completion of the agreed work or upon its rescission by mutual consent or by a court order.

Article (835)

If an excuse arises that prevents the execution of the contract or the completion thereof, either of the contracting parties may request its rescission or termination, as the case may be.

Article (836)

1. The employer may be released from the contract and suspend its execution at any time before its completion, provided they compensate the contractor for all expenses incurred, the work completed, and the profit they would have earned if the work had been completed.
2. The court may reduce the compensation due in respect of the profit lost by the contractor if the circumstances render such reduction equitable. In particular, the court shall deduct

therefrom what the contractor has saved as a result of the employer's release from the contract and what they have earned by employing their time in other work.

Article (837)

1. If the thing perishes due to force majeure before its delivery to the employer, the contractor may not claim either the consideration for their work or the reimbursement of their expenses, and the loss of the material shall fall upon the party who supplied it from among the contracting parties.
2. If the thing perishes after the employer has formally summoned the contractor to take delivery thereof, or if the loss is attributable to the contractor's fault, the employer shall have the right to compensation.
3. If the thing perishes after the contractor has served a notice of default upon the employer requiring them to take delivery thereof, or if it is due to the employer's fault, the contractor shall be entitled to the consideration and to compensation, if applicable.

Article (838)

1. A Muqawala contract shall terminate upon the death of the contractor if it has been agreed that they shall personally perform the work, or if their personal qualifications were taken into consideration in the contract.
2. If the contract contains no such stipulation, or if the personal qualifications of the contractor were not taken into consideration in the contract, the employer may request rescission of the contract if the contractor's heirs do not provide sufficient guarantees for the proper performance of the work.

Article (839)

1. If the contract is extinguished by the death of the contractor, the employer shall be obliged to pay to the estate the value of the work completed and the expenses incurred for its execution, to the extent of the benefits accruing to the employer, in accordance with the terms of the contract and what is customary.

2. The provisions of Paragraph (1) of this Article shall apply if the contractor has begun the execution of the work and then becomes incapable of completing it for a cause not attributable thereto.

Chapter Two
Employment Contract
Article (840)

In the absence of a specific provision in labour legislation, the provisions contained in this Chapter shall apply to the employment contract.

Part One
Definition and Conditions of the Employment Contract
Article (841)

The employment contract is a contract whereby one of the contracting parties undertakes to perform work for the benefit of the other contracting party under their management or supervision in return for a wage undertaken by the other contracting party.

Article (842)

1. An employment contract may be concluded for the performance of a specific work or for a fixed term, and it may also be for an indefinite term.
2. If the employment contract is for the lifetime of the employee or the employer or for a term exceeding five (5) years, the employee may, after the lapse of five (5) years, terminate the contract without compensation, provided they notify the employer at least three (3) months prior to the date of termination.
3. The term of employment shall commence from the date specified in the contract. If no date is specified, it shall commence from the date of its conclusion, unless the custom or the circumstances of the contract indicate otherwise.

Article (843)

1. The performance of work is presumed to be for a wage if it is not customary to perform such work gratuitously, or if the work falls within the profession of the person who performed it.
2. If no agreement is made on the wage, the person who performed the work shall be entitled to the remuneration of the like.

Article (844)

1. The employee's wage is what they receive by virtue of the contract in money or in kind, in any form whatsoever.
2. If the wage is not specified in the contract, the employee shall be entitled to the wage of the like according to the prevailing custom. If there is no custom, the court shall assess it in accordance with the requirements of justice.

Article (845)

The employee's wage shall include commissions, percentages, grants, in-kind benefits, and allowances granted to the employee, as well as payment for services in work where it is customary to grant them and where the employees have come to consider them as part of the wage, not as a donation, provided that these amounts are of a known value and are calculated when settling their rights or levying an attachment thereon.

Article (846)

1. Gratuities shall not be deemed part of the wage except in an industry or trade where it is customary to pay them; provided that it is governed by rules that allow for its regulation.
2. A gratuity shall be deemed part of the wage if what is paid thereof by customers to the employees of a single commercial establishment or factory is collected in a joint fund or electronic system for the employer to then distribute it among them, by themselves or under their supervision.
3. In certain hotels, restaurants, and café occupations, an employee may have no wage other than what they receive in gratuities and what they consume in food.

Article (847)

If the work involves teaching something the learning of which involves assistance rendered by the learner to the teacher, and the contract does not specify which party is entitled to a wage from the other, the prevailing custom of the persons concerned at the place of work shall be followed.

Part Two

Effects of the Employment Contract

First: Obligations of the Employee

Article (848)

The employee shall be obliged to:

1. Perform the work personally and exercise the care of an ordinary person.
2. Observe in their conduct the requirements of decency and public morals, and the relevant professional rules.
3. Obey the orders of the employer concerning the execution of the agreed work, provided such does not expose them to danger and does not violate the law or public morals.
4. Safeguard the things entrusted to them for the performance of their work, and return the entrusted property upon the termination of the contract.
5. Maintain the confidentiality of the employer's commercial secrets and undisclosed information, even after the termination of the contract, in accordance with what is required by the agreement or custom.
6. Not retain for their own benefit any originals or paper or electronic documents related to the secrets of the work without permission.
7. Perform what is customarily considered an ancillary to the work, even if not stipulated in the contract.
8. Provide all aid and assistance, without requiring additional remuneration, in cases of disasters and dangers that threaten the safety of the workplace or the persons working therein.

9. Undergo, at the employer's request, the medical examinations that the employer wishes to conduct on them before or during employment, to verify that they are free from occupational or communicable diseases.

Article (849)

An employee may not engage, during working hours, in any other activity, nor may they work for another employer during the term of the contract. Otherwise, the employer may rescind the contract or reduce the wage in proportion to the employee's shortcomings in the performance of their work, unless otherwise agreed.

Article (850)

The employee shall be liable for any deficiency, damage, or loss of the employer's property caused by their negligence or fault.

Article (851)

1. If the work assigned to the employee allows them to know the employer's customers or to learn the secrets of their business, it may be agreed that the employee shall not compete with the employer or engage in any competing project after the termination of the contract.
2. For such an agreement to be valid, the employee shall be of full legal age at the time of concluding the contract, and the restriction shall be 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 invoke this agreement if they have rescinded the contract or refused to renew it without any act on the part of the employee justifying such rescission or refusal, nor may the employer invoke it if they have committed an act justifying the employee's rescission of the contract.

Article (852)

If a penalty clause is agreed upon in case of breach of the non-competition clause, and this clause is exaggerated to the extent that it becomes a means of compelling the employee to

remain with the employer for a period longer than that agreed, the court may annul or amend the clause.

Article (853)

1. If the employee succeeds in making a new invention while performing their work, the employer shall have no right to that invention, even if the employee has developed it on connection with the work they performed in the service of the employer, unless the nature of the work undertaken by the employee requires them to devote their efforts to inventive activity, or the employee reaches the invention by means of materials, tools, facilities or any other means placed at their disposal by the employer for the purpose of invention, or if the employer has expressly stipulated in the contract that they shall have the right to any inventions the employee may discover, and the court may verify that the employee has expressly accepted such stipulation.
2. If the invention is of serious economic significance, the employee may, in the cases stipulated in Paragraph (1) of this Article, claim special consideration to be assessed in accordance with the requirements of justice, taking into account the assistance provided by the employer and the use of their facilities for this purpose.
3. If the parties do not agree on the special consideration stipulated in Paragraph (2) of this Article, it shall be determined by the court. Any agreement depriving the employee of this special consideration shall be void.

Second: Obligations of the Employer

Article (854)

The employer shall pay the employee their wage at the time and place specified in the contract or determined by custom, when they have performed their work or made themselves available and devoted themselves thereto, even if no work has been assigned thereto.

Article (855)

The employer shall be obliged to:

1. Provide all means of safety and security in their establishments, and furnish everything necessary to enable the employee to perform their obligations.
2. Ensure the proper condition of the machinery and equipment used for work so that no harm results therefrom.
3. Observe the requirements of decency and public morals in their relationship with the employee.
4. Provide the employee at the end of their service with a certificate stating the nature of their work, the date of its commencement and termination of service, and the amount of their wage and any additional benefits received.
5. Return to the employee their personal documents.

Article (856)

If an employer requests another to perform work subject to the payment of remuneration, they shall be bound to pay the wage of the like, whether or not that person ordinarily works for a wage.

Article (857)

The employer shall be obliged to provide clothing and food for the employee, or either, if custom so requires, whether this is stipulated in the contract or not.

Article (858)

If the specified period for the work expires and circumstances require its extension, the contract shall continue to the extent necessary, and the employer shall be bound to pay the wage of the like for the additional period.

Article (859)

If the employer terminates a fixed-term contract or a contract concluded for a specific work before the expiration of its term or completion of the work, without an excuse and without

any act on the part of the employee justifying rescission, the employer shall be bound to pay the wage due to the employee for a period of three (3) months, calculated based on the last comprehensive wage received.

Article (860)

Both the employer and the employee shall comply with the requirements imposed by special laws, in addition to the obligations set out in the preceding Articles.

Part Three

Termination of the Employment Contract

Article (861)

1. The employment contract shall terminate upon the expiry of its term or the completion of the work, unless it is agreed to renew it.
2. If the parties continue to perform the contract after the expiry of its term or after the completion of a work that is by its nature renewable, this shall be deemed an implied extension of the contract under the same conditions contained therein.

Article (862)

1. If the employment contract is of an indefinite term or is not specified for the completion of a specific work, either party may terminate the contract at any time, provided that they notify the other party of their intention to terminate, and the notice period shall not be less than sixty (60) days, unless the law or the agreement provides otherwise.
2. If either party fails to notify the other of the termination of the contract or does not observe the expiry of the notice period, they shall be obligated to compensate the other party for the notice period or the remaining part thereof. The compensation shall be calculated based on the last wage received by the employee and all its fixed and specific allowances.

Article (863)

1. The contract may be rescinded if an excuse arises that prevents its performance.

2. Either party may, in the case of an emergency related thereto, request the rescission of the contract.

Article (864)

The employment contract shall be extinguished in the following cases:

1. Mutual written agreement of the parties to terminate it.
2. Expiry of the term specified in the contract, unless it is extended or renewed in accordance with the provisions of the law.
3. At the will of either party, provided that the provisions of the law regarding the termination of the employment contract and the notice period agreed upon in the contract are observed.
4. Death of the employer if the subject matter of the contract is related to their person.
5. Death of the employee or their total and permanent incapacity to work, as established by a certificate issued by a medical authority.
6. A final judgment against the employee imposing a custodial sentence for a period of not less than three (3) months.
7. Permanent closure of the establishment in accordance with the legislation in force in the State.
8. Bankruptcy or insolvency of the employer, or any economic or exceptional reasons that prevent the continuation of the project, in accordance with the conditions, controls, and procedures specified by the legislation in force in the State.
9. Failure of the employee to meet the conditions for renewing the work permit for any reason beyond the employer's control.

Article (865)

1. Claims arising from an employment contract shall not be admissible after the lapse of two years from the date of termination of the work relationship, except in relation to commission, profit sharing, and percentages of gross revenue, in which case the period shall commence from the time the employer delivers to the employee a detailed statement of the final financial entitlements.

2. The period specified in Paragraph (1) of this Article shall not apply to claims related to the violation of the confidentiality of trade secrets and the employer's undisclosed information.

Chapter Three

Agency Contract

Part One

Definition and Conditions of the Agency Contract

Article (866)

Agency is a contract between a principal and an agent whereby the agent undertakes to perform a legal act in the name and for the account of the principal.

Article (867)

The agency shall be subject to the form required for the legal act that constitutes the subject matter of the agency, unless otherwise agreed.

Article (868)

The following are required for the validity of an agency:

1. The principal shall have the right to dispose of the subject matter of the agency in their own capacity.
2. The agent shall be eligible to perform the act for which they are appointed.
3. The subject matter of the agency shall be known and capable of being delegated.

Part Two

Types and Provisions of Agency

Article (869)

An agency may be general, special, conditional, or deferred to a future time.

Article (870)

1. Any act that is not an act of management and preservation requires a special agency specifying the type of act and the dispositions it entails, particularly in donations, sale, settlement, mortgage, acknowledgment, arbitration, administering and accepting an oath, and pleading before the court.
2. A special agency in a specific type of legal act shall be valid, even if the subject matter of this act is not specifically identified, unless the act is a donation.

Article (871)

1. If the agency is expressed in general terms without specifying what is intended, it shall only grant the agent the power to perform acts of management.
2. Acts of management include leasing if its term does not exceed three (3) years, acts of preservation and maintenance, collection of rights, payment of debts, and any act of disposition required for management, such as the sale of crops, goods, or movables that are liable to rapid deterioration, and the purchase of what is necessary for the subject matter of the agency and for its preservation.

Article (872)

The agency shall not grant the agent capacity except in the performance of the matters specified therein and their necessary appurtenances according to the nature of each matter, prevailing custom, and the common intention of the contracting parties.

Article (873)

Subsequent ratification of a disposition shall be deemed equivalent to a prior agency.

Part Three

Effects of Agency

First: Obligations of the Agent

Article (874)

1. The agent shall be obligated to execute the agency contract without exceeding its prescribed limits, except for what is more beneficial to the principal.
2. The agent may exceed the limits of the agency if it is impossible to notify the principal in advance, and the circumstances suggest that the principal would approve of this act. The agent shall promptly notify the principal that they have exceeded the limits of the agency.

Article (875)

1. If the agency is gratuitous, the agent shall exercise in its execution the care they exercise in their own affairs.
2. If the agency is for remuneration, the agent shall exercise in its execution the care of an ordinary person.

Article (876)

The agent shall be obligated to provide the principal with the necessary information about the progress of the agency's execution and to render an account therefor, unless otherwise agreed.

Article (877)

The agent may not use the principal's property for their own benefit; if they do, they shall be obligated to compensate the principal for any damage incurred as a result.

Article (878)

1. If there are multiple agents, they shall be jointly and severally liable when the agency is indivisible, or the damage suffered by the principal is the result of a common fault.
2. The agents, even if jointly and severally liable, shall not be liable for the acts of one of them that exceed the limits of the agency or are abusive in its execution.

3. If the agents are appointed in a single contract without being authorized to act individually, they shall act jointly, unless the work is such that it does not require an exchange of opinion, such as collection or payment of a debt.

Article (879)

1. An agent may not delegate the performance of the agency to another person, unless they are authorized to do so by the principal or permitted by law.
2. If an agent entrusts another with the execution of the agency without being authorized to do so, they shall be liable for the act of the second agent as if such act had been performed by them, and both the agent and the second agent shall be jointly and severally liable.
3. If an agent is authorized to appoint another without designating a person, the first agent shall not be liable except for their fault in choosing the second agent or for their fault in the instructions they issued thereto. In this case, both the principal and the second agent may have direct recourse against each other.

Article (880)

Contracts of gift, loan for use, pledge, deposit, loan, partnership, Mudaraba, and settlement upon denial, shall not be valid if concluded by the agent unless they are expressly attributed to their principal.

Article (881)

An agent authorized to receive does not have the capacity to conduct litigation, and an agent authorized to conduct litigation does not have the authority to receive except by special authorization from the principal.

Article (882)

It is not required to attribute the contract to the principal in contracts of sale, purchase, lease, and settlement upon acknowledgment. If the agent attributes it to the principal within the limits of the agency, its rights shall be accrued to the principal. If they attribute it to themselves

without declaring that they are contracting in their capacity as an agent, the rights of the contract shall accrue thereto. In both cases, ownership shall vest in the principal.

Article (883)

Property received by the agent for the account of their principal shall be deemed to be held by way of deposit. If it is destroyed while in their possession without transgression or negligence, they shall bear no liability.

Article (884)

An agent authorized to purchase a thing without specifying its price may purchase it at the price of the like or with a slight unfairness.

Article (885)

1. A person appointed to purchase a specific thing may not purchase it for themselves, their ascendants, their descendants, their spouse, or for persons with whom the disposition would result in benefit or avoidance of harm to their own property or to the property of such persons, except with the permission of their principal. The purchase shall be for the principal even if the agent declares that they are purchasing it for themselves.
2. An agent authorized to purchase may not sell their own property to their principal, unless otherwise agreed.

Article (886)

A purchase shall be for the agent if:

1. The principal specified the price and the agent purchases at a higher price.
2. The agent purchases with gross unfairness.
3. The agent declares the purchase of the property for themselves in the presence of the principal.

Article (887)

If an agent authorized to purchase pays the price of the subject matter of the sale from their own property, they may have recourse against their principal for what they have spent in the execution of the agency within the usual limits, and they may retain what they have purchased until they receive the price.

Article (888)

1. An agent authorized to sell the property of their principal may sell it at an appropriate price.
2. If the principal specifies the price of the sale, the agent may not sell it for a lower price. If the agent sells it at a lower price without the prior permission of the principal or subsequent ratification, and delivers it to the purchaser, the principal shall have the option to either recover the subject matter of the sale, ratify the sale, or hold the agent liable for the difference in value.

Article (889)

An agent authorized to sell may not purchase for themselves what they are authorized to sell, nor may they sell it to their ascendants, descendants, spouse, or to persons with whom the disposition would result in benefit or avoidance of harm, unless the principal has authorized them to sell to whomever they wish and at the price they have specified. If no price is specified, the price shall not be less than the price of the like.

Article (890)

1. If an agent authorized to sell is not restricted to a sale for immediate payment, they may sell the principal's property for cash or on deferred payment in accordance with custom.
2. If the agent sells on deferred payment, they may take a pledge or a surety from the purchaser for what they have sold, even if the principal has not authorized them to do so.

Article (891)

1. The principal has the right to receive the price of the subject matter of the sale from the purchaser, even if the right to collect it falls within the authority of the agent, and the purchaser may refrain from paying it to the principal. If the purchaser pays it to the principal, the purchaser's liability shall be discharged.
2. If the agent acts gratuitously, they shall not be obligated to collect or obtain the price of the sold thing, but they shall be required to authorize their principal to collect and obtain it.
3. If the agent acts for remuneration, they shall be obligated to collect and obtain the price.

Second: Obligations of the Principal

Article (892)

The principal shall be obligated to pay the agreed remuneration to the agent when the work is performed. If no remuneration is agreed upon and the agent is among those who customarily work for remuneration, they shall be entitled to the remuneration of the like; otherwise, the agent shall be deemed to have acted gratuitously.

Article (893)

The principal shall be obligated to reimburse the agent for what they have spent in the execution of the agency within the customary limits.

Article (894)

The principal shall be liable for any damage suffered by the agent as a result of the customary execution of the agency, unless the damage results from the agent's fault or from a foreign cause not attributable thereto.

Article (895)

If multiple persons appoint a single agent for a joint work, all the principals shall be jointly and severally liable toward the agent, unless otherwise agreed.

Article (896)

The provisions governing representation in contracting stipulated in this Law shall apply to the relationship between the principal and the agent vis-à-vis the third party dealing with the agent.

Part Four

Extinction of the Agency

Article (897)

An agency shall be extinguished in the following cases:

1. Completion of the work entrusted to the agent.
2. Expiry of the term specified for the agency.
3. Death of the principal or their loss of legal capacity, even if a right of a third party is attached thereto, except in an agency for the sale of a pledged item if the pledger has appointed the neutral custodian or the pledgee to sell the pledged property upon maturity.
4. Death of the agent or their loss of legal capacity, even if a right of a third party is attached thereto. However, if the heir or the guardian becomes aware of the agency and possesses the requisite legal capacity, they shall notify the principal of the agent's death and take such measures as the circumstances require to protect the principal's interests.

Article (898)

The principal may revoke or restrict the authority of their agent at any time, unless the agency involves a right of a third party or was issued in the interest of the agent, in which case the principal may not terminate or restrict it without the consent of the person in whose interest it was issued.

Article (899)

The principal shall be obliged to compensate the agent for any damage suffered as a result of revoking the agency at an inappropriate time, or without an acceptable justification.

Article (900)

1. The agent may withdraw from the agency if it does not relate to the interest of a third party, provided that the principal is notified of such withdrawal.
2. If the agency relates to the interest of a third party, the agent may not withdraw from the agency except if there are serious reasons justifying such withdrawal, provided that the third party is notified and granted sufficient time to take such measures as they deem appropriate to protect their interests.
3. In all cases, the agent shall continue to perform the acts already commenced until they reach a stage where no harm is feared for the principal; otherwise, they shall be obligated to compensate for the damage.
4. If the agency is for remuneration and the agent withdraws at an inappropriate time or without acceptable justification, the agent shall be obliged to compensate the principal for the damage they suffer as a result, even if the agent's withdrawal relates to an act not yet commenced.

Article (901)

The agent authorized for litigation shall be deemed dismissed if they make an acknowledgment on behalf of their principal outside the court. They shall also be removed if the admission is excluded from the agency, and they make an admission in or out of court session.

Article (902)

If the agent authorized for litigation acts within the scope of the agency after acquiring knowledge of their dismissal, they shall be liable. If they act before becoming aware, their act shall be effective.

Article (903)

1. The sub-agent shall be dismissed by the death or bankruptcy of the original principal, and upon the dismissal by the principal or by the agent. However, the sub-agent shall not be dismissed by the dismissal or death of the agent.

2. In the event of the revocation of the principal agency, all sub-agencies derived therefrom shall be deemed revoked by virtue of law.

Chapter Four

Deposit Contract

Part One

Definition of the Deposit Contract

Article (904)

A deposit is a contract whereby the depositary undertakes to take delivery of a property from the depositor, to safekeep it, and to return it in specie.

Article (905)

For the contract to be valid, the deposited property shall be a property capable of being subject to possession.

Part Two

Effects of the Deposit Contract

First: Obligations of the Depositary

Article (906)

1. The depositary shall take delivery of the deposit, either actually or constructively.
2. A deposit is a trust (amānah) held by the depositary, and the latter shall be liable for it if it perishes due to a cause attributable thereto, unless otherwise agreed.

Article (907)

The depositary may not request remuneration for the safekeeping of the deposit or rent for the place where it was placed, unless this was stipulated upon deposit or there is a special custom to that effect.

Article (908)

The depositary shall exercise the care of an ordinary person in the safeguarding of the deposit and shall place it in a place of custody of the like. The depositary may safeguard it personally or through a person with whom they entrust the safeguarding of their own property from among their dependents.

Article (909)

The depositary may not place the deposit with a third party without the permission of the depositor, unless compelled to do so by an urgent necessity. If they place it with a third party with the permission of the depositor, they shall be discharged from their obligations, and the third party shall become the depositary.

Article (910)

The depositary may not use the deposit or create any right in favor of a third party over it without the permission of the depositor. If they do so and it perishes or its value diminished, they shall be liable.

Article (911)

If the depositary travels with the deposit without the permission of the depositor, where it was possible to deposit it with a custodian, and it perishes or is damaged during the travel, they shall be liable for it. If the depositary travels with it due to the absence of a custodian with whom it could be deposited, and it perishes or is lost without negligence, they shall not be liable. If they return it to its place of deposit safely after the travel and it perishes or is lost thereafter without negligence, they shall not be liable.

Article (912)

1. The depositary shall return the deposit and deliver it to the depositor at the place of deposit upon request, unless otherwise agreed.
2. If the deposit perishes or its value diminished without any transgression or negligence by the depositary, they shall deliver to the depositor whatever they may have obtained by

way of guarantee, and shall assign to them any rights they may have against the third party on that account.

Article (913)

The depositary shall return the benefits, fruits, and yields of the deposit to the depositor.

Article (914)

If the depositary mixes the deposit with something that cannot be distinguished therefrom and is not similar thereto in type and quality, they shall be liable for it upon such mixing. If it can be distinguished therefrom but is similar thereto in type and quality, there shall be no liability. If some of the mixture perishes in this case, the loss shall be apportioned between them according to their respective shares until the perished part is identified, in which case its liability shall be borne by its specific owner.

Article (915)

If the deposit is lost or stolen from the depositary due to their violation of the method of safekeeping agreed upon or that which is customary for the safekeeping of property of the like, or due to forgetting it at the place where it was kept, or by entering a place with it while they could have placed it at their residence or with a custodian before entering, the depositary shall be liable therefor in all these cases.

Article (916)

If there are multiple depositaries and the deposit is indivisible; it may be kept with one of them with the consent of the others or by rotation between them. If it is divisible, it may be divided among them, and each depositary shall safekeep their share.

Article (917)

If the depositor is untraceably absent, the depositary shall safekeep the deposit until their death or life is ascertained. If the deposit is liable to perish with the passage of time, they shall

request permission from the court to sell it and keep its proceeds in trust in the court's treasury.

Article (918)

If two persons deposit a joint property of theirs with another, and one of them requests the return of their share in the absence of the other, the depositary shall return it if the property is fungible, and shall refuse to return it if the property is non-fungible, unless with the consent of the other. If the deposit is the subject of a dispute between them, the depositary may not return it to either of them without the permission of the court.

Article (919)

1. If the depositary dies and the deposit is found in kind in their estate, it shall be deemed a trust in the hands of the heirs, who shall return it to its owner.
2. If the heirs prove that the depositary had returned the deposit, or that it had perished or been lost from them without transgression or negligence before or after death, there shall be no liability on the estate.
3. If the depositary dies while concealing the deposit and it is not found in their estate, it shall be a debt due from the estate, and its owner shall rank with the other creditors.

Article (920)

1. If the depositary dies and an heir disposes of the deposit by any act that effects a transfer of ownership and it perishes, its owner shall have the option to hold either the disposer or the transferee liable for its value at the time of disposition if it is non-fungible, or for its equivalent if it is fungible.
2. If the deposit is still in possession of the transferee, its owner shall have the option to take it or to ratify the disposition against the agreed consideration.

Second: Obligations of the Depositor

Article (921)

The depositor undertakes to pay the agreed remuneration to the depositary if the deposit is for consideration.

Article (922)

1. The depositor shall reimburse the depositary for what the latter has expended in the safekeeping of the deposit with the depositor's permission.
2. If the depositor is absent, the depositary may refer the matter to the court to order what it deems appropriate.

Article (923)

1. If the depositary incurs expenses on the deposited property without the permission of the depositor or the court, they shall be deemed to have acted gratuitously.
2. The depositary may, in cases of urgency or necessity, incur expenses for the deposit to the customary extent, and shall have recourse for their expenditure against the depositor.

Article (924)

The depositor shall bear the expenses of delivering and returning the deposit, and shall be liable for any damage suffered by the depositary as a result of the deposit, unless it arises from a cause attributable to the depositary.

Article (925)

If the deposit becomes subject to entitlement and the depositary has been held liable in respect therefor; they have the right to recourse against the depositor for the amount paid.

Article (926)

If the depositor dies, the deposit shall be delivered to their heirs with the permission of the court.

Part Three
Special Provisions for Certain Deposits

Article (927)

If the deposit is a sum of money or any other thing that perishes by use, and the depositary is authorized to use it, the contract shall be deemed a loan.

Article (928)

1. Proprietors of hotels and similar establishments shall, with respect to the duty of care incumbent upon them for the safekeeping of the property brought by travellers and guests, be liable even for acts committed by persons frequenting the establishment.
2. Proprietors of hotels shall not be liable in respect of money, negotiable instruments, or valuable items, unless they have received them for safekeeping, or have unjustifiably refused to receive them therefor, or unless the damage has occurred as a result of fault on their part or on the part of one of their employees.

Article (929)

1. The guest shall notify the hotel proprietor or the person in charge of the theft, loss, or damage of the item immediately upon becoming aware thereof. If they delay the notification without excuse, their rights shall lapse.
2. The guest's claim against the hotel proprietor shall not be heard after the lapse of six (6) months from the date of departure.

Article (930)

1. Either the depositor or the depositary may terminate the contract whenever they wish, provided that the termination does not occur at an inappropriate time.
2. If the deposit is for remuneration, neither party has the right to terminate before the expiry of the term, but the depositor may request the return of the deposit at any time if they pay the full remaining remuneration, unless otherwise agreed.

Chapter Five
Sequestration Contract
Part One
General Provisions

Article (931)

Sequestration is a contract whereby the sequestrator undertakes to safekeep and manage a disputed asset and to return it with its proceeds to the person who is proven to be entitled thereto.

Article (932)

If the parties agree to place the property in the hands of two or more persons, none of them may act alone in its safekeeping or management or in the disposition of its proceeds without the consent of the others.

Article (933)

1. One of the parties in dispute over an asset may, in the absence of agreement, request the court, in order to avert an imminent danger or on the basis of a just cause, to appoint a sequestrator to take possession of such asset for its safekeeping and management and to authorize the sequestrator to exercise any right that the court deems to be in the interest of both parties.
2. The court may also order the appointment of a sequestrator in other cases provided for in the law.

Article (934)

Judicial sequestration of endowment property is permissible in the following cases:

1. If the endowment is vacant or a dispute arises between its administrators, or if a lawsuit is instituted for the removal of the administrator, and this sequestration shall terminate in these cases if an administrator is appointed for the endowment, whether on a temporary or permanent basis.
2. If the endowment is indebted.

3. If one of the beneficiaries is an insolvent or bankrupt person, and the sequestration shall be limited to that beneficiary's share alone if it can be segregated, otherwise it shall extend to the entire endowment, provided that the sequestration in both cases is the sole means to prevent the loss of creditors' rights due to mismanagement by the endowment administrator.

Article (935)

If the parties to the dispute do not agree regarding the person of the sequestrator, the court shall appoint one.

Article (936)

The property in the hands of the sequestrator is a trust, and they may not exceed the limits of the assigned mandate, otherwise they shall be liable.

Part Two

Obligations and Rights of the Sequestrator

Article (937)

The agreement or the decision imposing the sequestration shall determine the rights and obligations of the sequestrator and the scope of their authority; otherwise, the provisions of the deposit contract and the agency contract shall apply to the extent that they do not conflict with the provisions set forth in this Chapter.

Article (938)

1. The sequestrator is obliged to preserve the property entrusted to their sequestration and to manage this property, and shall exercise, in all such matters, the care of an ordinary person.
2. The sequestrator may not delegate to another person the performance of all or part of their duties without the consent of the relevant parties or the permission of the court, as the case may be.
3. The sequestrator is obliged to keep proper records related to the duties entrusted thereto.

Article (939)

The sequestrator may not, in matters other than administration and preservation, act except with the consent of the parties to the dispute or with the permission of the court, unless there is an urgent necessity whereby the proceeds or movable property are at risk of perish or be damaged.

Article (940)

The sequestrator shall provide the relevant parties and the court, as the case may be, with the necessary information, reports, statements of account, and documents related to the execution of their mission, and shall submit an account thereof at the times and in the manner agreed upon by the parties or ordered by the court.

Article (941)

The sequestrator may recover the amounts spent in performing their duties to the extent customary.

Article (942)

The sequestrator is entitled to a wage for the like of their work if the agreement or appointment decision so provides. If there is no provision in this regard, they are entitled to a remuneration of the like, unless it is clear from the circumstances that they have waived this remuneration.

Article (943)

The sequestrator may withdraw from their mission at any time, provided they notify the concerned parties and continue performing the acts already commenced until they reach a stage at which no harm is caused to the parties to the dispute.

Article (944)

If the sequestrator dies, becomes incapable of performing the duties entrusted thereto, or a dispute arises between them and one of the interested parties, the court shall appoint another sequestrator upon the request of either party to continue the performance of the duties, unless the parties agree to choose someone else.

Part Three

Termination of Sequestration

Article (945)

The sequestration shall end by agreement of the interested parties, by a court decision, or upon the expiry of its term if it was for a limited period. The sequestrator shall then promptly return the property entrusted to their custody, along with its proceeds, to the person agreed upon by the concerned parties or designated by the court.

Section Four

Aleatory Contracts

Chapter One

Competition

Article (946)

1. A competition is a contract whereby a person undertakes to offer a prize to whoever wins a race in which winning depends on the performance of the competitor.
2. It is valid in a competition for the commitment to the prize to be from some of the competitors or from a third party. It is not valid if it is from all competitors.
3. If the competition is between two teams, each team shall be considered as a single person in the commitment to the prize.
4. Any agreement on gambling or wagering shall be void.

Article (947)

The validity of a competition contract is subject to the following conditions:

1. The prize shall be known, and the obligor shall be specifically identified.

2. The prize may be cash, in-kind, a due or deferred debt, or part thereof due and part deferred.
3. The subject of the contract shall be described in a manner that precludes uncertainty, and all its conditions and procedures shall be specified.

Chapter Two

Life Annuity

Article (948)

1. A person may undertake to pay a periodic life annuity without consideration.
2. If the obligation relates to education, treatment, or maintenance, it shall be fulfilled according to custom practice, unless the commitment provides otherwise.

Article (949)

The disposition establishing the obligation to pay an annuity for life shall not be valid unless it is made in writing, without prejudice to any special form required by the law for contracts of donation.

Article (950)

1. The obligation for an annuity may be for the life of the obligor, the obligee, or any other person.
2. The obligation is deemed to be established for the life of the obligor, unless otherwise agreed.
3. The obligation shall be extinguished by the death of the obligor, or their bankruptcy or insolvency.

Article (951)

If the obligor fails to fulfill their obligation, the other party may seek specific performance of the contract.

Article (952)

If the annuity is established for the life of the obligor and they die before the obligee, the obligee shall be entitled to a portion of the annuity that is proportionate to the period that has elapsed until the death of the obligor, within the customary limits, and may claim it from the estate by way of a bequest, unless otherwise agreed.

Chapter Three

Insurance Contract

Article (953)

The provisions of this Chapter shall apply without prejudice to the provisions of special laws.

Article (954)

Any agreement that contravenes the provisions of this Chapter shall be void, unless it is to the benefit of the insured or the beneficiary.

Part One

Definition and Conditions of an Insurance Contract

Article (955)

Insurance is a contract whereby the insurer undertakes to pay the insured or the beneficiary a sum of money, a periodic income, or any other financial consideration in the event of an accident, the occurrence of a condition, or the risk specified in the contract, in consideration for a specified amount or periodic premiums paid by the insured to the insurer.

Article (956)

The subject of insurance may be any legitimate interest a person has in the non-occurrence of a specified risk.

Article (957)

Anything that contravenes public order or public morals may not be the subject of insurance.

Article (958)

The following conditions in an insurance policy shall be void:

1. The condition that provides for the forfeiture of the right to insurance due to a violation of laws, unless the violation involves an intentional crime.
2. The condition that provides for the forfeiture of the right of the insured due to their delay in reporting the insured event to the authorities required to be notified or in submitting documents, if it is proven that the delay was for a valid excuse.
3. Any printed condition that is not prominently displayed and relating to a case that leads to nullity or forfeiture.
4. The arbitration clause if it is included in the printed general conditions of the policy and not as a special agreement separate from the general conditions.
5. Any other unfair condition the breach of which had no effect on the occurrence of the insured event.

Article (959)

1. An agreement may be made to exempt the insurer from indemnity if the beneficiary acknowledges liability for the occurrence of the insured risk or pays compensation to the injured party without the insurer's consent.
2. An agreement to exempt the insurer from liability may not be made if the beneficiary's acknowledgment is limited to a material fact or if it is proven that the payment of compensation was in the interest of the insurer.

Article (960)

The insurer who has paid compensation for damage shall be subrogated to the rights of the insured in claims against the person who caused the damage for which the insurer is liable, up to the amount of compensation paid, unless the person who caused the unintentional damage is one of the insured's ascendants or descendants, their spouse, or a person for whose acts the insured is legally responsible.

Part Two
Effects of the Insurance Contract
First: Obligations of the Insured
Article (961)

The insured is obligated to:

1. Pay the agreed amounts within the period specified in the contract.
2. Disclose, at the time of concluding the contract, all information that the insurer requests for the purpose of assessing the risks it undertakes.
3. Notify the insurer of any matters that occur during the contract period that would lead to an increase in the insured risks.

Article (962)

1. If the insured, in bad faith, conceals a matter or provides an incorrect statement in a manner that diminishes the materiality of the insured risk or leads to a change in its subject matter, or if they fraudulently breach their undertakings, the insurer may demand the termination of the contract and may claim the premiums due before such demand.
2. If fraud or bad faith is absent, the insurer, upon demanding rescission, shall return to the insured the premiums they have paid or the portion thereof in respect of which no risk was borne.

Second: Obligations of the Insurer

Article (963)

The insurer shall only be liable to indemnify the insured for damage resulting from the occurrence of the insured risk, provided that it does not exceed the sum insured.

Article (964)

The insurer is obligated to pay the compensation or the amount due to the insured or the beneficiary in the manner agreed, upon the occurrence of the risk or upon the maturity of the term specified in the contract.

Article (965)

The insurer's obligation under civil liability insurance shall not arise unless the injured party asserts a claim against the beneficiary after the occurrence of the event giving rise to such liability.

Part Three

Barring of a Claim Arising from an Insurance Contract

Article (966)

Claims arising from an insurance contract shall not be admissible after the lapse of three (3) years from the date of the event giving rise to such claims, unless the law provides otherwise. However, this period shall not apply in the following cases:

1. Concealing data related to the insured risk or providing incorrect or inaccurate data about this risk, in which case the period shall run from the date on which the insurer became aware thereof.
2. The occurrence of the insured event, in which case the period shall run from the date on which the concerned parties became aware thereof.
3. When the cause of the insured's lawsuit against the insurer arises from recourse by a third party against the insured, in which case the period shall run from the date on which the third party institutes proceedings against the insured, or from the date on which the third party recovers compensation from the insured.

Part Four

Special Provisions for Certain Types of Insurance

First: Takaful Insurance

Article (967)

1. Several persons may engage in cooperative Takaful (solidarity) insurance operations through their participation with cash contributions for the purpose of achieving Takaful and cooperation among a group of participants in facing specific risks, whereby each of them pays a monetary amount called a "contribution," which is deposited into a Takaful insurance fund to achieve its objectives in accordance with the applicable legislations.

2. Each member of the Takaful insurance system is considered insured on a Takaful basis.
3. An agreement may be made to invest these funds, and the investment proceeds shall be distributed to the members according to the agreement.

Second: Fire Insurance

Article (968)

1. The insurer in fire insurance is liable for all damages arising directly from the fire, whatever its cause, or from an incipient fire that may develop into a full fire, or from a fire risk that may materialize.
2. The insurer's obligation includes damages that are an inevitable result of the fire, especially damage to the insured items due to measures taken for rescue or to prevent the spread of the fire.
3. The insurer is liable for the loss or disappearance of the insured items during the fire, unless it is proven that this was the result of theft.

Article (969)

1. The insurer is liable for fire damage that occurs due to the non-intentional fault of the insured or the beneficiary.
2. The insurer is not liable for damages caused intentionally or through gross fault by the insured or the beneficiary, even if otherwise agreed.

Article (970)

The insurer is liable for fire damage caused by the insured's dependents, whatever the type and extent of their fault.

Article (971)

The insurer is liable for damages resulting from the fire, even if the fire arose from an inherent defect in the insured item.

Article (972)

1. Any insured who insures an item or an interest with more than one insurer shall notify each of them of the other insurance contracts, the value of each, and the names of the other insurers.
2. The aggregate sum insured, if there are multiple insurers, shall not exceed the value of the insured item or interest.

Article (973)

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 shall be obligated to pay a share proportionate to the ratio between the value of the insured item or interest and the total sum insured, without the total amount paid to the insured exceeding the value of the damage they sustained from the fire.

Article (974)

Fire insurance that is contracted on the insured's movables as a whole and which are present at the time of the fire in the places they occupy shall extend to items belonging to members of the insured's family and to persons residing with them who provide them with services.

Article (975)

1. If the insured item is encumbered by a pledge, mortgage, or other security in rem, such rights shall attach to the insurance proceeds payable to the insured under the insurance contract.
2. If these rights referred to in Paragraph (1) of this Article are registered or notified to the insurer, the insurer may not pay what they are obligated to pay to the insured except with the consent of those creditors.
3. If the insured item is seized or placed under sequestration, the insurer, upon being notified, may not make any payment to the insured of what they are obligated to pay.

Article (976)

The insurer shall be subrogated by operation of law for what they have paid as compensation for the fire in the claims that the insured may have against the person who caused the damage from which the insurer's liability arose, unless the person who caused the damage is a spouse, relative, or in-law of the insured with whom they live in one household, or a person for whose acts the insured is responsible.

Third: Life Insurance

Article (977)

The insurer in life insurance is obligated to pay to the insured or the beneficiary the amounts agreed upon the occurrence of the insured event or upon the expiry of the term stipulated in the contract, without the need to prove any damage suffered by the insured or the beneficiary.

Article (978)

The conclusion of a life insurance contract on the life of a third party requires their written consent before the contract is concluded. If they lack legal capacity, the contract shall not be validly concluded without the consent of their legal representative.

Article (979)

1. The insurer shall not be bound to pay the insurance amount if the insured commits suicide. However, the insurer shall 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 result in the payment of the insurance amount, in which case the beneficiary shall be entitled to the premiums paid, less any amount deductible for expenses.
2. If the suicide was not committed of free will or conscious choice, or for any reason leading to a loss of will, the insurer is obligated to pay the full agreed insurance amount, and the beneficiary shall prove that the person whose life was insured was deprived of free will at the time of suicide.

Article (980)

1. The insurer is released from their obligations if the insurance is 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 their instigation, they shall be deprived of the insurance amount. If what occurred was merely an attempt to cause death, the insured shall have the right to substitute another beneficiary.

Article (981)

1. The insured may stipulate that the insurance amount be paid to specific persons in the contract or to such persons as they may designate later.
2. If the insurance is for the benefit of the insured's spouse, children, descendants, or heirs, the insurance amount shall be due to whoever holds this capacity at the time of the insured's death. If the heirs are the beneficiaries, the insurance amount shall be divided among them according to the statutory shares of inheritance.

Article (982)

The insured who has undertaken to pay periodic premiums may terminate the contract at any time by giving written notice to the insurer of their wish, and they shall be discharged from liability for subsequent premiums.

Article (983)

1. Incorrect statements regarding the age of the person on whose life the insurance is taken, or any mistake therein, shall not result in the nullity of the insurance contract, unless the true age of the insured exceeds the maximum age specified under the insurance legislation.
2. If, as a result of incorrect statements or a mistake, the premium is less than what should be paid, the insurance amount shall be reduced in proportion to the ratio between the agreed premium and the premium that should have been paid on the basis of the true age.

3. If the agreed premium is greater than what should be paid on the basis of the true age of the person on whose life the insurance is taken, the insurer shall refund the excess paid and reduce the subsequent premiums to the level that corresponds to the true age.

Article (984)

If the insurer pays the insurance amount in a life insurance policy, they shall not have the right of subrogation to the rights of the insured or the beneficiary against the person who caused the insured event or the person responsible for it.

Article (985)

The amounts agreed to be paid upon the death of the insured shall not form part of the estate of the insured.

Section Five

Suretyship Contract

Chapter One

General Provisions

Article (986)

Suretyship is a contract whereby a person adds their patrimony to that of a debtor for the performance of an obligation, by undertaking, to the creditor, to perform it if the debtor fails to do so.

Article (987)

1. Suretyship is concluded by the term "suretyship" and by terms denoting guarantee.
2. For the conclusion and enforceability of a suretyship, the offer of the surety is sufficient, unless rejected by the creditor.

Article (988)

Suretyship for a debtor without the debtor's knowledge is permissible, and it is permissible even despite their opposition.

Article (989)

For a suretyship to be concluded, it is required that the surety be legally competent to make a donation.

Article (990)

A suretyship is not valid unless the obligation under suretyship is valid.

Article (991)

A suretyship shall be void if the surety stipulates an option of rescission for themselves.

Article (992)

1. A suretyship may be absolute, restricted by a valid condition, suspended upon a suitable condition, deferred to a future time, or temporary.
2. For a suretyship suspended upon a suitable condition, the surety may withdraw their suretyship before the debt arises, provided that the creditor is notified of such withdrawal.
3. If the surety for a future debt has not specified a duration for the suretyship, the surety may withdraw therefrom at any time, as long as the debt under suretyship has not arisen.
4. If the suretyship is for a limited period, the surety shall be liable only for the obligations arising during the term of the suretyship.

Article (993)

Whoever stands surety for an obligation of a person of a limited capacity, where the suretyship is due to such limited capacity, and the debtor's obligation is invalidated due to said limited capacity, the surety shall be obliged to perform the obligation vis- à-vis the creditor as a principal debtor.

Article (994)

1. Suretyship of a commercial debt shall be deemed a civil act, even if the surety is a merchant.
2. A suretyship arising from an aval in respect of commercial instruments shall always be deemed a commercial act.

Article (995)

For a suretyship to be valid, it is required that the guarantee be secured by the principal, and its delivery shall be possible by the surety.

Article (996)

A suretyship for the maintenance of the wife and relatives shall be valid, even before it is judicially adjudicated or amicably settled.

Article (997)

It shall not be permissible for a seller's agent to stand surety for the purchaser's payment of the price of what they were entrusted to sell, nor for a guardian to stand surety for the price of what they sold from the minor's property, nor for the administrator of endowment to stand surety for the price of what they sold from the endowment property.

Article (998)

1. A suretyship by a person suffering from a terminal illness shall not be permissible if they are indebted by a debt exhausting their entire property.
2. A suretyship by a person suffering from a terminal illness shall not be permissible if their debt does not exhaust their property, and the provisions governing wills shall apply thereto.

Article (999)

A suretyship subject to the release of the principal shall constitute an assignment (Hawala), and an assignment subject to the non-release of the assignor shall constitute suretyship.

Article (1000)

A suretyship may not be for an amount exceeding that due from the debtor, nor on more onerous conditions than those of the secured debt. However, it may be for an equal or lesser amount and on identical or more lenient terms.

Article (1001)

The suretyship shall include the accessories of the debt, the expenses of the first procedural step taken to claim the debt, and any subsequent expenses arising after notifying the surety, unless otherwise agreed.

Chapter Two

Effects of the Suretyship Contract

Article (1002)

The surety shall perform their obligation upon maturity. If their obligation is subject to a condition, performance shall become due upon the fulfilment of the condition.

Article (1003)

1. The surety shall be discharged upon the discharge of the debtor, and they may invoke all the defences that the debtor may raise.
2. If the defence raised by the debtor is their lack of capacity, and the surety was aware of this at the time of contracting, they may not invoke this defence.

Article (1004)

If the creditor receives something else in lieu of their debt, the liability of the principal and the surety shall be discharged, unless that thing becomes subject to entitlement (*rei vindicatio*).

Article (1005)

1. The surety's liability shall be released to the extent of the value of the securities lost by the creditor.

2. Securities are intended to mean any security allocated to guarantee the debt, even if established after the suretyship, and any security established by law.

Article (1006)

The surety shall be released from the suretyship if the creditor does not initiate judicial proceedings to claim the debt against the debtor and the surety within six (6) months commencing from the day following the date of maturity of the debt.

Article (1007)

If the debtor becomes bankrupt or insolvent, the creditor shall file their claim. Otherwise, their right of recourse against the surety shall lapse to the extent of the damage incurred due to the creditor's delay.

Article (1008)

If the surety pays the debt, the creditor shall, at the time of payment, perform the following:

1. Deliver to the surety the necessary documents to enable them to exercise their right of recourse against the debtor.
2. Assign to the surety any movable pledged or retained as security for the debt.
3. Where the debt is secured by a real (in-rem) security over immovable property, take the necessary measures to transfer such real security to the surety, provided that the surety bears the expenses of such measures and is entitled to recover them from the debtor.

Article (1009)

1. The creditor may not have recourse against the surety alone except after having recourse against the debtor.
2. The creditor may not levy execution against the surety's property until after exhausting all the debtor's property, unless the surety is jointly and severally liable with the debtor, or unless the law or the agreement provides otherwise.

3. The surety shall raise the defence before the court as stipulated in this Article.

Article (1010)

1. If the surety requests exhaustion of the debtor's property, they shall, at their own expense, direct the creditor to the debtor's property.
2. No regard shall be given to property indicated by the surety if such property is located outside the State or is subject to a dispute.

Article (1011)

The surety may be restricted to the payment of the debt from the debtor's funds deposited with the surety, provided that the debtor's consent is obtained.

Article (1012)

If the suretyship is absolute, the surety's obligation shall follow the obligation of the principal debtor, whether the debt is due immediately or deferred.

Article (1013)

If a person stands surety for an immediately due debt by a deferred suretyship, the debt shall be deferred in respect of both the surety and the principal debtor, unless the surety limits the deferment to themselves or the creditor stipulates the deferment for the surety, in which case the debt shall not be deferred in respect of the principal debtor.

Article (1014)

If the surety indicates the debtor's assets, the creditor shall be liable towards the surety for the debtor's insolvency or bankruptcy if the creditor fails to take the necessary measures in due time.

Article (1015)

If the debt is secured by a real security for the debt and a suretyship is provided after or together with this security, and the surety is not jointly and severally liable with the debtor, execution may not be levied against the property of the surety except after execution against the property allocated to such security.

Article (1016)

1. If there are multiple sureties for a single debt, each of them may be claimed for the entire debt, unless they all stood surety in a single contract and did not stipulate joint and several liability therein, in which case none of them shall be claimed except to the extent of their share.
2. Where the sureties have bound themselves by successive contracts, each of them shall be liable for the entire debt, unless they have reserved for themselves the right of division.

Article (1017)

A joint and several surety may invoke the defenses related to the debt that a non-joint surety may invoke.

Article (1018)

A suretyship stipulated by operation of law or by virtue of a judicial ruling entails joint and several liability among the sureties.

Article (1019)

A suretyship of a surety shall be permissible, and in such a case, the creditor may not have recourse against the surety's surety before having recourse against the surety, unless the surety's surety is jointly and severally liable with the surety.

Article (1020)

If the sureties are jointly and severally liable among themselves and one of them pays the debt upon its maturity, they shall have the right of recourse against each of the others for their

share of the debt and for their portion of the share of any insolvent or bankrupt surety among them.

Article (1021)

1. If the principal pays the debt before the surety does, or becomes aware of any reason that prevents the creditor from claiming, they shall inform the surety. If they fail to do so and the surety pays the debt, the surety shall have the option of recourse against the principal or the creditor.
2. If a claim is instituted against the surety, they shall be required to join the principal therein. If they fail to do so, the principal may, as against the surety, invoke any defense by which the creditor's claim could have been resisted.

Article (1022)

If the surety pays the debt, they may subrogate the creditor in all their rights against the debtor. However, if the surety pays only part of the debt, they shall not have recourse for what they paid until the creditor has received their rights from the debtor.

Article (1023)

The surety shall have recourse against the debtor for the expenses incurred in fulfilling the terms of the suretyship.

Article (1024)

1. A surety may not have recourse against the principal for anything they pay on their behalf unless the suretyship was made at the principal's request or with their approval, and the surety has paid it.
2. A surety may not have recourse for a deferred debt paid thereby in advance, except after the maturity of the debt.

Article (1025)

If the surety performs something else in lieu of the debt, they shall have recourse against the debtor for what they stood surety, not for what was performed. If they settle with the creditor for a portion of the debt, they shall have recourse for what was performed by way of settlement, not for the entire debt.

Article (1026)

A surety may petition the court to prohibit the obligor from traveling outside the State if the suretyship was made at the surety's request and there are indications giving rise to a fear of causing harm to the surety.

Article (1027)

If there are multiple debtors and they are jointly and severally liable, a surety who has stood surety for them at their request may have recourse against all of them or any of them for the full amount paid of the debt.

Article (1028)

A surety may not take consideration for their suretyship. If they do, they shall return it to its owner, and the suretyship shall lapse if taken from the creditor or the debtor, or from a third party with the creditor's knowledge. If taken without the creditor's knowledge, the suretyship shall be binding together with the return of the consideration.

Chapter Three

Extinguishment of the Suretyship Contract

Article (1029)

The suretyship contract shall not be terminated upon the death of the surety or the debtor, and the obligations shall remain enforceable against the estate of the deceased.

Article (1030)

A suretyship shall be extinguished in the following cases:

1. Performance of the debt.
2. Loss or destruction of the property in the possession of the obligor by force majeure and before a claim is made.
3. Extinction of the contract under which the obligation against the obligor arose.
4. Discharge the surety from the suretyship or of the debtor from the debt by the creditor.

Article (1031)

The surety for the price of a subject matter of the sale shall be discharged from the suretyship if the sale is rescinded; the subject matter of the sale becomes subject to entitlement, or if it is returned due to a defect.

Article (1032)

If the surety or the debtor settles with the creditor for a portion of the debt, both shall be discharged from liability for the remainder. If the discharge of the surety alone is stipulated, the creditor shall have the option to either take the settled amount from the surety and the remainder from the principal, or to release the surety and claim the entire debt from the principal.

Article (1033)

The liability of the debtor and the surety shall not be discharged by the death of the creditor; this right shall be transferred to the creditor's heirs.

Article (1034)

If the creditor dies and the debtor is the sole heir; the surety shall be discharged from the suretyship. If the creditor has another heir, the surety shall be discharged only from the debtor's share.

Article (1035)

1. If either the surety or the principal debtor assigns the creditor, in respect of the debt under surety or a part thereof, to another person by an assignment accepted by the assignee or the assigned party, the principal and the surety shall be discharged to the extent of such assignment.
2. If the assignment stipulates the discharge of the surety only, they alone shall be discharged, without discharging the principal.

Book Three

Original Real Rights (in Rem)

Section One

Right of Ownership

Chapter One

General Provisions

Part One

Scope and Means of Protection of the Right of Ownership

Article (1036)

The right of ownership is the authority of the owner to exercise absolute powers of disposition over the thing itself, its usufruct, and its exploitation—within the limits of the law.

Article (1037)

1. The owner of a thing shall own all that is considered among its essential elements, which cannot be separated from it without perishing, deterioration, or alteration.
2. Whoever owns land shall own what is above it and beneath it to the extent useful for enjoyment, in height and depth, unless a provision of law or an agreement provides otherwise.

Article (1038)

The owner of a thing alone shall be entitled to all its fruits, products, and appurtenances, unless a provision of law or an agreement provides otherwise.

Article (1039)

No one shall be deprived of their ownership or of the enjoyment thereof, nor shall anyone's property be expropriated, except for public benefit, in exchange for fair compensation, and in accordance with the provisions of the law.

Part Two

Restrictions on the Right of Ownership

First: General Provisions

Article (1040)

1. The owner may dispose of their property in an absolute manner, unless such disposition causes serious harm to others or violates laws or regulations related to public or private interest.
2. Serious harm is that which causes the weakening or demolition of a building, or which prevents the essential uses, namely the intended benefits of the building.

Article (1041)

If the right of another is attached to the property, the owner may not dispose of it in a manner prejudicial to the holder of such right except with their permission.

Second: Neighbourhood Restrictions

Article (1042)

Blocking light from a neighbour shall be deemed serious harm. No one may erect a building that blocks the windows of a neighbour's house in a way that prevents light, otherwise the neighbour may request the removal of the building in order to avert the harm.

Article (1043)

If a person has a property and disposes of it in a lawful manner, and another person erects a building next to it and is harmed by the pre-existing situation, the person who erected the building may not claim harm therefrom and shall avert the harm from themselves.

Article (1044)

1. The owner of the airspace or its usufruct into which the branches of another's tree have extended may demand the removal of what has extended into their airspace, even if no harm results therefrom. If the other refuses, they shall be liable for any damage caused by it, and the owner has the right, without the need for a court order, to remove what has extended into their property, even by cutting, if the harm cannot be removed otherwise, and they shall not be liable.
2. The provision of Paragraph (1) of this Article shall apply to the roots of a tree that have extended into the land of another.

Article (1045)

The owner of a building may request that their neighbour be prevented from planting trees adjacent thereto if such trees are of a type whose roots extend, and they may request its uprooting if it has been planted.

Article (1046)

1. A neighbour may not compel their neighbour to fence their property, nor to cede a part of a wall or the land on which the wall stands.
2. The owner of a wall may not demolish it voluntarily without a justified reason if this would harm the neighbour whose property is screened by the wall.

Article (1047)

1. The owner shall not exceed reasonable limits in the use of their right to the extent that it harms the property of the neighbour.

2. A neighbor may not seek recourse against their neighbor for customary and unavoidable neighborhood inconveniences. However, they may request the removal of these inconveniences if they exceed the customary limit, taking into account custom, the nature of the properties, their respective locations, and the purpose for which they are designated. The license issued by the competent authority shall not prevent the neighbor from exercising this right.

Third: Restriction of the Rights of the Transferee

Article (1048)

1. An owner may not stipulate in their disposition, whether contract or will, conditions that restrict the rights of the transferee, unless such conditions are lawful, intended to protect a legitimate interest of the transferor, the transferee, or a third party, and for a limited period.
2. Any condition that prevents the transferee from making a disposition shall be void, unless the provisions of Paragraph (1) of this Article are met.

Article (1049)

1. The condition preventing disposition shall not be enforceable against a third party unless the third party had knowledge thereof at the time of the disposition or was able to know thereof.
2. If the thing is an immovable property and the disposition containing the condition has been registered, the third party shall be deemed to have knowledge of the condition from the date of registration.

Chapter Two
Co-Ownership in Common
Part One
General Provisions

Article (1050)

The provisions of this Chapter shall apply only to the extent that they do not conflict with specific legislations concerning co-ownership in common.

Article (1051)

If more than one person owns a thing without the share of each being partitioned, they shall be co-owners in common, and their shares shall be equal, unless evidence proves otherwise.

Article (1052)

1. Each co-owner in common shall have the right to dispose of, exploit, and use their share without the permission of the other co-owners, provided that no prejudice is caused to their rights.
2. If a co-owner's disposition relates to a partitioned part of the undivided property, and such part does not fall within their share upon partition, the right of the transferee shall, from the time of the disposition, pass to the part that devolves upon the disposing co-owner by way of partition. If the transferee was unaware at the time of the contract, that the disposing co-owner did not own the subject matter as a partitioned part, they shall have the right to annul the disposition.

Article (1053)

A co-owner in common may not dispose of their share without the consent of the other co-owner in cases of mixing and commingling.

Article (1054)

1. The administration of the undivided property shall vest in the co-owners collectively, unless otherwise agreed.

2. If one of the co-owners undertakes the administration without objection from the others, they shall be deemed to be an agent acting on their behalf.

Article (1055)

1. The opinion of the majority of co-owners in matters of ordinary administration shall be binding on all. The majority shall be calculated based on the value of the shares. If such majority is not attained, the court may, upon the request of a co-owner, take such measures as it deems necessary, and may appoint a person to administer the undivided property if needed.
2. The majority may appoint an administrator, whether from among the co-owners or from third parties, and may establish a system for the administration of the property and the enjoyment thereof, which shall apply to all co-owners and their successors, whether general or special.

Article (1056)

1. Co-owners who own at least three-quarters of the undivided property may decide, for the purpose of improving the enjoyment of this property, to carry out fundamental changes and modifications to the purpose for which it was designated, which exceed the limits of ordinary administration, provided they notify the remaining co-owners of their decision. Any dissenting co-owner shall have the right to lodge an objection with the court within thirty (30) days from the date of notification.
2. The court, upon considering the objection, may, if it approves the majority's decision, stipulate such measures as it deems appropriate. It may particularly require the majority to provide security to guarantee the fulfilment of any compensation that may become due to the dissenting co-owner.

Article (1057)

Each co-owner in common shall have the right to take such measures as necessary to preserve the undivided property, even without the consent of the other co-owners.

Article (1058)

The expenses of administering and preserving the undivided property, the taxes imposed thereon, and all other costs arising from co-ownership or imposed on the property shall be borne by all co-owners, each in proportion to their share, unless the law or an agreement provides otherwise.

Part Two

Termination of Co-ownership

Article (1059)

Partition is the severance and determination of an undivided share, and shall be effected by mutual agreement or by a court judgment upon the request of one of the co-owners.

Article (1060)

The property subject to partition shall be a divisible thing owned by the co-owners at the time the partition is carried out.

Article (1061)

1. Co-owners who own at least three-quarters of the undivided property may decide to dispose thereof, if they have justified reasons, provided they notify the other co-owners of their decision. They may not dispose of it until after the lapse of a period of sixty (60) days from the date of notification.
2. Any of the other co-owners may lodge an objection with the court within sixty (60) days from the time of notification, and the disposition procedures shall be suspended until the objection is adjudicated.
3. The court, upon considering the objection, may, depending on the circumstances, authorize or reject the disposition if it would cause greater harm to the other co-owners or if the harm outweighs the anticipated benefit of the disposition.

Article (1062)

1. A co-owner in a movable or a collection of property held in common may, before the partition, redeem the common share sold by another co-owner to a third party, otherwise than by public auction conducted in accordance with procedures prescribed by law, within thirty (30) days from the date of their knowledge of the sale or the date of being notified thereof. The redemption shall be effected by a notice served upon both the seller and the purchaser. The redeemer shall substitute the purchaser in all their rights and obligations, provided that they reimburse them for all that they have spent.
2. If there are multiple redeemers, each may redeem in proportion to their share.

Article (1063)

1. Every co-owner may request the partition of the undivided property unless they are compelled to remain in co-ownership by virtue of the law or an agreement. No agreement may compel a co-owner to remain in co-ownership for a period exceeding five (5) years. If the period does not exceed this limit, the agreement shall be binding on the co-owner and their successor.
2. The court, upon the request of a co-owner, may order the continuation of co-ownership for a period it specifies, even if such period exceeds the agreed-upon term or if there is no agreement exists, if immediate partition is detrimental to the interests of the co-owners. It may also order partition before the expiry of the agreed-upon term if a justified reason exists.

Article (1064)

1. The co-owners may all agree on the partition of the undivided property in any manner they deem appropriate, unless the law provides otherwise.
2. Partition by agreement shall not be carried out if one of the co-owners lacks full legal capacity, unless they have a guardian, nor if one of the co-owners is absent or missing, and their absence or disappearance is established.

Article (1065)

Any person wishing to exit from co-ownership who fails to reach an agreement with the other co-owners may request a judicial partition.

Article (1066)

The joint property shall be capable of partition in such a manner that the intended benefit thereof is not lost as a result of the partition.

Article (1067)

1. If partition in kind is impossible or if it would cause harm or a significant decrease in the value of the property to be partitioned, any of the co-owners may sell their share to another co-owner or may request the court to order its sale in the manner prescribed by law.
2. If the sale of the share proves impossible, this co-owner may request the sale of the entire property in the manner prescribed by law, and the price shall be distributed among the co-owners, in proportion to their respective shares. The court may order that the auction be restricted initially to the co-owners if one of them so requests.
3. In all cases, a request for sale shall not be accepted if it would cause greater harm to the remaining co-owners, and a new request for sale from the same person shall not be admitted before the lapse of one year from the date of the rejection of the previous request or from the date the harm ceased, whichever is earlier.

Article (1068)

1. The creditors of each co-owner may object to the partition, whether consensual or judicial. The objection shall be made by a notice served on all co-owners if the partition is consensual, or by intervention before the court if it is judicial.
2. A partition, whether consensual or judicial, shall not be enforceable against the creditors if they were not included in all proceedings.

3. If a partition has been completed, a creditor who did not intervene may not challenge it except in the case of fraud if it was a judicial partition, or by challenging it by an annulment lawsuit of the disposition if it was consensual.

Article (1069)

If a debt is discovered against the deceased after the partition of the estate, the partition shall be rescinded, unless the heirs pay the debt, or the creditor releases them therefrom, or the deceased left other property not subject to partition from which the debt was paid.

Article (1070)

A party to a partition shall be deemed to have owned the share that devolved thereto by partition from the time they acquired it by co-ownership.

Article (1071)

1. The co-partitioners shall mutually warrant one another against any adjudication of ownership in favor of a third party or any disturbance of title affecting the share allotted to any of them, where such adjudication or disturbance arises from a cause prior to the partition. Each co-partitioner shall be bound, in proportion to their share, to compensate the party entitled to the warranty. The value of the thing at the time of partition shall be the basis for estimating its value. If one of the co-partitioners is insolvent or bankrupt, the portion attributable thereto shall be distributed among the party entitled to the warranty and all non-insolvent or non-bankrupt co-partitioners.
2. There shall be no warranty if there is an express agreement providing for exemption therefrom in the specific case from which it arose, and the warranty shall likewise be excluded where the adjudication is attributable to the act of the co-partitioner themselves.

Article (1072)

1. A partition may not be revoked after its completion. However, all co-owners may rescind the partition by mutual consent and restore the property to state of co-ownership.

2. A party who has suffered gross unfairness in a partition by agreement may request the court to rescind the partition and re-conduct it fairly.
3. The assessment of unfairness shall be based on the value of the partitioned property at the time of the partition.

Article (1073)

The provisions governing the option of stipulation, option of inspection, and option for defect shall apply to the partition of different genera and to non-fungible items of the same genus. As for the partition of fungibles, only the provisions relating to the option for defect shall apply, to the exclusion of the options of stipulation and inspection.

Article (1074)

A claim for rescission and re-partition shall not be heard if it is not instituted within one year from the date of the partition.

Article (1075)

A partition shall be void if the whole or an undivided part of the partitioned property becomes subject to entitlement. In such case, it shall be mandatory to re-effect the partition in respect of what remains thereof.

Article (1076)

The partition made by a negotiorum gestor in undivided property shall be voidable for the benefit of the co-owners in the undivided property.

Part Three

Usufruct Apportionment (Muhaya'ah)

Article (1077)

Muhaya'ah is a usufruct apportionment and may be temporal or spatial. In the former, the co-owners take turns enjoying the usufruct of the entire joint property for periods proportionate

to each of their respective shares. In the latter, each co-owner enjoys the usufruct of a specific part of the joint thing.

Article (1078)

1. In a temporal apportionment (Muhaya'ah), the commencement date and the period of enjoyment of each co-owner shall be determined. If the co-owners disagree thereon, the court shall determine the period it deems appropriate based on the nature of the dispute and the undivided property, and may conduct a draw of lots to determine the commencement time of enjoyment.
2. In a spatial apportionment (Muhaya'ah), the place of enjoyment of each co-owner shall be specified. If the co-owners disagree, the court may draw lots to determine the part to be enjoyed.

Article (1079)

Usufruct apportionment, as regards its enforceability against third parties, the legal capacity of the co-owners and their rights, obligations, and the modes of proof, shall be governed by the provisions applicable to a lease contract, insofar as such provisions do not conflict with the nature of this apportionment.

Article (1080)

1. The co-owners may, pending the final partition, agree to apportion the usufruct of the undivided property among themselves until the final partition is effected.
2. If the co-owners fail to agree on the usufruct apportionment, the court may, at the request of any of the co-owners, order such apportionment, and may seek the assistance of one or more experts where necessary.

Article (1081)

1. If one of the partners requests partition and the others request usufruct apportionment, the claim for partition shall be admissible.

2. If one of the partners requests usufruct apportionment and the others do not request partition, or if the undivided thing is not susceptible to partition, the court shall order the usufruct apportionment.

Article (1082)

Usufruct apportionment shall not be voided by the death of one or all of the shareholders, and the heirs of the deceased shall replace them.

Part Four

Compulsory Co-Ownership

Article (1083)

Partners in an undivided property may not request its partition if it is evident from the purpose for which the property was designated that it must remain in co-ownership.

Part Five

Family Ownership

Article (1084)

1. Members of the same family who are united by a common activity or interest may agree in writing to establish family ownership.
2. Family ownership shall be formed either from an estate they have inherited and agreed to make all or part thereof as family property, or from any other specific property they have agreed to include in this ownership.

Article (1085)

1. Family ownership may be established for a period not exceeding fifteen (15) years. However, any partner may request the court's permission to withdraw their share from this ownership before the lapse of the agreed term if there is a just reason.
2. If the said ownership has no specified term, each partner may withdraw their share after six (6) months from the date of notifying the other partners of their intention to withdraw.

Article (1086)

1. Partners may not request partition as long as the family ownership is in effect, and no partner may dispose of their share to a person outside the family, except with the consent of all partners.
2. If a person outside the family acquires the share of one of the partners with the consent of that partner or by compulsion, the non-family member shall not become a partner in the family ownership except with their consent and the consent of the other partners.

Article (1087)

1. The owners of the majority of shares in the family ownership may appoint, from among themselves, one or more persons to manage the joint property. The manager may introduce changes to the purpose for which the joint property is designated, in a manner that improves the methods of utilizing such property, unless otherwise agreed.
2. The manager may be removed by the same method by which they were appointed, and the Court may also remove them at the request of any partner if there is a reason justifying such removal.

Article (1088)

Except for the previous provisions, the provisions of co-ownership, agency, and the estate shall apply to family ownership.

Part Six

Ownership of Floors and Apartments

Article (1089)

1. If the owners of the floors or various apartments of a building are multiple, they shall be deemed partners in the ownership of the land and the parts of the building designated for common use by all, or any other part registered as such or required by the nature of the building to be jointly owned. This shall specifically include the following:
 - a. The structure of the building, the foundations, pillars, columns, and walls which support the building or the ceilings.

- b. The common separating walls between the units, and the walls designated for chimneys.
 - c. The storerooms used as service rooms, and the areas designated for waste.
 - d. The chimneys and ventilation shafts intended for toilets, kitchens, downpipes and drains.
 - e. The entrances, facades, stairs and their enclosures, corridors, hallways, basements, elevators, and emergency exits.
 - f. The rooms of guards and the areas designated for them and other workers in the service of the building.
 - g. Cooling systems and all other types of pipes, installations, and common utilities connections, such as installations for lighting, water, drainage, natural gas, internet, and satellite dishes and their accessories, except for those located within a real estate unit whose benefit is confined to the owner of the real estate unit.
 - h. Sports facilities and facilities intended for rest and recreation and the like.
 - i. Equipment and devices that provide common services and the places where they are located.
 - j. Courtyards, external corridors, walkways, gardens, parking lots, waiting areas, and gathering places.
 - k. The final roofs in the buildings according to the provisions of the building legislation.
2. All of the above, unless otherwise provided in the title deeds or in a special law.

Article (1090)

The common parts of the building mentioned in Article (1089) of this Law are not subject to partition, and the share of each owner therein shall be in proportion to their share in the building. No owner may dispose of any part of their share separately from the other.

Article (1091)

Common walls between two apartments shall be jointly owned by the owners of those two apartments, unless they form part of the common parts.

Article (1092)

Each owner may use the common parts for the purposes for which they are designated, provided that this does not prevent the other co-owners from using their rights.

Article (1093)

1. Each owner shall contribute to the costs of preservation, maintenance, and management of the common parts. Their share in the costs shall be in proportion to the value of their property in the real estate, unless otherwise provided in the building's management system. Any owner who causes an increase in the building's expenses shall be responsible for it.
2. An owner is not entitled to waive their share in the common parts in order to avoid contributing to the expenses.

Article (1094)

No owner may make any modification to the common parts without the approval of all owners, even during the renovation of the building, unless the modification benefits those parts and does not alter their designation or cause harm to the other owners.

Article (1095)

1. The owner of the lower floor shall carry out the works and repairs necessary to prevent the collapse of the upper floor, and the owner of the upper floor shall carry out the works and repairs necessary to prevent the lower floor from collapsing.
2. If the owner of the lower or upper floor refrains from carrying out the necessary repairs, the Court may, at the request of the affected party, order the necessary repairs to be carried out, and the affected party may have recourse against the owner of the lower or upper floor for the expenses incurred.

Article (1096)

1. If the building collapses, the owner of the lower floor shall rebuild their lower floor as it was before. If they refrain and the owner of the upper floor rebuilds it with their permission or the Court's permission, they shall have recourse for the share of the owner of the lower floor in what they have spent.
2. If the owner of the lower floor refrains and the owner of the upper floor rebuilds the building without the permission of the Court or the owner of the lower floor, they may have recourse against the owner of the lower floor for their share of the value of the building at the time of reconstruction.
3. If the owner of the upper floor rebuilds the lower floor without first referring the matter to the owner of the lower floor and establishing their refusal, the owner of the upper floor is deemed to have acted gratuitously and shall have no right of recourse.
4. The owner of the upper floor may, in the two cases provided for in Paragraphs (1) and (2) of this Article, prevent the owner of the lower floor from disposing of and using the property until their right is satisfied. They may also lease it with the court's permission and recover their right from the rent.

Article (1097)

The owner of the upper floor may not increase the height of the building in a manner that causes harm to the owner of the lower floor.

Part Seven

Association of Owners of Floors and Apartments

Article (1098)

1. Where there is joint ownership of a property divided into floors or apartments, the owners may form an association among themselves to manage it and ensure its proper use.
2. The purpose of forming the association may be to construct or purchase properties and distribute ownership of their parts to its members.
3. The association, in its formation, system, management, powers, and matters related thereto, shall be subject to the provisions of the relevant special legislation.

Part Eight
Common Wall
Article (1099)

If a wall is common between two or more persons, none of the co-owners therein may add to the construction upon it without the permission of the others.

Article (1100)

1. An owner of a common wall may use it for the purpose for which it was designated, 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 designated, the costs of its repair or renewal shall be borne by the co-owners in proportion to each of their shares therein.

Article (1101)

1. A co-owner of a common wall who has a serious interest in raising it may do so at their own expense, provided that this does not cause material harm to their co-owners. They shall maintain the wall and reinforce it so as to bear the load resulting from the heightening without impairing its capacity.
2. If the common wall is not fit to bear the heightening, the co-owner who wishes to heighten it shall rebuild the entire wall at their own sole expense, so that any increase in thickness lies, as far as possible, on their side. The rebuilt wall shall, apart from the raised part, remain common, and the neighbour who effected the heightening shall have no right to compensation.

Article (1102)

A neighbour who has not contributed to the expenses of heightening the common wall may become a co-owner of the raised part if they pay their share of the amounts expended thereon, and the value of one half of the land occupied by the increased in thickness, if there is an increase.

Article (1103)

A wall which, at the time of its construction, served as a partition between two buildings is deemed to be a common wall up to its point of separation, unless there is evidence to the contrary.

Chapter Three

Modes of Acquiring Ownership

Part One

Acquisition of Unowned Property (Res Nullius)

First: Movable

Article (1104)

Whoever appropriates an unowned movable with the intention of owning it, acquires ownership thereof.

Article (1105)

A movable shall be deemed unowned if no provision of law prohibits its appropriation, and it has no owner or has been abandoned by its owner with the intention of relinquishing ownership.

Article (1106)

Non-domesticated animals are deemed unowned so long as they are at large. Nevertheless:

1. If such an animal has been captured and then returns to being at large, it shall not be deemed unowned unless its owner does not immediately pursue it or abandons such pursuit.
2. An animal that has been tamed and is accustomed to returning to its designated place shall, if it loses this habit, become unowned as long as it is at large, and its owner has ceased to pursue it.

Article (1107)

1. A buried or hidden treasure, for which no one can prove ownership shall belong to the owner of the immovable where the treasure was found, unless the applicable legislation provides otherwise.
2. Treasure found in an endowed property shall belong to the endowment authority.
3. Treasure found on land owned by the State shall be the property of the State.

Article (1108)

Minerals and natural resources located in the subsoil shall be the property of the State, even if found in privately owned land.

Article (1109)

Special laws regulate:

1. Abandoned property.
2. Matters relating to treasures and minerals.
3. The right to hunt on land and at sea.
4. Lost property (luqta) and antiquities.

Article (1110)

Property cast up by the sea that has not previously been owned by any person shall belong to the finder who first takes possession thereof, unless applicable legislation provides otherwise.

Second: Real Estate

Article (1111)

Uncultivated unowned lands (mawāt land) shall be the property of the State. It is not permissible to acquire or take possession of such lands except by a license from the competent authority in accordance with the applicable legislation.

Article (1112)

The competent authority may authorize the revival of uncultivated unowned land, provided that the person who revives it shall have the right to benefit from it without acquiring ownership, or may own it with the approval of the competent authority.

Article (1113)

If a person revives part of a land for which they were authorized to revive, and leaves the rest, they shall be the owner of what they have revived only, upon obtaining the approval of the competent authority.

Article (1114)

Revival shall be effected by cultivating or planting uncultivated unowned land, or building upon it and using it in accordance with applicable legislation.

Article (1115)

Whoever digs a complete well in uncultivated unowned land with the permission of the competent authority shall acquire ownership thereof or the right to benefit therefrom, in accordance with applicable legislation.

Part Two

Inheritance and Liquidation of the Estate

First: General Provisions

Article (1116)

The provisions contained in this Section shall apply to inheritance and the liquidation of the estate, unless special legislation provides otherwise.

Article (1117)

1. An heir acquires by way of inheritance the real estate, movables, and rights forming part of the estate.

2. The designation of heirs and the determination of their shares in the inheritance and the transfer of the estate shall be in accordance with the legislation issued in this regard.

Article (1118)

1. If the deceased appoints an executor of the estate, the Court shall, at the request of the interested parties, confirm this appointment.
2. The provisions applicable to a liquidator shall apply to the executor of the estate.

Second: The Estate

1.General Provisions

Article (1119)

1. If the deceased has not appointed an executor of their estate, any of the interested parties may request the court to appoint an executor.
2. The Court shall appoint the person agreed upon by the heirs. If the heirs do not agree on one person, the court shall appoint an executor of the estate, provided that they are, as far as possible, from among the heirs, after hearing their statements.

Article (1120)

1. Any person appointed as an executor may refuse to assume this task or may resign therefrom after assuming it, in accordance with the provisions of agency.
2. The court may, upon the request of any of the concerned parties or the Public Prosecution, or of its own motion, remove the executor and appoint another if there is cause justifying such removal.

Article (1121)

1. The court shall maintain a special register to record the decisions issued appointing or confirming executors of the estate if appointed by the decedent, or for their removal or resignation.
2. The registration mentioned in Paragraph (1) of this Article shall have effect with respect to third parties dealing with the heirs concerning the estate's immovable properties.

Article (1122)

1. The executor of the estate shall receive the estate assets upon their appointment and shall liquidate them under the court's supervision, and may request fair remuneration for undertaking their task.
2. The estate shall bear the liquidation expenses, and these expenses shall have the priority of judicial expenses.

Article (1123)

1. The court shall, when necessary, take all necessary measures to preserve the estate upon the request of any of the interested parties or without a request, and may order the deposit of cash, documents and securities, and valuable items in the court's treasury within whose jurisdiction the estate assets are located, or place seals thereon until the liquidation is completed.
2. The court may entrust any authority in the State with the management of the estate assets until the liquidation is completed.

Article (1124)

The executor of the estate shall disburse from the assets of the estate the expenses of preparing the decedent for burial and the expenses of their funeral and burial, in a manner befitting their condition. The executor shall obtain a court order authorizing the disbursement of an adequate maintenance from such assets to those among the heirs whom the decedent was supporting until the liquidation of the estate is completed, provided that the maintenance paid to each heir shall be deducted from their share in the inheritance. The court shall decide on any dispute related to such maintenance.

Article (1125)

1. Creditors may not take any action against the estate from the time of recording the order appointing the executor of the estate, nor may they continue any enforcement measure they have taken except against the executor of the estate.

2. All actions taken against the decedent shall be suspended until all the estate's debts are settled, upon the request of any of the interested parties.

Article (1126)

An heir may not, before receiving a certificate stating their share in the net estate, dispose of any asset of the estate, nor may they collect debts owed to the estate or set off a debt owed thereby against a debt owed to them by the estate.

Article (1127)

1. The executor of the estate shall, during the liquidation, take all measures for the preservation of the estate assets, perform the necessary acts of administration, represent the estate in legal proceedings, and collect its due debts.
2. The executor of the estate, even if not remunerated, shall be liable as an agent for consideration, and they shall submit an account of their administration at the intervals determined by the court.

Article (1128)

The executor of the estate shall issue a notice to the estate's creditors and debtors to submit a statement of the rights due to them, and the debts owed by them in the manner, form, and within the periods determined by the court, unless the applicable legislation provide otherwise.

Article (1129)

The executor of the estate may seek the assistance of one or more experts in the valuation and inventory of the estate assets and shall record what is revealed by the decedent's papers and what comes to their knowledge, and the heirs shall inform them of all they know of the estate's debts and rights.

Article (1130)

1. The executor of the estate shall, within ninety (90) days from the date of their appointment, file with the competent court a list that includes a preliminary estimate of the value of the estate assets and its rights and obligations, and shall notify every interested party of this list.
2. The court may order an extension of the period mentioned in Paragraph (1) of this Article if it sees justification therefor.

Article (1131)

Any dispute regarding the validity of the inventory and the data of the list referred to in Article (1130) of this Law shall be brought before the competent court within thirty (30) days from the date of filing the list.

2. Settlement of the Estate's Debts

Article (1132)

The executor of the estate shall, after obtaining the court's permission, pay the debts that are not subject to dispute after the expiry of the period specified for filing claims related to the inventory. As for the disputed debts, they shall be settled after a final judgment on their validity.

Article (1133)

The executor of the estate shall, in case of the estate's insolvency or bankruptcy, or the likelihood thereof, suspend the settlement of any debt, even if there is no dispute regarding it, until all disputes related to the estate's debts are finally adjudicated.

Article (1134)

1. The executor of the estate shall pay the estate's debts from the rights collected thereby on behalf of the estate, the cash it contains, and the price of the securities it has sold at market price, and from the price of the estate's movables. If this is not sufficient, then from the price of the estate's immovable properties.

2. The estate's movables and immovable properties shall be sold by public auction according to the procedures and at the times prescribed in the applicable legislation, unless all heirs agree that the sale be conducted in another way. If the estate is in debt, the consent of all creditors is required, and the heirs have, in all cases, the right to participate in the auction.

Article (1135)

The court may, upon the request of all heirs, rule that a debt secured by an in-rem security becomes due, and determine the amount due to the creditor.

Article (1136)

Each heir may, after the distribution of the deferred debts secured by an in-rem security, pay the portion that has been assigned to them before the due date.

Article (1137)

Creditors who have not collected their rights because they were not shown in the inventory list and had no securities on the estate assets may not have recourse against persons who have acquired, in good faith, an real right (jus in rem) over those assets, but they have recourse against the heirs to the extent of what has devolved to them from the estate.

Article (1138)

After settling the estate's debts, the executor of the estate shall execute the wills and other charges.

3. Delivery and Partition of the Estate Assets

Article (1139)

What remains of the estate assets after the execution of its obligations shall devolve to the heirs, each according to their lawful Shari'a share.

Article (1140)

The competent court shall, upon the request of one of the heirs or any interested party, issue a certificate establishing the identification of the heirs and stating the share of each in their statutory Shari'a inheritance.

Article (1141)

1. The executor of the estate shall deliver to the heirs what has devolved to them from the estate assets.
2. The heirs may, as soon as the period specified for disputes related to the estate's inventory expires, demand to receive the items and cash that are not required for liquidation, or part thereof, temporarily, in exchange for providing a security or without it.

Article (1142)

Each heir may request from the executor of the estate that their share in the inheritance be delivered to them in separate allotment, unless this heir is bound to remain in co-ownership based on a provision of the law or an agreement.

Article (1143)

1. If the partition request is required to be accepted, the executor of the estate shall conduct the partition amicably, provided that this partition does not become final unless approved unanimously by all heirs.
2. If the heirs do not unanimously agree on the partition, any of them or the executor of the estate may file a partition lawsuit at the expense of the estate in accordance with the provisions of the law, and the lawsuit expenses shall be deducted from the shares of the co-partitioners.

Article (1144)

The rules governing partition shall apply to the partition of the estate, in particular those related to warranty against disturbance and entitlement, unfairness, and the privilege of the co-partitioner.

Article (1145)

If among the estate assets there is an asset that is exploited agriculturally, industrially, or commercially, and is considered a standing independent economic unit, and the heirs did not agree on the continuation of its operation, and no right of a third party is attached thereto, it shall be allocated in its entirety to the one among the heirs who requests it if they are the most capable of undertaking it, provided that the price of this asset is appraised and set off against the heir's share in the estate. If the heirs' ability to undertake it is equal, it shall be allocated to whoever gives the highest price among them, provided it is not less than the market price.

Article (1146)

If an heir is exclusively assigned, at the time of the estate partition, a debt owed by a third party, the other heirs do not guarantee the solvency of the debtor to the heir if they become insolvent after the partition, unless otherwise agreed.

Article (1147)

A will for the partition of the estate's property among the decedent's heirs, whereby each heir or some of the heirs is allocated to the extent of their share, is valid. If the value of what is assigned to one of them exceeds their entitlement in the estate, the excess shall take the legal character of a will.

Article (1148)

The partition deferred to take effect after death may be revoked, and it becomes binding upon the death of the decedent.

Article (1149)

If the partition does not include all the assets of the decedent at the time of their death, the assets not included in the partition shall devolve in co-ownership to the heirs in accordance with the rules of inheritance.

Article (1150)

If one or more of the prospective heirs who were included in the partition die before the decedent, the separately allocated share that fell into the share of the deceased shall devolve to their entitled beneficiaries in accordance with the applicable legislations.

Article (1151)

The provisions of partition shall apply to the partition deferred to take effect after death, with the exception of the provisions related to unfairness.

Article (1152)

If the partition does not include the debts of the estate, or if it includes them but the creditors do not agree to this partition, any of the heirs may, in the absence of agreement with the creditors, request the court to carry out the partition and settle the debts, provided that the partition made by the decedent and the considerations upon which it was based are taken into account as far as possible.

4. Provisions relating to an estate that has not been liquidated

Article (1153)

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 has been bequeathed to them against the real property of the estate that has been disposed of or upon which real rights have been created in favour of a third party, if they have placed an attachment thereon for their debts before the registration of such dispositions.

Part Three

The Will

Article (1154)

1. A will is a disposition in the estate deferred to take effect after death.
2. The legatee shall acquire ownership of the willed property by way of the will in accordance with the applicable legislation.

Article (1155)

The provisions of the applicable legislation shall apply to the will.

Article (1156)

1. A claim of a will or its revocation or amendment shall not be admissible upon denial after the testator's death, except by the testimony of two credible witnesses or those deemed equivalent thereto.
2. If the will is authenticated before the competent authorities, no claim of amendment or revocation thereof, or of any part thereof, after the testator's death shall be admissible except in the same manner.

Article (1157)

1. Any legal act made by a person during a death illness with the intention of making a gift shall be considered a disposition effective after death, and the provisions of a will shall apply thereto, regardless of the designation given to it.
2. The heirs of the person making the disposition shall prove by all means that the disposition was made by their decedent while they were in their death illness. The instrument of disposition shall not be binding on the heirs unless its date is officially established.
3. If the heirs prove that the disposition was made by their decedent during a death illness, the disposition shall be deemed to have been issued by way of donation, unless the person to whom the disposition was made proves otherwise or there are special provisions to the contrary.

Article (1158)

If a person disposes of property in favour of one of their heirs while retaining, by any means, possession of the thing disposed of and their right to benefit therefrom for life, the disposition shall be considered effective after death and the provisions of a will shall apply, unless there is evidence to the contrary.

Part Four

Accession

First: Accession to Immovable Property

1. Accession to Immovable Property by Act of Nature

Article (1159)

Alluvium brought by a flood, wadis, or any watercourse to someone's land belongs to them.

Article (1160)

1. The owner of land that shifts from its place due to a natural incident may claim it if its identity can be verified, and the owner of the more valuable land shall pay compensation equal to the value of the less valuable land to its owner and shall acquire ownership thereof.
2. A claim for recovery shall not be heard after the lapse of one year from the occurrence of the incident.

Article (1161)

The following shall be considered State property:

1. Large and small islands that are naturally formed in watercourses.
2. Large and small islands formed within lakes.
3. The beds of lakes and the sea.
4. Lands uncovered by the sea, lakes, lagoons, or swamps that have no owner.

2. Accession to Immovable Property by Act of Man

Article (1162)

Any building, planting, or other 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 evidence to the contrary.

Article (1163)

If a landowner erects a building or plantings on their land with materials belonging to another without permission, the other party may recover them at the landowner's expense if their removal does not cause serious harm to the land. If their removal would cause serious harm to the land, the landowner shall take ownership of them at their value, together with compensation where warranted.

Article (1164)

1. If a person erects a building, plantings, or other structures with their own materials on land they know belongs to another without the owner's consent, the landowner may request their removal at the erector's expense, together with compensation where warranted. If the removal is harmful to the land, the landowner may take ownership of them at their value as subject to removal, or pay an amount equal to the increase in the value of the land due to these structures.
2. If a person erects a building, plantings, or other structures with their own materials on land belonging to another with the owner's consent, or in the good faith belief that they have the right to do so, the landowner may not request their removal. The landowner shall have the choice to either pay the value of the materials and the cost of labour, or to pay the increase in the value of the land due to what has been created, unless the person who erected the building, plantings, or structures requests their removal and this does not harm the land.
3. If the structures have reached a degree of substantiality that would be burdensome for the landowner to pay what is due for them, the landowner may request to transfer ownership of the land to the person who erected the structures in exchange for fair compensation.

4. The court may, upon the request of the party obliged to pay consideration or compensation under the provisions of this Article, decide what it deems appropriate for payment, and it may in particular rule that payment be made in periodic instalments, provided that adequate guarantees are provided.

Article (1165)

1. If a person erects structures on another's land with materials belonging to a third party, the owner of the materials may not claim their recovery but may claim compensation from the person who used them, and may also claim from the landowner up to an amount not exceeding what remains due in their liability in respect of the value of what was created on their land.
2. If the person who erected the structures was in good faith, the owner of the materials may request their removal if this does not cause harm to the land.

Article (1166)

1. If one of the co-owners builds for themselves in the joint ownership that is susceptible to partition without the authorization of the others, and the others then request partition, a partition shall be effected. If the building falls within the share of the builder, it shall become their property. If it falls within the share of another, the builder shall be required to demolish it if the holder of the share requests removal. If the latter elects for the building to remain, the builder shall be required to pay its value and the cost of labor, or the increase in the value of their share resulting from the building.
2. If the building is erected with the authorization of the other co-owners, the builder shall be allocated the land on which the building was erected.

Second: Accession to Movable

Article (1167)

If two movables belonging to different owners are connected in such a way that they cannot be separated without damage, and there is no agreement between the owners, the court shall adjudicate the dispute, taking into account the damage that has occurred, the condition of the parties, and the good faith of each.

Part Five

Transfer of Ownership by Contract

Article (1168)

1. Ownership and other real rights (jus in rem) in movables and immovables shall be transferred by contract once its elements and conditions are fulfilled, in accordance with the provisions of the law and applicable legislations.
2. Ownership of a movable not specified by its kind shall not be transferred except by its segregation.

Article (1169)

Ownership of an immovable property and other real rights (jus in rem) over immovable property shall not be transferred between the contracting parties nor as against third parties except by registration, in accordance with the provisions of the laws governing such registration.

Article (1170)

An undertaking to transfer ownership of an immovable property shall give rise only to an obligation to compensate if the promisor breaches their undertaking, whether compensation was stipulated or not.

Part Six

Pre-emption (Shuf'a)

First: General Provisions

Article (1171)

Pre-emption is the entitlement of a co-owner in an immovable property held in undivided shares to acquire their co-owner's share that has been transferred under a commutative contract, by paying its price in a financial commutative contract or its equivalent value in a non-financial commutative contract, in a manner customarily indicating a request to take by way of pre-emption.

Article (1172)

The following shall be deemed pre-emptors:

1. The administrator of an endowment held in undivided shares in a joint immovable property, where the Waqif (endower) has conferred thereupon the right to take the co-owner's share by pre-emption to constitute it as an endowment.
2. The person entitled to the reversion of the endowment upon expiry of its term or upon the extinction of its beneficiaries, where the endowment is held in undivided shares in a joint immovable property, and the co-owner has sold their share.

Article (1173)

There shall be no right of pre-emption for:

1. A person in whose favour a part of a joint immovable property is endowed between the waqif and another, if the co-owner sells their share, even if the beneficiary of the endowment intends to endow the partner's share sought to take by pre-emption, unless they are entitled to the reversion of the endowed share, in which case they may take it by pre-emption as their own property.
2. A neighbor, where an adjoining immovable property is sold, even if such neighbor holds a right of usufruct over an access way within that property by lease or easement.
3. An administrator of an endowment in a joint immovable property, if the non-endowed share is sold, even if the administrator intends to endow the share sought to be taken by

pre-emption, unless the waqif has conferred upon them the right to take by pre-emption for the endowment, in which case such right shall be exercisable.

Article (1174)

There shall be no pre-emption for a co-owner in the following:

1. Crops, whether sold separately or together with its land. If sold with its land, pre-emption is established for the land only for the portion of the price attributable thereto, and the crops remain for the purchaser.
2. A water well, if the irrigated lands have been partitioned and the well remains common. If the lands have not partitioned, pre-emption shall apply to the well whether the co-owner sells their share therein separately or together with their share in the land.
3. The courtyard of a house or a passageway leading thereto, whether the co-owner sells their share therein separately or together with their share in the house, if the house has not been partitioned and the courtyard or passage remains common between the two co-owners. If the house is not partitioned, pre-emption shall be established therein as an accessory thereto.
4. An animal, unless it is allocated for the benefit of a joint immovable property for its cultivation, irrigation, or the like, and the co-owner sells their share in both the immovable property and the animal together, in which case pre-emption shall be established for the animal as an accessory to the immovable property.

Article (1175)

The person against whom pre-emption is exercised is the person who has acquired full ownership of a co-owner's share by way of a commutative contract, even if it is non-financial.

Article (1176)

The pre-empted property shall be a divisible immovable property which one of the co-owners has transferred by way of a commutative contract, even if such transaction is effected by way of exchange for a similar immovable property, or if the property was a building or trees owned

by two co-owners on endowed land. If the property is not divisible, no right of pre-emption shall arise in respect thereof.

Article (1177)

1. If one of the co-owners sells their share in the joint immovable property and the remaining co-owners take it by pre-emption, it shall be divided among them in proportion to their respective shares, not according to the number of co-owners. If the purchaser of the share is one of them, they shall retain their share in the pre-empted portion corresponding to the part of the price they paid, and they shall not take the entire share from them.
2. The shares shall be determined as of the date of exercising the right of pre-emption, not the date of the sale.

Article (1178)

1. If the classes of pre-emptors differ, pre-emption shall belong to the one who shares with the seller of the pre-empted immovable property in the fixed share of inheritance. If they waive their right, it shall pass to the heir who does not share in the fixed share of inheritance. If they waive their right, it shall pass to the legatee. If they waive their right, it shall pass to the foreign co-owner.
2. Each of these shall join the one succeeding them in their right of pre-emption, but not vice versa. The heir of each of them shall take their place in their entitlement to pre-emption and in joining the one succeeding them in their right of pre-emption.

Article (1179)

1. If the property subject to the right of pre-emption is sold multiple times and the pre-emptor is unaware of the multiple sales, or is aware thereof but absent, they shall have the option to take it in pre-emption for the price of any such sales. They shall pay that price to the purchaser in whose possession the property is, even if it is less than what that purchaser paid, and the purchaser shall have recourse against the seller for the excess. If the pre-emptor is aware of the multiple sales and is present, they shall take it only at the price of the last sale.

2. If the pre-emptor takes the property by virtue of a sale, the subsequent sales shall be invalidated and the prior ones shall remain valid, the person whose sale was invalidated shall have recourse against the seller for the price they paid, not for the value of the property.
3. In all cases, if a defect appears in the immovable property or a claim of entitlement arises, the warranty for its price shall be borne by the purchaser whose sale was taken by pre-emption.

Article (1180)

The pre-emptor shall exercise the pre-emption for themselves, not for another. If they exercise it for another, even by way of gift or donation, their pre-emption shall be void and their right to exercise pre-emption for themselves thereafter shall lapse.

Article (1181)

1. The right of pre-emption arises after the sale, upon the occurrence of the cause giving rise thereto.
2. A gift made subject to consideration shall be deemed equivalent to a sale.

Article (1182)

It is a condition that the pre-emptor owns the property in respect of which pre-emption is claimed at the time of the purchase of the pre-empted property.

Article (1183)

If the right of pre-emption is established, it shall not lapse by the death of the seller, the purchaser, or the pre-emptor.

Article (1184)

No right of pre-emption shall exist:

1. In property acquired by a gift without consideration, charity, inheritance, or by will.

2. In buildings and trees sold independently from the land on which they stand, or in buildings and trees standing on State-owned lands.

Article (1185)

The pre-emptor's right of pre-emption shall lapse in the following cases:

1. If they partition with the purchaser of their co-owner's share, or purchase the share from them, or lease it, even if unaware that such act results in the lapse of their right of pre-emption.
2. If they sell their own share, even after becoming aware that their co-owner had previously sold their share.
3. If they remain silent for two months without impediment from requesting the taking of the share by pre-emption, despite knowledge that the purchaser has built or planted thereon.
4. If they remain silent for two months without impediment from demanding pre-emption from the date they become aware of the co-owner's sale of their share, if they are present in the State, or from the date of their return from travel and knowledge of the co-owner's sale, if they were absent at the time of the sale. If they deny knowledge of the sale and the purchaser claims they had knowledge, the pre-emptor shall be believed in their denial upon taking an oath.

Article (1186)

If the property subject to the right of pre-emption is sold in a single transaction, the pre-emptor shall have the option to take it in its entirety or to leave it to the purchaser. They may not take part thereof without taking the whole, except with the purchaser's consent, regardless of whether the property sold is a single share or multiple shares, and regardless of whether the seller or the purchaser is one person or multiple persons.

Article (1187)

If some pre-emptors waive their right of pre-emption or are absent before exercising it, the remaining or present pre-emptors may take the entire pre-empted property or leave it all.

They may not take part thereof without taking the whole, except with the purchaser's consent. In the event that the present pre-emptor chooses to take the entire pre-empted property, the provisions of Article (1188) of this Law shall be observed.

Article (1188)

1. If some pre-emptors are absent before exercising their right of pre-emption and the present pre-emptors take the entire pre-empted property, and then one of the absent pre-emptors returns, the returning pre-emptor shall take from the present pre-emptor that pre-emptor's share in the pre-emption on the basis that the right of pre-emption belonged to two persons only. If a third returns, that pre-emptor shall take that pre-emptor's share from them on the basis that the right of pre-emption belonged to three persons, and if a fourth returns, that pre-emptor shall take that pre-emptor's share from them on the basis that the right of pre-emption belonged to four persons, and so on.
2. The purchaser shall guarantee the price of what has been taken by pre-emption. If a third-party entitlement arises therein or a defect appears, the liability shall be on the purchaser, even if the seller rescinds the sale before the property is taken from them by pre-emption.

Article (1189)

A claim of pre-emption shall not be admissible:

1. If the sale was conducted by public auction in accordance with procedures prescribed by law.
2. If the sale took place between ascendants and descendants, between spouses, or between relatives up to the fourth degree inclusive, or between in-laws up to the second degree.
3. If the pre-emptor has waived their right of pre-emption, expressly or by implication.

Second: Procedures of the Pre-emption Claim

Article (1190)

1. A claim of pre-emption shall be instituted within two months from the date on which the pre-emptor becomes aware of the sale.
2. In all cases, a claim of pre-emption shall not be admissible after the lapse of six (6) months from the date of registration.

Article (1191)

1. The claim of pre-emption shall be instituted against the purchaser before the court within whose jurisdiction the property is located.
2. The court shall decide upon any dispute related to the actual price of the pre-empted property, and it may grant the pre-emptor a period of one-month to pay what is required of them, failing which their right of pre-emption shall lapse.

Article (1192)

1. The purchaser may demand before the court that the pre-emptor either exercises the right of pre-emption or waives their right thereto. If the pre-emptor responds to either option, they shall be bound by their response; failing which, the court shall declare the lapse of their right of pre-emption.
2. If the adjournment of the response is requested in order to deliberate on exercising or waiving the right, the purchaser may refuse such request.
3. A person intending to purchase may not request the pre-emptor to exercise or waive the right of pre-emption prior to the purchase. If such request is made prior to purchase and the pre-emptor declares waiver of the right, such waiver shall not be binding upon them.

Article (1193)

Ownership of the pre-empted property shall vest in the pre-emptor by virtue of a court judgment or by taking delivery from the purchaser by mutual consent, with due regard to the rules governing registration.

Third: Effects of the Right of Pre-emption

Article (1194)

1. The fruits of the property shall belong to the purchaser until the time the property is taken from them by pre-emption.
2. If the purchaser has leased the property to a third party and the lessee has paid the rent, the pre-emptor shall not be entitled to rescind the lease if the lease term is less than one year. The rent shall belong to the purchaser until the time the property is taken from them by pre-emption.
3. If the lease term exceeds one year after the exercise of pre-emption, or the lessee has not paid the rent, the pre-emptor may rescind or affirm the lease, and the rent shall belong to them after taking the property by pre-emption.

Article (1195)

1. The acquisition of the pre-empted property by judicial order or by agreement shall be deemed a new purchase, which establishes the pre-emptor's right to the option of inspection and the option of defect, even if the purchaser has waived them.
2. The pre-emptor shall not be entitled to benefit from any deferred payment granted to the purchaser for the price, except with the consent of the seller.
3. If entitlement is established in favor of a third party after the property has been taken by pre-emption, the pre-emptor shall have recourse for the price against the person to whom it was paid, whether the seller or the purchaser.

Article (1196)

1. If, before filing the pre-emption claim, the purchaser enhances the pre-empted property, or constructs buildings thereon or plants trees therein, the pre-emptor shall have the option either to abandon the pre-emption or to acquire the property for its price together with the value of the additions or what has been constructed or planted.
2. If the addition, construction, or planting takes place after the filing of the pre-emption claim, the pre-emptor may abandon the pre-emption, request removal if feasible, or may

retain it upon payment of the value of the addition or of what has been constructed or planted, as if removed.

3. If the property in which the right of pre-emption exists is diminished without any act on the part of the purchaser, or by their act for a beneficial purpose, the pre-emptor may take it for the full price, and they shall have no claim in respect of the diminution, or they may leave it to the purchaser. If it is diminished by an act for no benefit, the value of the diminution shall be deducted from the price for the pre-emptor.

Article (1197)

The pre-emptor may invalidate all dispositions made by the purchaser, even if they have endowed the pre-empted property or made it a place of worship.

Article (1198)

No security mortgage created against the purchaser, nor any sale made by the purchaser, nor any real right (jus in rem) created by or against them over the pre-empted property, shall be effective against the pre-emptor if it occurs after the date of the declaration of the pre-emption claim proceedings. However, the registered creditors shall retain their priority rights in what accrues to the purchaser from the price of the property.

Part Seven

Possession

First: General Provisions

Article (1199)

1. Possession is the effective control exercised by a person, personally or through another, over a thing or a right that can be dealt with.
2. A non-discerning person shall acquire possession through their legal representative.

Article (1200)

1. Possession shall not be established by an act performed by a person merely by way of permissive tolerance, nor by an act borne by another by way of tolerance.
2. If possession is coupled with coercion, is obtained clandestinely, or affected by ambiguity, it shall have no effect against the person upon whom the coercion was exercised, from whom the possession was concealed, or to whom the matter was ambiguous, until such defects cease.

Article (1201)

1. Possession through an intermediary shall be valid when the intermediary exercises it in the name of the possessor and is connected thereto in such a manner as to be obliged to comply with the possessor's instructions regarding this possession.
2. In case of doubt, it shall be presumed that the person exercising possession possesses for themselves. If it is a continuation of a prior possession, it shall be presumed that this continuation is for the account of the person who initiated it.

Article (1202)

1. Possession shall be transferred from the possessor to another if they agree thereto, and the transferee is capable of exercising control over the thing subject to possession.
2. Possession may be transferred without physical delivery if the possessor continues to hold it for the account of their successor, or if the successor continues to hold it, but on their own account.

Article (1203)

1. The delivery of documents issued in respect of goods entrusted to a carrier or deposited in warehouses shall be deemed equivalent to the delivery of the goods themselves.
2. If one person receives the documents referred to in Paragraph (1) of this Article and another person receives the goods themselves, and both act in good faith, priority shall be accorded to the one who received the goods.

Article (1204)

1. Possession shall be transferred to a universal successor with its legal attributes; however, if the predecessor was in bad faith and the successor proves that they were in good faith in their possession thereof, they may rely on their good faith.
2. A particular successor may add their possession to that of their predecessor in respect of all effects that the law attributes to possession.

Article (1205)

1. Possession shall be deemed continuous from its inception through normal and regular use of the thing or right.
2. A person who claims ownership by the lapse of time may rely on the possession of the person from whom they acquired the property.
3. A lessee, usufructuary, depositary, borrower, or their heirs may not claim by the lapse of time.

Article (1206)

Possession shall cease if the possessor abandons their effective control over the thing or right, or if they lose this control in any other way.

Article (1207)

1. Possession shall not cease if a temporary impediment prevents the exercise of actual control over the thing or right.
2. A possessory claim shall not be admissible if this impediment continues for a full year and arises from a new possession established against the will of the possessor or without their knowledge.
3. The year shall be calculated from the time the new possession began if it was apparent, and from the time the original possessor became aware thereof if it began clandestinely. If there is a substantial impediment to filing the lawsuit, the year shall be calculated from the time the ability to file it arises.

Second: Protection of Possession

1. Claim for the Recovery of Possession

Article (1208)

1. A possessor of immovable property may, within the year following its loss, claim its recovery. If the loss of possession was clandestine, the year shall begin from the date on which it is discovered.
2. A person who was possessing on behalf of another may also recover possession.

Article (1209)

1. If the person who lost possession has not completed one year of possession from the time of its loss, they may not recover possession from a person who relies on a possession entitled to preference. Possession entitled to preference is possession based on a legal title. If neither possessor has a title or if their titles are equal, preference shall be given to the possession that is earlier in date.
2. If possession was lost by force, the possessor may, in all cases, recover their possession within the following year.

Article (1210)

A possessor may, within the statutory time limit, bring a claim for recovery of possession against the person to whom possession of the thing or right unlawfully taken has been transferred, even if such person acts in good faith.

2. Claim for Prevention of Disturbance

Article (1211)

A person who has possessed an immovable property and has continued to possess it for a full year, and is thereafter disturbed in their possession, may, within the following year, bring an action to prevent such disturbance.

3. Claim for Cessation of New Works

Article (1212)

1. Whoever has possessed an immovable property and has continued to possess it for a full year, and fears, for reasonable cause, a disturbance arising from new works that threaten their possession, may bring the matter before the court seeking to stop such works, provided that they have not been completed and that one year has not elapsed since the commencement of the work that would cause such harm.
2. The court may either prohibit the continuation of the works or authorize the continuation thereof. In both cases, it may order the provision of appropriate security, which in the case of a judgment to stay the works, shall guarantee compensation for the harm resulting from this stay, should it be finally determined that the objection to their continuation was unfounded, and in the case of a judgment permitting the continuation of the works, shall guarantee the removal of these works in whole or in part as security for the reparation of the harm that the possessor suffers if a final judgment is rendered in the possessor's favour.

Article (1213)

If several persons dispute the possession of a single thing or right, the possessor shall be temporarily deemed to be the person who has material possession, unless it appears that this possession was obtained in a defective manner.

Article (1214)

Whoever possesses a thing appearing as its owner or the holder of another real right (jus in rem) over it shall be deemed to be the owner or the holder of the right, unless the contrary is proven.

Article (1215)

1. A person who possesses a thing or a right, being unaware that they are infringing upon the right of another, shall be deemed to be in good faith, unless such unawareness arises from gross fault.
2. If the possessor is a legal person, the intention of its representative shall be taken into consideration.
3. Good faith is presumed, unless evidence to the contrary is established.

Article (1216)

1. Good faith shall cease for the possessor only from the time they become aware that their possession constitutes an infringement of the right of another.
2. Good faith shall cease from the date on which the possessor is notified of the defects of their possession in the statement of claim. A person who usurps possession from another by force shall be deemed to be in bad faith.

Article (1217)

Possession shall retain the character with which it had at the time of its acquisition, unless evidence to the contrary is established.

Third: Effects of Possession

1. Acquisitive by Lapse of Time

Article (1218)

Whoever possesses a movable, an immovable property, or a real right (jus in rem) over an immovable property not registered with the competent authority, by lawful possession, and such possession continues without interruption for fifteen (15) years, may acquire ownership of the movable, the immovable property, or the real right (jus in rem), provided it does not conflict with the legislation in force.

Article (1219)

1. If possession is over an immovable property or a real right (jus in rem) over an immovable property and is coupled with good faith and, at the same time, is based on a valid legal cause, the period required to acquire this right shall be five (5) years, provided it does not conflict with the legislation in force.
2. Good faith shall only be required at the time of receiving the right.
3. A legal cause shall be deemed valid if one of the following cases is met:
 - a. Transfer of ownership by inheritance or will.
 - b. A gift inter vivos, with or without consideration.
 - c. Sale and barter.

Article (1220)

1. A claim concerning the establishment of an endowment and a claim of inheritance shall not be admissible against a person who has possessed an immovable property and has disposed thereof as an owner, without dispute or interruption for a period of thirty-three (33) years, where such person was legally capable and had no acceptable excuse.
2. Property owned by the State or any of its Emirates, public legal persons, or endowment property may not be acquired, nor may any real right (jus in rem) be acquired over such property by the lapse of time.
3. Encroachment upon the property referred to in Paragraph (2) of this Article is prohibited. In the event of encroachment, the competent authority shall have the right to remove it at the expense of the encroacher.

Article (1221)

If the existence of possession at a certain previous time is established and it is currently existing, this shall constitute a presumption of its existence during the period between the two times, unless evidence to the contrary is established.

Article (1222)

No one may, by their own act and for their own benefit, change the cause of their possession or the origin upon which it is based. However, one may acquire by the lapse of time if the character of their possession changes either by an act of a third party or by an act on their part that is adverse to the owner's right. In this case, the lapse of time shall not run except from the date of such change.

Article (1223)

The rules regarding the barring of a claim by the lapse of time, insofar as they relate to the calculation, suspension, and interruption of the period, the invocation thereof before the court, waiver thereof, and agreement to modify the period, shall apply to possession to the extent that these rules do not conflict with the nature of possession, and subject to the preceding provisions.

Article (1224)

Acquisition by lapse of time shall be suspended whenever there is a cause for suspension, irrespective of the duration thereof.

Article (1225)

1. Acquisition by lapse of time shall be interrupted if the possessor abandons or loses possession, even by an act of a third party.
2. Acquisition by lapse of time shall not be interrupted by the loss of possession if the possessor recovers it within a year or files a claim for its recovery within that period.

2. Possession of Movable

Article (1226)

1. Whoever possesses by virtue of a valid legal cause a movable, a real right (jus in rem) over a movable, or a bearer instrument, shall become its owner if they are of good faith at the time of possession.

2. If good faith and a valid cause are present in the possessor in considering the thing to be free from charges and real encumbrances, they shall acquire the ownership free thereof.
3. Possession in itself shall constitute a presumption of the existence of a valid cause and good faith, unless evidence to the contrary is established.

Article (1227)

1. The owner of a movable or a bearer instrument may, if they lose it or it is stolen from them, recover it from a person possessing it in good faith within three (3) years from the time of the loss or theft.
2. If the lost or stolen thing is found in the possession of a person who purchased it in good faith in a market, at a public auction, or from one who trades in similar items, such person may require the claimant to reimburse the price paid.

3. Acquisition of Fruits by Possession

Article (1228)

The possessor in good faith shall be entitled to the fruits and benefits received during their possession.

Article (1229)

1. A possessor acting in bad faith shall be liable for all the fruits they receive and for those they have failed to receive, from the time they become acting in bad faith.
2. A possessor acting in bad faith may recover the expenses incurred in producing the fruits they received and those they failed to receive.

4. Recovery of Expenses

Article (1230)

1. The owner to whom their property is returned shall pay the possessor all the necessary expenditures incurred to preserve the thing from perishing.
2. The provisions of Articles (1164) and (1165) of this Law shall apply to useful expenditures.

3. If the expenditures are for luxury, the possessor shall not have a claim for any of them. However, they may remove the installations introduced, provided that they restore the thing to its original state, unless the owner chooses to retain them in return for payment of their value, assessed as removed.

Article (1231)

If a person receives possession from a previous owner or possessor and proves that they have paid their predecessor the expenditures incurred thereby, they may claim them from their predecessor or from the person recovering the thing.

Fourth: Liability for Perishing

Article (1232)

1. If the possessor is in good faith and has derived benefit from the thing in accordance with what they believe to be their right, they shall not be liable to the person entitled to restitution of the thing for any compensation by reason of such benefit.
2. The possessor shall not be liable for any perishing or damage except to the extent of any compensation or insurance proceeds that have arisen from such perishing or damage.

Article (1233)

If the possessor is in bad faith, they shall be liable for the loss or perishing of the thing, even if due to an external cause, unless they prove that the thing would have been lost or perished even if it had remained in the hands of the person entitled thereto.

Section Two
Rights Deriving from the Right of Ownership
Chapter One
Rights of Usufruct, Use, Habitation, and Musataha
Part One
Right of Usufruct
First: General Provisions

Article (1234)

Usufruct is a real right (jus in rem) entitling the usufructuary to use and exploit a thing belonging to another, provided that it remains in its existing condition, for a specified period.

Article (1235)

The right of usufruct shall be acquired by legal disposition, pre-emption, inheritance, or the lapse of time, in accordance with the provisions of the law.

Article (1236)

The provisions relating to the right of usufruct over government lands shall be regulated by the relevant legislation.

Second: Effects of the Right of Usufruct

Article (1237)

The rights and obligations of the usufructuary shall be determined by the instrument creating the right of usufruct, as well as by the provisions set forth in the following Articles.

Article (1238)

The fruits of the thing subject to usufruct shall belong to the usufructuary in proportion to the duration of their usufruct.

Article (1239)

1. The usufructuary shall use the thing in the state in which they received it and according to the purpose for which it was intended, and shall manage it with the care of an ordinary person.
2. The owner of the thing may object to any unlawful use or use inconsistent with the nature of the thing under usufruct. If it is proven that the owner's rights are in danger, they may request that the usufructuary provide appropriate securities. If the usufructuary fails to provide these securities, the court may, upon the request of the owner, order the termination of the right of usufruct, without prejudice to the rights of third parties.

Article (1240)

1. The usufructuary shall, during their usufruct, bear all ordinary charges imposed on the subject to usufruct and the expenses required for its maintenance works, unless otherwise agreed.
2. Extraordinary expenses required for the repair of major damage not arising from the fault of the usufructuary shall be borne by the owner. If the usufructuary is the one who incurred such expenses, they may recover them upon termination of the usufruct, unless otherwise agreed.

Article (1241)

1. The usufructuary shall exercise in preserving the thing, the care of an ordinary person.
2. If the thing perishes or is destroyed without fault or negligence on the part of the usufructuary, they shall not be liable.
3. The usufructuary shall be liable for the loss or destruction of the thing, even if due to an external cause, if they delay its return to the owner after being notified, following the termination of the usufruct, unless they prove that the thing would have been lost or perished even if it had remained in the possession of the owner.

Article (1242)

1. The usufructuary shall promptly notify the owner in the following cases:
 - a. If the thing subject to usufruct perishes, is destroyed, or sustains serious damage requiring repairs, the cost of which is to be borne by the owner.
 - b. If the thing subject to usufruct requires the taking of measures to protect it from an expected or imminent danger.
 - c. If a third party claims a right over the thing subject to usufruct or if it is usurped by a usurper.
2. If the usufructuary does not notify the owner or delays in notification, they shall be liable for the damage sustained by the owner as a result.

Article (1243)

1. If the property subject to the right of usufruct is a movable, it shall be described and an inventory made of it, and the usufructuary shall be obliged to provide a guarantee or security, unless otherwise agreed. If this movable cannot be used without being consumed, the usufructuary shall return its equivalent or pay its value after the end of their right of usufruct.
2. If the property subject to the right of usufruct is livestock, its offspring shall belong to the usufructuary, and they shall compensate the owner for what has perished from it, even if due to a cause not attributable thereto.
3. If the usufructuary dies before returning the movables to their owner, they shall be returned in kind if they exist. If they have perished or been consumed, wholly or in part, liability for their equivalent or value shall be a debt chargeable against their estate.

Third: Termination of the Right of Usufruct

Article (1244)

The right of usufruct shall terminate in the following cases:

1. The expiry of the term specified in its instrument creating it.
2. The death of the usufructuary.
3. The destruction of the thing subject to usufruct.

4. Waiver by the usufructuary.
5. The issuance of a court judgment terminating it.
6. The merger of the capacities of ownership and usufruct, unless the owner has an interest in the continuation thereof, such as where the thing is mortgaged.

Article (1245)

If the property subject to the right of usufruct is agricultural land and is occupied by a standing crop at the expiry of the term or upon the death of the usufructuary, the land shall remain at the disposal of the usufructuary or their heirs, as the case may be, until the ripening and harvesting of the crop, in return for a rent of the like for such period, unless the law provides otherwise.

Article (1246)

1. If the right of usufruct ends with the perishing of the thing and compensation or an insurance amount is paid, the right of the usufructuary shall be transferred to such compensation or insurance proceeds.
2. If the perishing is not attributable to the owner's fault, they shall not be compelled to restore the thing to its original state. However, if they do restore it, the right of usufruct shall revive in favor of the usufructuary, provided that the destruction was not attributable to the usufructuary, unless otherwise agreed.

Article (1247)

The waiver of the right of usufruct by the usufructuary shall not affect their obligations towards the owner of the thing under usufruct nor the rights of third parties, unless otherwise agreed.

Article (1248)

1. A claim for the right of usufruct shall not be admissible, upon denial, if it has not been exercised for a period of fifteen (15) years.

2. If the right of usufruct is held by several co-usufructuaries, the exercise of the right by one of them shall interrupt the period to the benefit of the others. Similarly, the suspension of the period for the benefit of one of the co-usufructuaries shall suspend it for the benefit of the others.

Part Two

Right of Use and Right of Habitation

Article (1249)

Usufruct may relate to the right of use or the right of habitation, or both together.

Article (1250)

The scope of the right of use and the right of habitation shall be determined by the needs of the holder of the right and their family, without prejudice to the provisions set out in the instrument creating the right.

Article (1251)

The right of use or the right of habitation may not be transferred to a third party, except pursuant to an express stipulation in the instrument creating the right or on the basis of a lawful ground.

Article (1252)

The provisions of the right of usufruct shall apply to the right of use and the right of habitation to the extent that they do not conflict with the nature of these two rights.

Part Three

Right of Musataha

Article (1253)

The provisions contained in this Part shall apply, unless special legislation provides otherwise.

Article (1254)

Musataha is a principal real right (jus in rem) which the owner of the property grants to the Musateh (the holder of the Musataha right), entitling the latter to erect a building or to plant on the land.

Article (1255)

The Musataha shall be concluded by virtue of a contract executed between the owner of the property and the Musateh, specifying the rights and obligations of the parties, and it shall be registered with the competent authority. Any unregistered disposition shall be deemed void.

Article (1256)

1. The right of Musataha shall be transferred by inheritance or by will.
2. The right of Musataha may be assigned or mortgaged as a security mortgage, with the approval of both parties, and after the disposition is registered with the competent authority.
3. Easement rights may be created over the right of Musataha, provided they do not conflict with its nature.

Article (1257)

The Musateh shall be bound by the following:

1. To use the property for the purposes specified in the contract.
2. To complete the buildings and facilities agreed upon within the specified timeframes.
3. Not to change the purpose of use of the land subject to the right of Musataha except after obtaining the approval of the property owner and the competent authority, where required by the applicable legislation.
4. To refrain from any disposition that would cause harm to the property owner or prejudice the use of the land after the expiry of the right of Musataha.

Article (1258)

1. The term of the Musataha shall be determined by the agreement of the parties as specified in the contract.
2. If the duration of the Musataha is not specified in the contract, either party may terminate it after giving the other party formal notice, provided that the notice period is not less than six (6) months.

Article (1259)

Without prejudice to the provisions of Article (1261) of this Law, the Musateh shall own what has been established on the land in terms of buildings or plantings, and he may dispose thereof together with the right of Musataha.

Article (1260)

1. The Musataha contract shall terminate in any of the following cases:
 - a. The expiry of its term without renewal.
 - b. The agreement of the parties to terminate it.
 - c. The issuance of a court judgment terminating it.
 - d. The merger of the capacities of owner and Musateh.
 - e. The failure of the Musateh to pay the agreed-upon consideration for a period of six (6) months, unless otherwise agreed.
2. The removal of the buildings, structures, or plantings before the expiry of the term shall not result in the termination of the Musataha contract.

Article (1261)

1. The ownership of the buildings, facilities, and plantings, and all improvements made on the property with the approval of the property owner, shall revert to the owner upon the expiry of the Musataha period, unless otherwise agreed.
2. If the Musateh has erected buildings, facilities, plantings, or improvements without the approval of the property owner, the owner may request their removal by the Musateh, together with compensation if applicable. If the removal is detrimental to the land, the

property owner of the property may acquire ownership thereof for their value as if subject to removal.

3. The legal dispositions concluded on the buildings and facilities erected on the property shall be valid during the Musataha period, provided that such dispositions lapse upon the expiry of the period, unless otherwise agreed.

Chapter Two

Easement Rights

Part One

Creation of Easement Rights

Article (1262)

1. An easement is a real right (jus in rem) that limits the enjoyment of a property for the benefit of another property owned by another person.
2. An easement may be created over public property if it does not conflict with the use for which such property is designated.

Article (1263)

1. An easement is acquired by a legal disposition, by inheritance, or by a provision of law.
2. Apparent easements, including the right of way, watercourse, and drainage, are acquired by the passage of time, unless it is proven that the right is unlawful, in which case the harm shall be removed, regardless of how long it has existed.

Article (1264)

If the owner owns two separate properties and creates an apparent easement between them, this right shall remain if the two properties, or one of them, are transferred to another owner without any change in their condition, unless otherwise agreed.

Article (1265)

Whoever has given permission for the use of an easement over property owned thereby may revoke their permission at their discretion.

Article (1266)

1. The restrictions imposed on the right of a property owner to build are considered easement rights over this property for the benefit of the properties for which these restrictions were imposed, unless the law or the agreement provides otherwise.
2. Any violation of the restrictions imposed on the right of the owner of the immovable entitles the concerned person to claim specific performance by way of rectification. However, the court may, if it deems it justified, limit the judgment to compensation.

Part Two

Scope of Easement Rights

Article (1267)

Easement rights shall be subject to the rules prescribed in their instrument of creation, to the custom prevailing in the area where the property is located, and to the provisions contained in this Part.

Article (1268)

1. The owner of the dominant property may exercise their right of easement within the legitimate limits and may carry out what is necessary for its use and maintenance without increasing the burden of the easement, and shall use this right in a manner that results in the least harm.
2. If new needs of the dominant property arise in a manner that would increase the burden of the easement, the court may, after balancing the interests of the two parties, order the modification of the easement to the extent required to address such increase, in return for fair compensation.

Article (1269)

1. The expenses of the works necessary for the use and maintenance of the easement right shall be borne by the owner of the dominant property, unless otherwise agreed.
2. If the owner of the servient property is the one required to carry out the works referred to in Paragraph (1) of this Article at their expense, they may be relieved of this obligation by relinquishing the whole or part of the servient property to the owner of the dominant property.
3. If the works necessary for the use and maintenance of the easement right are beneficial to the owner of the servient property, the expenses thereof shall be borne by both parties in proportion to the benefit that accrues to each of them.

Article (1270)

1. The owner of the servient property may not undertake any act that would diminish the use of the easement or make it more difficult, and in particular, may not change the existing situation or replace the location originally designated for the use of the easement with another.
2. Notwithstanding the provision of Paragraph (1) of this Article, if the place originally designated for the use of the easement has become such that it increases the burden of the easement, or if the easement has become an impediment to making improvements to the servient property, the owner of this property may request the transfer of the easement to another location on the property itself, or to another property they own or to a property owned by a third party if the third party agrees, provided that the use of the easement in its new position is as convenient for the owner of the dominant property as it was in its previous position.

Article (1271)

1. If the servient property is partitioned, the easement right shall remain appurtenant to each part thereof, provided that this does not increase the burden on the servient property.
2. If the easement right benefits only some of these parts, the owner of the servient property may request the termination of the easement right in respect of the other parts.

Article (1272)

1. If the servient property is partitioned, the easement right shall remain appurtenant to each part thereof.
2. If the easement right is not in fact exercised or cannot be exercised on certain parts of the servient property, the owner of each of these parts may request the termination of this right in respect of the part belonging thereto.

Part Three

Extinction of Easement Rights

Article (1273)

An easement right is extinguished in the following cases:

1. The expiry of the term specified for it or the extinction of its subject matter.
2. The merger of the dominant and servient properties in the ownership of a single owner.
3. The impossibility of its use due to a change in the condition of the dominant and servient properties. The easement right shall be restored if the situation returns to what it was.
4. The abandonment of the right by its holder and their notification thereof to the owner of the servient property.
5. The disappearance of the purpose of the easement for the dominant property, or the persistence of a limited benefit that is disproportionate to the burdens imposed on the servient property.

Article (1274)

The enjoyment of an easement by one of the co-owners in common interrupts the running of the time barring the hearing of a claim for the benefit of the other co-owners. Likewise, the suspension of the running of the time barring hearing of a claim for the benefit of one of the co-owners shall suspend it for the benefit of the others.

Article (1275)

A claim for an easement right shall not be heard upon denial if a period of fifteen (15) years has elapsed since its non-exercise.

Part Four

Certain Easement Rights

First: Right of Way

Article (1276)

If a person has an established right of way over land owned by another, the owner thereof may not prevent them, unless their passage is merely an act of tolerance.

Article (1277)

The owner of a property that has no access to a public road, or whose access thereto involves excessive expense or great hardship, shall have a right of way over the neighbouring land to the customary extent, in return for fair compensation. This right shall not be used except over the property where the passage causes the least harm and at the location that achieves this purpose.

Article (1278)

If the prevention of access to the public road is due to the partitioning of the property pursuant to a legal disposition, the right of way may only be requested over the parts of such property.

Second: Right of Water

Article (1279)

The right of water is a periodic entitlement to use water for the irrigation of land or plantings.

Article (1280)

Every person may benefit from water resources, their branches, and watercourses of public benefit, in accordance with the applicable legislation.

Article (1281)

1. Whoever establishes a channel or watercourse to irrigate their land, no other has the right to use it except with their permission.
2. Adjacent landowners may use the channel or watercourse for the irrigation needs of their land after the owner has satisfied their own needs therefrom. In this case, the adjacent landowners shall share the expenses of constructing and maintaining the channel or watercourse in proportion to the area of their land that benefits therefrom.

Article (1282)

None of the co-owners of water resources or of a common channel may dig a branch channel therefrom except with the permission of the remaining co-owners.

Article (1283)

If the holders of the right of water do not agree to carry out the necessary repairs to the water resources, their branches, or the common channel, they may be compelled to do so in proportion to their respective shares, upon the request of any of them.

Article (1284)

The right of water is inherited, and its usufruct may be bequeathed. It shall not be sold, gifted, or leased except as appurtenant to the land.

Third: Right of Watercourse

Article (1285)

1. The right of watercourse is the right of a landowner to conduct water across the land of another so that it reaches their land from its distant source.
2. If a person has an established right of watercourse, the owners of the lands through which this water flows may not prevent such flow.

Article (1286)

If a person has an established right of watercourse in the property of another, and damage results therefrom, the owner of the right of watercourse shall carry out the construction and repairs necessary to remove such damage. If they refrain, the property owner may do so at the expense of the owner of the right of watercourse within the customary extent.

Article (1287)

1. Every property owner who wishes to irrigate their land from natural or artificial resources for which they have a right of disposal may obtain passage for water through the lands situated between it and their land, provided that advance compensation is paid and that the use of the intermediate landowner is not materially impaired. If the land suffers damage as a result, the landowner may claim compensation for the damage they have sustained.
2. The owner of the land shall permit the necessary installations for the right of watercourse to be established on their land for the benefit of adjacent land in return for compensation paid in advance. They may benefit from these installations, provided they bear a share of the expenses of their establishment and of the consideration for such use in proportion to the benefit they derive.

Article (1288)

A property owner who suffers damage due to the installations referred to in Article (1287) of this Law may request compensation for the damage caused by such installations from those who benefited therefrom.

Fourth: Right of Drainage

Article (1289)

The right of drainage is the right to convey natural waters or to discharge unusable or surplus waters through the land of another.

Article (1290)

1. Lower lands receive water that flows naturally from higher lands without any human intervention in its conveyance.
2. The owner of the lower land may not erect a dam to prevent this flow.
3. The owner of the higher land may not carry out any act that increases the burden imposed on the lower land.

Article (1291)

The owner of agricultural land has the right to drain unusable or surplus water by passing it through the land of another in consideration for appropriate compensation.

Article (1292)

The owners of lands through which drainage water flows may benefit from the installations designated for the drainage of this water, provided that each of them bears the expenses of establishing, modifying, and maintaining the installations in proportion to the benefit accruing therefrom.

Article (1293)

No one may establish a harmful drainage channel on the property of another or on a public or private road, and the harm shall be removed even if it is longstanding.

Article (1294)

The owners of new establishments may not discharge their drainage onto the property of another without their permission, unless they have a right to do so.

Article (1295)

1. The owner of an immovable property shall arrange the roof of the property in such a manner that allows rainwater to flow onto their own land or onto a public road, in compliance with the special legislation.

2. The owner of an immovable property may not direct water onto an adjacent land, unless this right is longstanding.

Book Four

Real Securities

Section One

Mortgage

Chapter One

Definition and Creation of a Mortgage

Article (1296)

A mortgage is a contract whereby a creditor acquires, over an immovable property allocated for the payment of their debt, a right in rem, by virtue of which they have priority over ordinary creditors and creditors subsequent thereto in rank in recovering their right from the price of that immovable property, wherever it may be found.

Article (1297)

A mortgage shall not be created except by registration, and the mortgagor shall bear the expenses of the contract, unless otherwise agreed.

Article (1298)

1. The mortgagor shall be the owner of the mortgaged immovable property and have the legal capacity to dispose thereof.
2. The mortgagor may be the debtor themselves or an in-rem surety who provides a mortgage for the benefit of the debtor.

Article (1299)

The property belonging to another may not be mortgaged unless authorized by the true owner by a notarized instrument.

Article (1300)

With due regard to the provisions of the Personal Status Law:

1. A father may mortgage his own property in favor of his minor child. In the absence of the father, the paternal grandfather may mortgage his own property in favor of that minor.
2. If a father has a debt owed to him by the minor child, he may take a mortgage over the child's property in his own favor.
3. A father or paternal grandfather may mortgage the minor's property to secure a debt owed by the minor.
4. A father may mortgage the property of one of his minor children to secure a debt owed by the latter to another of his minor children.
5. Neither the father nor the paternal grandfather may mortgage the minor's property to secure a debt owed by the father or grandfather to a third party.
6. The permission of the court shall be obtained in the cases referred to in Paragraphs (1), (2), (3), and (4) of this Article.

Article (1301)

1. A guardian may, with the permission of the court, mortgage the property of a minor or interdicted person to secure a debt owed by either of them to a third party.
2. A guardian may not mortgage their own property to secure a debt owed by the minor or interdicted person, nor mortgage the property of either to secure a debt owed thereto.

Article (1302)

The mortgaged immovable property must be existing and identified at the time the mortgage is created.

Article (1303)

1. A mortgage may only be created over an immovable property that is legally capable of disposition and sale by public auction, or over a real right in rem over an immovable property.

2. The court may annul a mortgage contract if the mortgaged immovable property is not sufficiently identified therein.

Article (1304)

The mortgage extends to the appurtenances of the mortgaged immovable property, including buildings, plantings, and immovables by allocation, and to all constructions erected thereon after the conclusion of the contract.

Article (1305)

1. A co-owner in an immovable property held in common may mortgage their share, and the mortgage shall, after partition, attach to the partitioned share that falls within their allotment, subject to its registration with the competent authority.
2. The amounts due to the co-owner by way of equalization of shares or from the price of the immovable property shall be allocated to the satisfaction of the mortgaged debt.

Article (1306)

The consideration for a mortgage must be a debt existing in the debtor's liability, or a promised debt determined at the time of the mortgage, or a specific secured property.

Article (1307)

A registered mortgage is indivisible; every part of the mortgaged immovable property secures the whole of the debt, and every part of the debt is secured by the mortgaged immovable property.

Article (1308)

The provisions of a security mortgage shall apply to movables whose special laws require its registration.

Chapter Two

Effects of the Mortgage

Part One

Effects of the Mortgage between the Contracting Parties

First: Effects of the Mortgage with Respect to the Mortgagor

Article (1309)

The mortgagor may dispose of their immovable mortgaged by way of security, without prejudice to the rights of the mortgagee.

Article (1310)

1. The mortgagor has the right to manage the mortgaged immovable and to collect its fruits until the date of foreclosure upon non-payment of the debt.
2. The fruits shall accrue to the mortgaged immovable from the date of foreclosure.

Article (1311)

The mortgagor warrants the mortgaged immovable and is responsible for its full preservation until the date of payment of the debt. The mortgagee may object to any impairment of the security and take such measures as preserve their right, and may have recourse against the mortgagor for the expenses.

Article (1312)

1. If the immovable property perishes or is damaged by the fault of the mortgagor, the mortgagee may demand immediate payment of their debt or the provision of adequate security for the debt.
2. If the perishing or deterioration of the mortgaged immovable is due to a cause beyond the mortgagor control, the mortgagor shall have the option to provide adequate security for the debt or to pay it before its maturity.
3. If acts are committed that would expose the mortgaged immovable property to perishing or deterioration, or render it insufficient as security, the mortgagee may request the court

to order the cessation of such acts and take measures to prevent the occurrence of the damage.

Article (1313)

The mortgage shall attach, upon the perishing or damage of the mortgaged immovable, to any property that replaces it, such as compensation, insurance proceeds, or the consideration for expropriation for public benefit. The mortgagee shall be entitled to satisfy their right out of such property according to their rank.

Article (1314)

If the mortgagor is a surety in rem, the debt may not be claimed except from the mortgaged immovable, and they may not seek recourse against the debtor before enforcement against the mortgaged immovable.

Second: Effects of a Mortgage with Respect to the Mortgagee

Article (1315)

A mortgagee may assign their right to another, provided that the debtor's consents and the deed of assignment are registered with the competent authority.

Article (1316)

1. The mortgagee has the right to satisfy their debt from the mortgaged immovable property upon the maturity of the debt, according to their rank, and after following the legal procedures before the competent court, in accordance with the applicable legislation.
2. If the proceeds of the immovable property do not satisfy the mortgagee's debt, they may have recourse for the remainder of their debt against the debtor's assets as an unsecured creditor.

Article (1317)

If it is stipulated in the registered mortgage contract or in a subsequent agreement to transfer ownership of the mortgaged property in the mortgagee in exchange for their debt if the

mortgagor does not pay it at the specified maturity, or if it is stipulated to sell it without observing the legal procedures, the mortgage shall remain valid and the condition shall be void.

Article (1318)

1. An existing lease issued by the mortgagor is not effective against the mortgagee unless it bears an established date prior to the mortgage.
2. A deferred lease that begins after the expiration of the existing lease shall not be enforceable against the mortgagee in any case unless it is recorded in the mortgage deed.

Part Two

Effects of a Mortgage with Respect to Third Parties

First: General Provisions

Article (1319)

A mortgage shall be enforceable against third parties from the date of its registration, provided that registration precedes the acquisition by a third party of any right in rem over the mortgaged immovable.

Article (1320)

The effect of the mortgage shall be limited to the amount specified in the mortgage deed and registered with the competent authority, unless the law or agreement provides otherwise.

Article (1321)

The assignment of a mortgage, its waiver, the waiver thereof, or the waiver of its rank shall not be enforceable against third parties unless both are recorded on the instrument evidencing the principal right and duly registered.

Second: Right of Priority

Article (1322)

1. The debts of creditors secured by a mortgage shall be paid from the price of the mortgaged property or from the property replacing it, according to the rank of each of them, even if registration took place on the same day.
2. If several persons apply at the same time to register mortgages against the same debtor and on the same immovable property, such mortgages shall be registered under one number, and such creditors shall rank equally upon distribution.

Article (1323)

A mortgagee may waive the rank of their mortgage, to the extent of the secured debt, in favor of another mortgage over the same mortgaged property. All defenses that may be raised against the first creditor may be raised against the other creditor, except those relating to the extinguishment of the first creditor's right if such extinction occurred after the waiver of rank.

Article (1324)

1. The rank of a mortgage shall be determined from the date of its registration.
2. The mortgage shall retain its rank until an entry indicating its extinction is recorded with the competent authority.

Article (1325)

The registration of a mortgage shall result, by operation of law, in the inclusion of the contract expenses and registration expenses in the mortgage debt and its rank.

Third: Right of Tracing

Article (1326)

A mortgagee secured by a mortgage shall have the right to trace the mortgaged property in the hands of any possessor to satisfy their debt upon maturity, in accordance with the rank of the mortgage.

Article (1327)

A mortgagee secured by a mortgage may initiate foreclosure proceedings and the sale of the mortgaged immovable if the debt is not paid upon maturity, after notifying the debtor and the possessor of the property, and after taking the legal procedures before the competent court in accordance with the applicable legislation.

Article (1328)

Any person to whom ownership of the mortgaged immovable or another real right (jus in rem) therein is transferred, for any reason, after the mortgage, without being personally bound by the mortgage debt, shall be deemed a possessor of the mortgaged property.

Article (1329)

A possessor of a mortgaged property may pay the mortgage debt and the related expenses after being notified, and shall have the right to recourse against the debtor. They shall also be subrogated to the rights of the creditor whose debt they have satisfied.

Article (1330)

A possessor of a mortgaged property has the right to purge the property that has devolved to them of any real right (jus in rem) constituted thereon as security for a registered debt, by paying the debt before the date of its sale or within the time limits prescribed by law.

Article (1331)

Foreclosure procedures shall be carried out in accordance with the provisions of the law if the debt is not paid.

Article (1332)

A possessor of a mortgaged property may participate in the auction for the sale of the property. If the auction is awarded to them and they pay the price, they shall be deemed the owner of the property by virtue of their original title deed, and the property shall be released from the registered right.

Article (1333)

If the auction of the mortgaged property is awarded to a person other than its possessor, the former shall acquire it by virtue of the judgment awarding auction and shall derive their right from the possessor.

Article (1334)

1. The possessor shall be liable for any damage or defect affecting the mortgaged property, in accordance with the rules of warranty provided for in this Law.
2. The possessor shall be obliged to return the fruits of the property from the date of being notified to satisfy the debt.

Article (1335)

If the price of the sold property exceeds the value of the secured debts, the surplus shall belong to the possessor, and their mortgagees shall be entitled to satisfy their debts therefrom.

Article (1336)

1. The possessor may bring a warranty claim against the previous owner to the extent that a successor may have recourse against the person from whom ownership was acquired, whether by way of a commutative contract or gift.
2. The possessor shall also have recourse against the debtor for any amount paid in excess of what is due from them by virtue of their title deed, regardless of the reason for paying this excess. They shall be subrogated to the rights of the creditors whose debts have been satisfied thereby, particularly to the securities provided by the debtor, excluding securities provided by a person other than the debtor.

Chapter Three

Extinguishment of the Mortgage

Article (1337)

1. A mortgage shall be extinguished upon the full extinguishment of the secured debt.
2. If the cause of the extinguishment of the debt ceases to exist, the mortgage shall be reinstated as it was, without prejudice to the rights of bona fide third parties acquired between the extinguishment of the right and its reinstatement.

Article (1338)

1. The debtor may discharge the debt secured by the mortgage and its appurtenances before the due date of payment.
2. If the creditor does not accept payment of the debt before its due date, the debtor may deposit it with the competent authority, which shall, after verifying its value, settle what is due on the debtor's account and deliver to the debtor a certificate of discharge and effect the cancellation of the mortgage, taking into account the applicable legislation in this regard.

Article (1339)

The mortgage shall be extinguished by the sale of the mortgaged property in accordance with the procedures prescribed by law before the competent court, and the payment of its price to the mortgagees according to the rank of each or the deposit thereof.

Article (1340)

A mortgage shall be extinguished by one of the following reasons:

1. The transfer of ownership of the mortgaged property to the mortgagee or the transfer of the right of mortgage to the mortgagor, provided that it shall be reinstated upon the cessation of the cause, if such cessation has a retroactive effect.
2. The waiver thereof by the mortgagee.
3. Perishing of the mortgaged property, subject to the provisions governing the perishing of the mortgaged property as set forth in this Law.

Article (1341)

1. If the period for non-admissibility of the claim by lapse of time has expired with respect to the secured debt, the mortgagor may request a judgment for the release of the mortgage.
2. If the mortgaged property passes to a possessor, the latter may plead the barring of the claim in respect of the secured debt by lapse of time, where the mortgagee, without an acceptable excuse, has refrained from bringing the mortgage claim against the possessor for a period of fifteen (15) years.

Article (1342)

A mortgage shall not be extinguished by the death of the mortgagor or the mortgagee, and shall remain in force against or in favor of the heirs.

Section Two

Possessory Pledge

Chapter One

Definition and Creation of a Possessory Pledge

Article (1343)

A possessory pledge is a contract that creates a right to retain property in the possession of the creditor or a neutral custodian as security for a right that may be satisfied therefrom, in whole or in part, in priority over all other creditors.

Article (1344)

The item pledged shall be capable of delivery at the time of the pledge and suitable for sale by public auction.

Article (1345)

1. It is permissible to pledge fruits before their ripening; however, they may not be sold to satisfy the debt unless they have ripened. If the pledgor becomes bankrupt or dies before their ripening, the pledgee shall participate with other creditors in the pro rata distribution in respect of their debt from the other property of the pledgor.

2. If the fruits ripen after the pro rata distribution, they shall be sold, and the pledgee shall be entitled to the price. The pledgee shall return to the creditors all that they had received in the pro rata distribution if its price is equal to their debt. If it is less, the pledgee shall return thereto the excess over what they would have received had the pledgee initially participated in the pro rata distribution for the remainder of their debt after deducting the price of the pledged fruits appropriated by the pledgee.

Article (1346)

It is permissible to pledge a perishable item for a deferred debt, and it shall be preserved if possible; otherwise, it shall be sold by public auction, and its price shall replace it as the pledged property.

Article (1347)

It is required that the consideration for a possessory pledge be a debt established in the liability, or a promised debt determined at the time of the pledge, or a specific guaranteed property.

Article (1348)

For a possessory pledge to be complete and binding, it shall be delivered into the possession of the creditor or the neutral custodian, and the pledgor may revoke the pledge before delivery.

Article (1349)

If the pledgor becomes subject to a legal restriction on financial disposition before the pledgee possesses the pledged item, the pledge contract shall be void.

Article (1350)

The pledgor and the pledgee may agree to place the pledged property in the possession of a neutral custodian. In such case, the possession of the neutral custodian shall be deemed the possession of the pledgee, and the pledge shall be perfected by such delivery.

Article (1351)

1. The neutral custodian may not deliver the pledged property to the pledgor or the pledgee without the consent of the other, as long as the debt is outstanding, and shall have the right to reclaim it if they have delivered it.
2. If the pledged property has perished before its recovery, the neutral custodian shall be liable for its value.

Article (1352)

If the neutral custodian dies and the pledgor and pledgee do not agree to place the pledged property with another, either of them may request the court to order its placement in the possession of a neutral custodian chosen by the court.

Article (1353)

For a pledgor to make a possessory pledge for a debt owed thereby or by another, they shall be the owner of the pledged property and have the legal capacity to dispose thereof.

Article (1354)

The provisions on mortgage set forth in Articles (1300) and (1301) of this Law shall apply to the possessory pledge.

Article (1355)

The provisions on mortgage set forth in Article (1305) of this Law shall apply to the possessory pledge of undivided property.

Article (1356)

If an undivided share in an immovable property or the like is pledged, the pledgee shall take possession of the whole if the remainder is owned by the pledgor. If it is owned by another, taking possession of the pledged share shall suffice.

Article (1357)

The provisions on the indivisibility of the pledged property as security for the debt, set forth in Article (1307) of this Law, shall apply to the possessory pledge, and the whole of it shall remain security for the entire debt or any part thereof.

Article (1358)

A possessory pledge shall include all appurtenances attached to the pledged property to the same extent as they are included in a sale.

Article (1359)

If the property pledged by way of a possessory pledge, while in the possession of the purchaser, yields a distinct accretion that is of the same genus, such accretion shall be subject to the pledge. If it is not of the same genus, it shall not be subject thereto, unless its inclusion as an appurtenant is expressly stipulated in the pledge.

Article (1360)

1. A possessory pledge may secure more than one debt of the same rank, provided that the pledge is created by a single contract.
2. The entire property shall be pledged to each of the creditors in respect of their respective debt.

Article (1361)

1. A property lent for use may be pledged with the authorization of the lender and subject to the lender's conditions.
2. The lender may not recover the pledged property before the debt is satisfied.

Chapter Two

Effects of the Possessory Pledge

Part One

Effects of the Possessory Pledge between the Contracting Parties

First: Effects of the Possessory Pledge with Respect to the Pledgor

Article (1362)

1. The pledgor may not dispose of the property subject to a possessory pledge except with the consent of the pledgee.
2. If such disposition is a sale, the pledgee's right shall transfer to the price of the pledged property.

Article (1363)

1. If the pledgor acknowledges that the property subject to a possessory pledge belongs to another, their acknowledgment shall not be effective against the pledgee.
2. The acknowledgment referred to in Paragraph (1) of this Article shall not affect the pledgee's right to retain the pledged property until the debt is satisfied.

Article (1364)

The pledgor shall guarantee the safety of the pledged property and may not perform any act that diminishes its security or prevents the pledgee from exercising their rights.

Article (1365)

The provisions governing the perishing or damage of the pledged property due to the pledgor's fault or due to force majeure, as set forth in Article (1312) of this Law, shall apply to the possessory pledge.

Article (1366)

Upon the perishing or damage of the pledged property, the possessory pledge shall transfer to the property that has replaced it, and the pledgee may satisfy their right therefrom in accordance with the provisions of Article (1313) of this Law.

Second: Effects of the Possessory Pledge with Respect to the Pledgee

Article (1367)

The pledgee shall preserve the property subject to a possessory pledge personally or through their trustee, and shall care for it with the care of an ordinary person. The pledgee shall be liable for its perishing or damage unless it is proven that such is due to a foreign cause beyond their control.

Article (1368)

The pledgee may not dispose of the pledged property without the authorization of the pledgor, and they may not sell it unless they are an agent for the sale.

Article (1369)

1. The pledgee may not derive benefit from the property subject to a possessory pledge, whether movable or immovable, without the authorization of the pledgor.
2. The pledgor may authorize the pledgee to derive benefit from the pledged property, provided that the yield derived therefrom shall be deducted first from the expenses incurred on behalf of the pledgor and second from the principal debt.

Article (1370)

The pledgee may stipulate the benefit of the pledge for themselves, provided that its duration is specified by time or by an act, and it is calculated as part of the debt, whether the debt arises from a sale or from a loan. If it is not calculated as part of the debt, stipulating such stipulation shall be prohibited where the debt arises from a loan, but shall be permissible where it arises from a deferred payment, provided that such condition is stipulated in the sale contract.

Article (1371)

If the creditor misuses the pledged property, the pledgor has the right to request that the pledged property be placed in the custody of a neutral custodian.

Article (1372)

The pledgee may retain the property subject to a possessory pledge until the entire debt and its related accessories or expenses are satisfied, after which the pledgee shall return the pledged property to its pledgor.

Article (1373)

1. If the pledged property perishes while in the possession of the pledgee, they shall be liable for its value as of the date of taking possession.
2. If the value of the pledged property is equal to the value of the secured debt, the debt shall be extinguished, regardless of whether the perishing resulted from the pledgee's transgression or not.
3. If the value of the pledged property is greater than the debt, the debt shall be extinguished in respect of the pledgor, and the pledgee shall be liable for the remainder if the perishing resulted from their transgression or negligence in its preservation.
4. If the value of the pledged property is less than the debt, the debt shall be extinguished to the extent of such value, and the creditor shall have recourse against the pledgor for the remainder.

Article (1374)

A possessory pledgee shall have the rights of a mortgagee in executing upon the pledged property and then upon all other assets of the debtor if the entire debt is not satisfied, as provided for in Article (1316) of this Law.

Article (1375)

The provisions of Article (1317) of this Law shall apply to the possessory pledge.

Part Two

Effects of the Possessory Pledge with Respect to Third Parties

Article (1376)

For a possessory pledge contract to be effective against third parties, the pledged property shall be in the possession of the pledgee or the neutral custodian agreed upon by the parties.

Article (1377)

The pledgee may retain the pledged property under their possession until the entire debt and its related accessories or expenses are satisfied. If possession thereof is lost without their will, they shall have the right to recover it.

Article (1378)

A possessory pledge shall secure the principal debt, the necessary expenses paid by the pledgee on behalf of the pledgor, and the expenses of concluding and enforcing the pledge contract.

Chapter Three

Special Provisions for Certain Possessory Pledges

Part One

Possessory Mortgage over Immovable Property

Article (1379)

A possessory mortgage of immovable property shall not be effective against third parties unless it is registered in addition to the pledgee's possession of the mortgaged immovable property.

Article (1380)

1. The mortgagee creditor may lend the immovable property subject to a possessory mortgage or lease it to the mortgagor, provided that the mortgaged property remains as

security for the payment of the debt, without prejudice to the enforceability of the mortgage against third parties.

2. The rent paid by the mortgagor shall be subject to the provision of Article (1369) of this Law concerning the yields of the mortgaged property.

Article (1381)

The mortgagee creditor shall bear the necessary expenses for the repair and maintenance of the mortgaged property, as well as the taxes and charges due thereon, and such amounts shall be deducted from the yields of the mortgaged property or from its price upon its sale, according to the rank of their debt.

Part Two

Pledge of Movable

Article (1382)

A possessory pledge of a movable shall not be effective against third parties unless it is recorded in an instrument of fixed date stating the debt and the pledged property, in addition to the transfer of possession to the pledgee.

Article (1383)

If the pledged property is threatened with perishing, damage, or a diminution in its value, the pledgee shall notify the pledger thereof. If the pledger does not provide alternative security, either party may request the court to sell the pledged property, and the creditor's right shall then transfer to the sale price.

Article (1384)

The pledger may request the court's permission to sell the pledged property if an opportunity arises to sell it at a profitable price, even before the debt becomes due. The court shall, upon granting such permission, specify the conditions of sale and decide on the deposit of the price.

Article (1385)

The preceding provisions shall apply to the extent that they do not conflict with the applicable legislations.

Part Three
Pledge of Debts
Article (1386)

A person who pledges a debt owed thereto shall deliver the instrument evidencing such debt to the pledgee.

Article (1387)

1. The pledge of a debt shall not be effective against the debtor unless the debtor is notified thereof or accepts it.
2. It shall not be effective against persons other than the debtor unless the pledgee takes possession of the instrument evidencing the pledged debt.
3. The rank of the pledge shall be determined from the fixed date of the notification or acceptance.

Article (1388)

Registered instruments or promissory notes may be pledged in the special manner prescribed by law for their assignment, provided that it is stated that the assignment is made by way of pledge.

Article (1389)

A debt that cannot be assigned or attached may not be pledged.

Article (1390)

The pledgee may receive the periodic entitlements and charges related to the pledged debt, and in this case, shall deduct them from the expenses and then from the principal of their debt.

Article (1391)

The pledgee creditor shall preserve the pledged debt. If they have the right to collect any part of this debt without the intervention of the pledger, they shall collect it at the time and place designated for performance and shall notify the pledger thereof.

Article (1392)

The debtor of the pledged debt may assert against the pledgee creditor the defences related to the validity of the right secured by the pledge, as well as the defences they have against their own original creditor, to the extent that the debtor in the case of assignment may assert these defences against the assignee.

Article (1393)

1. The debtor of the pledged debt shall perform the debt to the pledger and the pledgee jointly if it becomes due before the maturity of the debt secured by the pledge.
2. The pledger and the pledgee may agree to deposit the payment made by the debtor with a neutral custodian until the secured debt becomes due, whereupon the pledge right shall transfer to the deposited amount.

Article (1394)

If both the pledged debt and the debt secured by the pledge become due and the pledgee has not collected their right, they may collect from the pledged debt the amount due thereto and return the remainder to the pledger, provided that the amount due to them and the pledged debt are of the same genus; otherwise, they may request the sale of the pledged debt or its acquisition at its value to satisfy their right.

Article (1395)

The provisions governing possessory pledge of a movable shall apply to the pledge of a debt to the extent that they do not conflict with the preceding provisions.

Chapter Four
Extinction of the Possessory Pledge
Article (1396)

A possessory pledge shall be extinguished by one of the following reasons:

1. The full extinction of the secured debt, provided that it shall revive if the cause of its extinction ceases to exist, without prejudice to the rights lawfully acquired in good faith by third parties during the period between the extinction of the debt and its revival.
2. The express or implied waiver by the pledgee creditor of their right to the pledge.
3. The merger of the right of pledge with the right of ownership in the same person, provided that it shall revive if the cause ceases with retroactive effect.
4. Perishing of the thing or the extinction of the pledged right.

Article (1397)

A possessory pledge shall not be extinguished by the death of the pledger or the pledgee, and it shall remain as a pledge in the hands of the heirs until the performance of the debt.

Section Three
Privilege
Chapter One
General Provisions
Article (1398)

Privilege is an accessory real right that gives the creditor priority in the satisfaction of their right, having regard to its status, and is established by operation of law.

Article (1399)

1. If the law does not specify the rank of the privilege, its rank shall be subsequent to the rights provided for in this section.
2. If the rights are of the same rank, they shall be satisfied proportionately, unless the law provides otherwise.

Article (1400)

A creditor's general privilege shall attach to all of the debtor's assets. A special privilege, however, shall be limited to a specific movable or immovable property.

Article (1401)

1. A privilege shall not affect the rights of the possessor of a movable if they act in good faith.
2. For the purposes of Paragraph (1) of this Article, the lessor of immovable property, with respect to the movables located in the leased property, and the hotel proprietor, with respect to the guests' luggage, shall be deemed to be a possessor.
3. If the holder of a privilege over a movable fears its loss or disposition, they may request that it be placed under judicial sequestration.

Article (1402)

1. The provisions governing a mortgage shall apply to the privilege established over immovable property to the extent that they do not conflict with their nature.
2. The privilege securing amounts due to the public treasury and the fees and expenses of judicial sales shall not be subject to registration.

Article (1403)

The provisions governing a mortgage relating to the perishing or damage of the thing shall apply to privilege.

Article (1404)

The privilege shall be extinguished by the same means by which a mortgage and a possessory pledge are extinguished and in accordance with the provisions governing the extinguishment of these two rights, unless the law provides otherwise.

Chapter Two
Types of Privilege
Article (1405)

The rights set out in this Chapter shall be privileged in the order of their ranking herein and shall be satisfied among themselves proportionately, in addition to the privilege established by special provisions.

Part One
General Privileges and Special Privileges over Movables
Article (1406)

1. Judicial expenses incurred for the common benefit of all creditors in preserving and selling the debtor's property shall have a privilege over the price of such assets.
2. The expenses referred to in Paragraph (1) of this Article shall be paid before any other right, even if it is privileged or secured by a mortgage, including the rights of creditors for whose benefit the expenses were incurred. Expenses incurred in the sale of assets shall have precedence over those incurred in the distribution procedures.

Article (1407)

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. The amounts due to the government shall be collected from the price of the property encumbered by this privilege, in whosoever's possession they may be, before any other right, even if it is privileged or secured by a mortgage, except for judicial expenses.

Article (1408)

Expenses incurred for the preservation or repair of a movable shall have a privilege over it and shall be recovered from its price after the judicial expenses and the amounts due to the government.

Article (1409)

1. The following rights shall have a privilege over all the debtor's assets, both movable and immovable, to the extent of what is due of these rights for the last six months:
 - a. Maintenance due by the debtor to those whom the debtor is obliged to support.
 - b. Amounts due for the supply of food, clothing, and medicine to the debtor and their dependents.
2. The maintenance and amounts referred to in Paragraph (1) of this Article shall be collected immediately after the judicial expenses, amounts due to the government, and expenses for preservation and repair. As between them, they shall be collected in proportion to each.

Article (1410)

1. The prices of seeds, fertilizers, and other fertilizing materials and pesticides, and the expenses of cultivation and harvesting, shall have a privilege over the crop for the production of which they were incurred, and they shall all be of the same rank, to be collected from its proceeds after the preceding rights, if any.
2. The prices of agricultural machinery and the expenses of its repair shall have a privilege over it in the same rank.

Article (1411)

The rent for immovable 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 arising under the lease contract, shall have a privilege over the movables subject to attachment or agricultural crops located in the leased property and owned by the lessee.

Article (1412)

The rent privilege referred to in Article (1411) of this Law 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 provisions related to stolen or lost movables.

Article (1413)

1. The privilege of the lease debt is established on the movables and crops present in the leased property, even if they belong to the sub-lessee, if the lessor had not authorized the primary lessee to sublease the leased property to another.
2. If the lessor had authorized the primary lessee to sublease the leased property to another, the privilege shall not be established except for the amounts due to the primary lessee from the sub-lessee.

Article (1414)

The lessor has the right to trace the property encumbered with the privilege if it has been removed from the leased property without their consent or knowledge and if there do not remain in the leased property sufficient assets to secure the privileged rights, without prejudice to the rights of a bona fide third party on these assets. The privilege shall remain attached to the removed assets, even if this prejudices the right of a third party, for a period of three (3) years from the date of their removal, if the lessor levies attachment thereover within thirty (30) 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 a merchant who deals in similar goods, the lessor shall return the price to the purchaser.

Article (1415)

The lease debt of immovable property and agricultural land shall be paid from the proceeds of the property encumbered with the privilege after the rights mentioned in the preceding Articles, except for those that are not effective against the lessor by reason of the latter being a bona fide possessor.

Article (1416)

1. Amounts due to a hotel proprietor from a guest for accommodation, provisions, and expenses incurred for their account shall have a privilege over the baggage brought by the guest to the hotel.

2. The privilege shall extend to the baggage, even if it is not owned by the guest, if it is not proven that the hotelier knew of the third party's right at the time the baggage was brought into the hotel, provided that the baggage is not stolen or lost. The hotelier may object to the removal of the baggage from the hotel as long as they have not been fully paid. If the baggage is removed despite their objection or without their knowledge, the right of privilege shall remain on it, without prejudice to the rights acquired by a bona fide third party on these assets.

Article (1417)

The hotelier's privilege shall have the same rank as the lessor's privilege. If the two rights coexist, the privilege earlier in date shall take precedence, unless it is not effective against the other.

Article (1418)

1. Without prejudice to the special provisions on commercial matters, the seller of a movable shall have a privilege on it for the price and its accessories. This privilege shall remain as long as the movable retains its individuality, without prejudice to the rights acquired by a bona fide third party.
2. The privilege referred to in Paragraph (1) of this Article shall rank subsequent to the previously mentioned privileges over movables. It shall be enforceable against the lessor and the hotelier if it is proven that they had knowledge of the seller's privilege at the time the movable was placed in the leased property or in the hotel.

Article (1419)

Co-owners of a movable, if they divide it, shall have a privilege thereover as security for the right of each to have recourse against the others by reason of the partition and to recover what has been awarded to them therein by way of equalization payment. The co-owner's privilege shall have the rank of the seller's privilege, and where both privileges coexist, the one earlier in date shall take precedence.

Part Two

Special Privileges over Immovable Property

Article (1420)

1. The seller of immovable property shall have a privilege on the sold immovable property as security for the payment of the price and its accessories.
2. The privilege referred to in Paragraph (1) of this Article shall be registered, even if the sale is registered, and its rank shall run from the date of its registration.

Article (1421)

1. Amounts due to contractors and architects who have been entrusted with the construction of buildings or other structures, or their reconstruction, repair, or maintenance, shall have a privilege over these structures, to the extent of the value of the increase brought about by their works in the immovable property at the time of its sale.
2. The privilege referred to in Paragraph (1) of this Article shall be registered, and its rank shall run from the time of its registration.

Article (1422)

1. Co-owners of an immovable property, if they divide it, shall have a privilege on it as security for the right of recourse of any of them against the others for the right conferred by the partition to claim its equalization payment.
2. The privilege referred to in Paragraph (1) of this Article shall be registered, and its rank shall run from the date of its registration.