Content

Title：	Civil Code CH
Announced Date：	1929.05.23
Amended Date：	2021.01.20
Legislative：	PART I General Principles Promulgated on May 23, 1929 Effective from October 10, 1929 As Amended on January 4, 1982 and effective on January 1, 1983 Amended on May 23,2008 Amended on June 10, 2015 Amended on June 19,2019 Amended on January 13,2021 PART II Obligations Promulgated on November 22, 1929 Effective from May 5, 1930 Amended on April 21, 1999 As amended on April 26, 2000 Amended on December 30, 2009 As amended on May 26, 2010 Amended on January 20,2021 PART III Rights In Rem Promulgated on November 30, 1929 Effective from May 5, 1930 As amended on January 16, 1995 As amended on March 28, 2007 As amended on January 23, 2009 Effective from July 23, 2009 As amended on February 3, 2010 Amendments to Article 805 and Article 805-1 of Civil Code Promulgated on June 13, 2012 PART IV Family Promulgated on December 26, 1930 Effective from May 5, 1931 Amended on June 3, 1985 Amended on September 25, 1996 Amended on June 17, 1998 Amended on April 21, 1999 Amended on January 19, 2000 As amended on June 26, 2002 As amended on May 23, 2007 Amended on January 9, 2008 Amended on May 23,2008 Amended on April 29, 2009 Amended on December 30, 2009 Amended on January 27, 2010 Amended on May 19, 2010 Amended on December 26, 2012 Amended on December 11, 2013 Amended on January 29, 2014 Amended on January 14, 2015 Amended on April 24, 2019 Amended on June 19,2019 Amended on January 13,2021 Amended on January 20,2021 PART V Succession

Promulgated on December 26, 1930
Effective from May 5, 1931
Amended on June 3, 1985
Amended on January 2, 2008
Amended on June 10, 2009
As amended on December 30, 2009
Amended on January 29, 2014
Amended on January 14, 2015

Part I General Principles

Chapter I Application Rules

Article 1	If there is no applicable act for a civil case, the case shall be decided according to customs. If there is no such custom, the case shall be decided according to the jurisprudence.
Article 2	Only those customs which are not against public policy or morals shall be applied to a civil case.
Article 3	While a written document is required by the act, it is unnecessary written by the person himself, but it must be signed by him. If the person uses a seal in stead of his signature, the affixing of such seal has the same effect as of his signature. The effect of a finger-print, cross or other mark will be equivalent to the effect of a signature provided that it is certified with two witnesses' signatures.
Article 4	If a certain quantity is expressed both in characters and in figures, and if there is inconsistency between them, the expression in characters shall be governed when the court cannot ascertain the real intent of the parties.
Article 5	If a certain quantity is expressed in characters or in figures more than once, and if there is inconsistency in them, the fewest shall be governed when the court cannot ascertain the real intent of the parties.

Chapter II Persons

Section I Natural Persons

Article 6	The legal capacity of a person commences from the moment of live birth and terminates at death.
Article 7	An unborn child is considered as if it were already born with regard to its interests, except it was subsequently born dead.
Article 8	An absent person who has disappeared for more than seven years may be declared dead by the court upon the application of any interested person or the public prosecutor. If the absent person was over eighty years of age and has disappeared for more than three years, he may be declared dead. If the absent person was in a catastrophe, he may be declared dead when it has been over a year after the end of the catastrophe.
Article 9	A person who had been declared dead is presumed to be dead at the date fixed in the judgment. In the absence of proof to the contrary, the time of death specified in the preceding paragraph shall be the date of expiration of the period specified in the preceding article.
Article 10	The property of an absent person, after his absence and up to the

	declaration of death, shall be administered according to the Family Act.
Article 11	When there have been two or more persons perished in a catastrophe and if the sequence of their death could not be proven, they are presumed to be dead simultaneously.
Article 12	Majority is attained upon reaching the eighteenth year of age.
Article 13	The minor, who has not reached their seventh year of age, has no capacity to make juridical acts. The minor, who is over seven years of age, has a limited capacity to make juridical acts.
Article 14	With respect to any person who is not able to make declaration of intention, receive declaration of intention, or who lacks the ability to discern the outcome of the declaration of intention due to mental disability, the court may order the commencement of guardianship at the request of the person in question, his/her spouse, any relative within the fourth degree of kinship, a prosecutor, a competent authority, an organization of social welfare, an assistant, an agent of adult guardianship by agreement or any other interested person. When the cause of guardianship ceases to exist, the court must revoke the order of the commencement of guardianship at the request of the applicant set forth in previous paragraph. The court may order the commencement of assistantship, based on paragraph 1 of Article 15-1, if application of commencement of guardianship does not meet the requirement enforced in paragraph 1 of this Article. If the cause of guardianship ceases to exist, yet assistantship is necessary, the court, based on paragraph 1 of Article 15, may order the commencement of assistantship to replace the commencement of guardianship.
Article 15	A person who has become subject to the order of the commencement of guardianship has no capacity to perform any juristic act.
Article 15-1	With respect to any person who has insufficient capacity to make declaration of intention, receive declaration of intention, or who lacks the ability to discern the outcome of the declaration of intention due to mental disability, the court may order the commencement of assistance at the request of the person in question, his/her spouse, any relative within the fourth degree of kinship, a prosecutor, a competent authority or an organization of social welfare. When the cause of assistance ceases to exist, the court must revoke the order of the commencement of guardianship at the request of the applicant set forth in previous paragraph. If a person who is the subject to the order of commencement of assistance is in need of guardianship, the court, under paragraph 1 of Article 14, may change the order to the commencement of guardianship.
Article 15-2	A person under assistance must obtain the consent of his/her assistant if he/she intends to perform any of the following acts; provided, however, that, this shall not apply to any act relating to pure legal benefit or the necessity based on the person’s age, status, and daily life (1) being a responsible person of a sole proprietorship, of a partnership company, or of a juristic person; (2) making loans for consumption, consumption deposit, a guaranty, a gift, or a trust; (3) taking any procedural action; (4) agreeing to compromise, conciliation, adjustment, or signing arbitration contract; (5) performing any act with the purpose of obtaining or relinquishing any right regarding real estate, vessels, aircrafts, vehicles, or other valuable property; (6) performing partition of the inheritance, legacy, waiving the right to inheritance, or any other related right; (7) performing any other act, at the request of the person or his/her assistant, appointed by the court under previous provision. The provisions of Articles 78 to 83 shall apply mutatis mutandis to conditions not agreed by assistant according to the provisions of the

preceding paragraph.
The provision of Article 85 shall apply mutatis mutandis to acts, agreed by the assistant and under section 1 of paragraph 1, performed by a person under assistance.
With respect to any act which requires the consent of the assistant under paragraph 1, if the assistant does not give consent in cases where the interest of the person under assistance is unlikely to be prejudiced, the court may, at the request of the person under assistance, give permission.

Article 16 No one shall be permitted to waive his legal capacity or capacity to make juridical acts.

Article 17 No one shall be permitted to waive his liberty.
Any limitation to liberty shall not be against public policy or morals.

Article 18 When one's personality is infringed, one may apply to the court for removing. When one's personality is in danger of being infringed, one may apply for prevention.
In the preceding paragraph, an action for damages for emotional distress may be brought only it is otherwise provided by the act.

Article 19 If one's right to use his name is infringed, one may apply to the court for removing of infringement and for damages for emotional distress.

Article 20 A person who resides in a place with the intention of remaining there permanently, upon presence of supporting fact, is to establish his domicile at that place.
Every person has at all times one domicile, and no person has more than one domicile at a time.

Article 21 The domicile of a person who has no or is limited in capacity to make juridical acts is the domicile of his guardian.

Article 22 A person's residence is deemed to be his/her domicile in either of the following circumstances
(1) when his/her domicile cannot be certified.
(2) when he/she has no domicile in Taiwan except when lex domicilli governs.

Article 23 Where a person has chosen a residence for a specific purpose, the residence is deemed to be his domicile with regard to that purpose.

Article 24 A person, who has left his domicile with the intention of repealing it, upon presence of supporting fact, is to repeal the domicile.

Section Ⅱ Juridical Persons

Sub-section Ⅰ General Provisions

Article 25 A juridical person is established only according to this code or any other acts.

Article 26 Within the limits prescribed by acts and regulations, a juridical person is capable of enjoy rights and assume duties with the exception of those rights and obligations which are exclusively appertaining to natural persons.

Article 27 A juridical person must have at least one director. If there is more than one director, the execution of affairs of the juridical person shall be decided by a majority of all directors unless otherwise provided by its bylaw.
The director represents the juridical person within the management of its affairs. If there is more than one director, each director may represent the juridical person unless otherwise provided by its bylaw.
No restriction imposed upon the representative right of a director may be a valid defense against any bona fide third party.
A juridical person may have one or more controllers to control the execution of its affairs. If there is more than one controller, each

	controller may exercise his right of control respectively unless otherwise provided by its bylaw.
Article 28	A juridical person is jointly liable with the wrongdoer for the injury caused by its directors or other persons who are entitled to represent the juridical person in the performance of their duties.
Article 29	The domicile of a juridical person is the location of its principal office.
Article 30	A juridical person can not be established unless it has been registered with the authorities concerned.
Article 31	If a juridical person, after its registration, fails to register any entry which should have been registered, or to register any amendment to any of the entries already registered, such entry or amendment therein should not be a valid defense against any third party.
Article 32	The activities of a licensed juridical person are subject to the supervision of the authorities concerned. The authorities concerned may examine the juridical person's financial situation and ascertain whether it has violated the conditions of the license and other legal requirements.
Article 33	The director or controller of a licensed juridical person who disobeys the supervising order of, or obstructs the inspection by the authorities concerned, may be punished with a fine not exceeding five thousand Yuan. If the director or controller set forth in the preceding paragraph violates the act, regulation, or bylaw to such an extent that may endanger interests of the public or the juridical person, the authorities concerned may apply to the court for dismissing his position and make other necessary arrangement.
Article 34	If a juridical person violates any conditions under which the license has been granted, the authorities concerned may revoke the license to the juridical person.
Article 35	When a juridical person is in a state of insolvent, the director shall immediately apply to the court for the declaration of bankruptcy. If the director fails to make the preceding application, so that the creditors of the juridical person incur the injury, he who is negligent shall be liable for the injury. If more than one director is negligent, they shall be liable for the injury jointly.
Article 36	When the purpose or the activity of a juridical person violates the act, public policy or morals, the court may declare to dissolve the juridical person upon the application of the authorities concerned, the public prosecutor, or any interested person.
Article 37	The liquidation of a dissolved juridical person shall be dealt with by its director, unless otherwise provided its bylaw or by the resolution of the general meeting of members.
Article 38	If the appointment of the liquidator cannot be made under the preceding article, the court may appoint the liquidator by its authority or upon the application of the authorities concerned, public prosecutor, or interested person.
Article 39	Whenever necessary, the court may discharge the liquidator from his duties.
Article 40	A liquidator shall do the following duties: (1) Wind up the business or affairs of the juridical person. (2) Claim the obligatory rights and discharge the debts. (3) Deliver the remaining assets to the persons entitled thereto. The dissolved juridical person, before the end of its liquidation, is deemed to continue existence insofar as it is necessary for the liquidation.
Article 41	Unless otherwise provided by this General Provisions, the procedure of

liquidation shall be carried out in conformity mutatis mutandis with the provisions governing the liquidation of a company limited by shares.

Article 42

The liquidation of a juridical person shall be subject to the supervision of the court. The court may at any time make inspection and disposition necessary for its supervision.
Whenever to revoke the license to or order the dissolution of a juridical person, the authorities concern shall notify the court simultaneously.
If a juridical person was dissolved in accordance with its bylaw or the resolution of its general meeting of members, the director shall report to the court within fifteen days after the dissolution.

Article 43

A liquidator who violates the supervising order of the court or obstructs the inspection of the court may be punished with a fine not exceeding five thousand Yuan. A director who violates the provision in the third paragraph of the preceding article may be punished with the same fine.

Article 44

After a juridical person has been dissolved and its debts have been discharged, unless otherwise provided by the act, the remaining assets shall be assigned according to its bylaw, or the resolution of the general meeting of members. Upon the dissolution of a charitable juridical person, its remaining assets shall not be assigned to any natural person or profit-seeking group.
Without such provisions in the act, in the bylaw, or of a resolution of the general meeting of members as provided in the preceding paragraph, the remaining assets of a juridical person shall be assigned to the municipal corporation in which the juridical person is domiciled.

Sub-section Ⅱ Corporations

Article 45

A business corporation acquires juridical personality according to the particular act.

Article 46

Before the registration, a charitable corporation shall obtain the license of its authorities concerned.

Article 47

Those who want to establish a corporation shall draw up its bylaw which shall contain the following entries:
(1) Purpose;
(2) Name;
(3) The number, term of office, appointment and dismissal of the director; and same of the controller, if any;
(4) The conditions and procedures for calling the general meeting of members and the method for authentication of its resolution;
(5) The contributions of the members;
(6) The acquisition and loss of membership;
(7) The date of the bylaw be drawn up;

Article 48

When a corporation is established, the following entries shall be registered:
(1) Purpose;
(2) Name;
(3) The principal and branch offices;
(4) The name and domicile of the director; and same of the controller, if any;
(5) The total assets;
(6) The date of the license, if the corporation should be licensed;
(7) The way of contributions, if any;
(8) The name of the director who represents the juridical person, if any;
(9) The period of duration, if any;
The application for the registration of a corporation shall be submitted by the director to the authorities concerned where its principal and branch offices are located. A copy of its bylaw shall be annexed to the application for registration.

Article 49

Without violating the provisions of articles 50 to 58, the bylaw may provide for the organization of the corporation and the relations between the corporation and its members.

Article 50	The supreme organ of a corporation is the general meeting of its members. The following entries shall be passed by the resolution of the general meeting of members: (1) The alteration of the bylaw; (2) The appointment and dismissal of the director and the controller; (3) The supervision of the director and the controller in doing of their duties; (4) The removal of members for good causes.
Article 51	The general meeting of members shall be called at least once a year by the director; if the director does not call the general meeting, the controller may call it. When over one-tenth of the members of a corporation request the director to call a general meeting, expressing the purpose of the meeting and the reason for its calling, the director shall call the meeting accordingly. After the receipt of above request, if the director does not call the meeting within one month, the member, who have made the request, with the authorization of the court, may call the meeting. The notice of calling, unless otherwise provided by the bylaw, shall be given to the members 30days in advance. The agenda of the general meeting shall be specified in the notice.
Article 52	Unless otherwise provided by this Code, the resolution of the general meeting of members shall be passed if it passed by a majority of its members present. The voting right of each member is equal. Unless otherwise limited by the bylaw, a member may delegate another with a written document to exercise his voting right, but each person may act as proxy for one member only. Any member who has conflict of interests in the matter under resolution of the general meeting of members which may damage the corporation shall not vote or exercise as a proxy to vote.
Article 53	The resolution concerning the alteration of the bylaw of a corporation shall be passed at a meeting at which the majority of the members of the corporation are present, and by a majority of over three-fourths of the members present, or when over two-thirds of the members of the corporation declare their consent in writing. The alteration of the bylaw of a licensed corporation shall be approved by the authorities concerned.
Article 54	The members may withdraw from the corporation at any time unless the bylaw requires that the members have to remain until the end of the business year, or the expiration of notice period of withdrawal. The period of notice in the preceding paragraph shall not exceed six months.
Article 55	The member who is withdrew or dismissed has no claim for the property of the corporation unless otherwise provided by the bylaw of a non-charitable corporation. The member in the preceding paragraph continues to be liable for his share of the contributions which has become due before his withdrawal or dismissal.
Article 56	If the calling procedure or the method of a resolution of a general meeting of members violates the act, regulations, or the bylaw of the corporation, any member may apply to the court to revoke the resolution within three months after the resolution, except the member who was present and did not make objection against the calling procedure or the method of the resolution at the meeting. The content of the resolution passed by the general meeting of members which violates the act, regulations, or the bylaw of the corporation shall be void.
Article 57	A corporation may be dissolved, at any time, by a resolution of the general meeting of members passed by a majority vote of over two-thirds of the members of the corporation.
Article 58	When the affairs of a corporation can not be proceeded any more according

to its bylaw, the corporation may be dissolved by the court upon the application of the authorities concerned, public prosecutor, or any interested person.

Sub-section Ⅲ Foundation

Article 59 Before registration, a foundation shall be licensed by the authorities concerned.

Article 60 Those who want to establish a foundation shall draw up an act of endowment, except in the case of endowment by will.
The act of endowment shall provide the purpose of the foundation and the assets endowed.
When a foundation is established with endowment by will, and there is no executor, the court may appoint an executor upon the application of the authorities concerned, public prosecutor, or any interested person.

Article 61 When a foundation is established, the following entries shall be registered:
(1) Purpose;
(2) Name;
(3) The principal and branch offices;
(4) The total assets;
(5) The date of the license;
(6) The name and domicile of the director, and same of the controller, if any;
(7) The name of the director who represents the juridical person, if any;
(8) The period of duration, if any.
The application for the registration of a foundation shall be submitted by the director to the authorities concerned of the place where its principal and branch offices are located. A copy of its act of endowment or the will shall be annexed to the application for registration.

Article 62 The organization and method of administration of a foundation shall be stipulated by the founder in the act of endowment or will. If the organization or the important method of administration, as provided in the act of endowment or will, is insufficient, the court may take necessary disposition upon the application of the authorities concerned, public prosecutor or any interested person.

Article 63 In order to maintain the purpose of a foundation or preserve its assets, the court may alter the foundation's organization upon the application of the founder, the director, authorities concerned, public prosecutor, or any interested person.

Article 64 The act of the director of a foundation, which violates the act of endowment, may be declared void by the court, upon the application of the authorities concerned, public prosecutor or any interested person.

Article 65 If the purpose of a foundation can not be completed because of change of circumstances, the authorities concerned may, after considering the intent of the founder, change the purpose and the necessary organization of the foundation, or dissolve it.

Chapter Ⅲ Things

Article 66 Real property is land and things which are constantly affixed thereto.
The products of the real property, if they are not separated therefrom, constitute a part of the real property.

Article 67 Personal property is any thing except real property mentioned in the preceding article.

Article 68 Accessories are things which are not part of the principal thing, but usually facilitate its utilization and belong to the same owner. However, if there is a particular custom in trade, such custom shall be prevalent.
The disposition of a principal thing extends to its accessories.

Article 69 Natural profits are products of the earth, animals, and other products

which are produced from another thing without diminution of its substance.
Civil profits are interest, rentals and other revenue derived from the legal relation.

Article 70 A person who is entitled to the natural profits of a thing acquires the profits which are separated from the thing for the duration of his right.
A person who is entitled to the civil profits of a thing acquires them in proportion to the number of days for the duration of his right.

Chapter IV Juridical Acts

Section I General Provisions

Article 71 A juridical act which violates an imperative or prohibitive provision of the act is void except voidance is not implied in the provision.

Article 72 A juridical act which is against public policy or morals is void.

Article 73 A juridical act which does not follow the formality required by the act is void unless otherwise provided by the act.

Article 74 If a juridical act whereby a person profiting by the difficulties, recklessness or inexperience of another causes to be delivered or promised pecuniary payment to such an extent that under that circumstances, the transaction is obviously unfair, the court may revoke the juridical act or reduce the payment upon the application of any interested person.
The application mentioned in the preceding paragraph must be made within one year from the date of the juridical act.

Section II Capacity to Make Juridical Acts

Article 75 The expression of intent of a person who has no capacity to make juridical acts is void. An expression is also void which is made by a person who, though not without capacity to make juridical acts, in a condition of unconsciousness or mental disorder.

Article 76 A person who has no capacity to make juridical acts shall be represented by his guardian for making or receiving an expression of intent.

Article 77 The making or receiving of an expression of intent of a person who is limited in capacity to make juridical acts must be approved by his guardian, except when the expression of intent relates to the pure acquisition of a legal advantage, or to the necessaries of life according to his age and status.

Article 78 A unilateral act made by a person limited in capacity to make juridical acts without the approval of his guardian is void.

Article 79 A contract made by a person limited in capacity to make juridical acts without the approval of his guardian is valid upon the acknowledgement of the guardian.

Article 80 The other party to the contract mentioned in the preceding article may fix a period, not less than one month, and request the guardian to answer definitely within such period whether he acknowledged the contract or not.
If the guardian does not give a definite answers within the period mentioned in the preceding paragraph, it shall be deemed as refusal.

Article 81 After the cause for which a person's capacity to make juridical acts is limited has ended in existence, his acknowledgement of the contract which he has previously made has the same effect as that of his guardian.
The provision of the preceding article applies mutatis mutandis to the case provided in the preceding paragraph.

Article 82 Before the acknowledgement of the contract made by a person who is limited in capacity to make juridical acts, the other party to the

contract may withdraw it, except he knew that the approval of the guardian had not been given, when the contract was made.

Article 83 A juridical act made by a person who is limited in capacity to make juridical acts is valid if such person has induced the other party, by using fraudulent means, to believe that he had capacity to make juridical acts or that he had obtained the approval of his guardian.

Article 84 A person who is limited in capacity to make juridical acts is able to dispose of the property which his guardian has approved him to dispose of it.

Article 85 If the guardian of a person who is limited in capacity to make juridical acts has approved the latter to run business independently, such person has capacity to make juridical acts concerning the said business.
If the person limited in capacity to make juridical acts is unable to run the business thus approved, his guardian may revoke or restrict his approved, but it shall not be a valid defense against any bona fide third party.

Section 3 Expression of Intent

Article 86 An expression of intent shall not be void for the expresser did not intend to be bound by it, except the fact was known to the other party.

Article 87 A fictitious expression of intent made by the expresser in collusion with other party is void, but the voidance can not be a valid defense against any bona fide third party.
If the fictitious expression of intent was intended to conceal another juridical act, the provisions of the act with respect to such another juridical act shall apply.

Article 88 If the expression was acting under a mistake as to the contents of his expression of intent, or had known the situation of affairs, he would not make the expression; he may revoke the expression; provided that the mistake or the ignorance of the affairs was not due to his own fault.
If a mistake in respect to the qualification of the other party or the nature of a thing is regarded as essential in trade, it shall be deemed a mistake as to the contents of the expression of intent.

Article 89 If an expression of intent has been incorrectly transmitted by the person or institution employed for its transmission, it may be revoked under the same conditions as provided in the preceding article.

Article 90 The right of revocation provided in the preceding two articles would be extinguished after one year from the date of expression.

Article 91 If a expression of intent is revoked according to Article 88 or Article 89, the expresser is bound to compensate for any injury which the other party or any third party may have sustained by relying upon the validity of the expression, except the injured party knew, or might know, of the ground on which the expression was revocable.

Article 92 An expression of intent which is procured by fraud or by duress may be revoked by the expresser. If the fraud was done by a third party, the expression may be revoked only under the circumstances that the other party knew, or might know the affairs.
The revocation of an expression of intent on the ground of fraud can not be a valid defense against the bona fide third party.

Article 93 The right of revocation in the preceding article must be exercised within one year from the date when the fraud was discovered or when the duress ceased. But it can not be exercised after ten years since the expression of intent.

Article 94 An expression of intent inter presents becomes effective at the moment when the person to whom it is made understands it well.

Article 95 An expression of intent inter absents becomes effective at the moment when the notification of the expression reaches such other party, except

when the withdrawal of the notification previously or simultaneously reaches such other party.
The fact that after the notification of the expression the expresser dies, or becomes no capacity to make juridical acts, or is limited in capacity to make juridical acts, shall not null the expression of intent.

Article 96 If an expression of intent is made to a person with no capacity or limited in capacity to make juridical acts, it becomes effective when the notification of the expression reaches the guardian of the person.

Article 97 If an expresser, not due to his fault, is ignorant of name and residence of the other party, the notification of the expression may be effected by the service by publication according to the Civil Procedure Code.

Article 98 In the interpretation of an expression of intent, the real intention of the parties must be sought rather than the literal meaning of the words.

Section 4 - Conditions and Time of Commencement and Ending

Article 99 If a juridical act is subject to a suspenseful condition, it becomes effective on the fulfillment of the condition.
If a juridical act is subject to a resolutory condition, it ceases to be effective on the fulfillment of the condition.
If the effect of the fulfillment of the condition shall commence at another time than the time of fulfillment of the condition according to particular agreement of the parties, such particular agreement shall govern.

Article 100 If the party of a conditional juridical act has, during the pending of the fulfillment, made any act damaging the interests which the other party would have derived from the fulfillment of the condition, he is liable for any injury resulting therefrom.

Article 101 If the fulfillment of a condition is prevented by improper means of the party to whose disadvantages it would operate, the condition is deemed to have been fulfilled.
If the fulfillment of the condition is brought about by improper means of the party to whose advantages it would operate, the condition is deemed not to have been fulfilled.

Article 102 If a juridical act is subject to a time for its commencement, it becomes effective when the time arrives.
If a juridical is subject to a time for its ending, it ceases to be effective when the time arrives.
The provision of Article 100 shall apply mutatis mutandis to the case under the preceding two paragraphs.

Section 5 -Agency

Article 103 An expression of intent which an agent makes in the name of the principal within the scope of his delegated power takes effect directly to the principal.
If an expression of intent which is required to be made to the principal is made to his agent, the provision of the preceding paragraph shall be mutatis mutandis applied.

Article 104 The effectiveness of an expression of intent made by or to an agent is not impaired by the fact that he is limited in the capacity to make juridical acts.

Article 105 If the effectiveness of an expression of intent of an agent is impaired by the lack of intent, by fraud, or by duress, or by knowledge, or by culpable ignorance of certain circumstances, the existence of the fact shall be determined with regard to the agent.
But if the agent derives his authority from a juridical act and the expression of intent was made following the definite instructions of the principal, the existence of the fact shall be determined with regard to the principal.

Article 106 Without the consent of the principal, an agent shall not make a juridical act in the name of his principal with himself in his own name, nor shall he, as an agent of a third party, make a juridical act in the name of the principal with such third party, except when the juridical act consists exclusively in the performance of an obligation.

Article 107 The limitation or withdrawal of the delegated power shall not be a valid defense against any bona fide third party, except the ignorance of the third party is due to his fault.

Article 108 The delegated power is terminated in accordance with the legal relation from which it is delegated.
The delegated power may be withdrawn for the duration of the legal relation from which it is delegated, except when according to the nature of the legal relation it can not be withdrawn.

Article 109 At the termination or withdrawal of the delegated power, the agent shall return the written delegation of agency to the party who gave it; he has no right to retain it.

Article 110 If one who has no delegated power to make a juridical act as an agent of another person, he is liable for the injury to the bona fide other party.

Section 6 - Voidance and Revocation

Article 111 If a part of a juridical act is void, the whole juridical act is void; however, if the juridical act could exist excluding the void part, the other part remains valid.

Article 112 If a void juridical act satisfies the requirement of another juridical act, the latter is valid if under the circumstances it may be assumed at its validity would have been intended by the parties on knowing of the voidance of the former.

Article 113 When a party made a void juridical act knew or might know that it was void, he shall be liable to recover the status of things to its original condition, or to compensate for any injury arising therefrom.

Article 114 If a juridical act has been revoked, it is deemed to have been void ab initio.
If a juridical act which is revocable was known or might have been known to the parties concerned, the provision of the preceding article shall apply mutatis mutandis to the revocation of the juridical act.

Article 115 Unless it is otherwise agreed upon, the acknowledgement of a voidable juridical act makes the juridical act valid from the moment when it was made.

Article 116 The revocation or acknowledgement of a juridical act shall be made by an expression of intent.
If the other party is known, the declaration of intent shall be made to him.

Article 117 If the validity of a juridical act depends upon the consent of a third party, the giving or the refusal of the consent may be declared to either one of the parties.

Article 118 The disposition of any object which is made by a person without title is effective only upon the acknowledgement of the person entitled.
If the person without title acquires title to the object after having made a disposition , the disposition is valid ab initio, but interests obtained by the original interested party or any third party shall not be affected thereupon.
In the preceding paragraph, if several incompatible dispositions have been made, only the earliest disposition is valid.

Chapter V Dates and Periods

Article 119 The provisions of this chapter apply, unless otherwise provided, to the

calculation of dates and periods specified in acts and regulations, judgments, or juridical acts.

Article 120 If a period is fixed by hours, it shall commence immediately.
If a period is fixed by days, weeks, months, or years, the first day is not included in the calculation.

Article 121 If a period is fixed by days, weeks, months, or years, it ends with the ending of the last day of the period.
If a period fixed by weeks, months, and years does not commence from the beginning of a week, month, or year, it ends with the ending of the day which proceeds the day of the last week, month, or year which corresponds to that on which it began to commence. But if there is no corresponding day in the last month, the period ends with the ending of the last day of the last month.

Article 122 If an expression of intent is required to be made or a performance is to be effected on a specific date or within a specific period, and if the specific day or the last day of the specific period falls on a Sunday, commemoration day, or any other holiday, the day following the holiday takes it place.

Article 123 The month or the year specified in this code is to be calculated in accordance with the official calendar.
If a period is fixed by months or years in such a manner that they does not calculate consecutively, a month is reckoned as thirty days, a year as three hundred and sixty-five days.

Article 124 The age of a person is counted from his birthday.
If the month and the day of birth of a person are impossible to ascertain, he is presumed to have been born on the first day of July. If the month is known and the day is impossible to ascertain, he is presumed to have been born on the fifteenth day of the said month.

Chapter VI Extinctive Prescription

Article 125 Unless shorter periods are provided by the act, a claim is extinguished by prescription if it is not exercised within fifteen years.

Article 126 If the claim is for the payment of interest, dividends, rentals, maintenance, pensions, and other periodical prestations falling due at sated intervals of one year or less, each successive payment of the claim is extinguished by prescription if it is not exercised within five years.

Article 127 The claim with regard to the following is extinguished by prescription if not exercised within two years:
(1) Charges for lodging, food or seats, for the price of articles for consumption, and for disbursements, made by inn, restaurants and places of entertainment;
(2) Charges for transportation and for disbursements, made by the carrier;
(3) Rentals due to a person who carries on a business of letting personal property;
(4) Fees, charges for medicine and remuneration of medical practitioners, pharmacists and nurses, and the disbursements made by them;
(5) Remuneration of attorneys, certified public accountants and public notaries, and the disbursements made by them;
(6) Restoration of things received from the parties to an action by attorneys, certified public accountants and public notaries;
(7) Remuneration of technical experts and undertakers, and the disbursements made by them;
(8) Price of goods or products supplied by merchants, manufactures and those who practice handmade arts.

Article 128 Extinctive prescription starts from the moment when the claim may be exercised. If the claim is for the forbearance of an act, the prescription starts from the time of act.

Article 129 Extinctive prescription is interrupted by any one the following causes:

(1) A demand for the satisfaction of the claim;
(2) An acknowledgement of the claim;
(3) An action brought for the satisfaction of the claim;
Any of the following entries is equivalent to bring an action:
(1) Application for issuance of an order for payment in accordance with a hortatory procedure;
(2) Application for conciliation or submission to arbitration;
(3) Representation of a compromise on credit or a claim in a bankruptcy process;
(4) Notice of the pending action;
(5) Institution of proceedings in execution or application for compulsory execution.

Article 130 If a prescription is interrupted by the making of a demand, and if an action has not been brought for the satisfaction of the claim within six months from the date of the demand, the prescription is deemed not to have been interrupted.

Article 131 If a prescription is interrupted by bring an action, and is withdrawn or dismissed as non-conformable to the act by a final judgment, the prescription is deemed not to have been interrupted.

Article 132 If a prescription is interrupted by an application of an order for payment, and if the application is withdrawn, or dismissed by a judgment, or the order for payment ceases to be effective, the prescription is deemed not to have been interrupted.

Article 133 If a prescription is interrupted by an application for conciliation or submission to arbitration, and if the application for conciliation is withdrawn, or dismissed, or the conciliation fail, or the submission to arbitration is withdrawn, or no award can be made in the arbitration, the prescription is deemed not to have been interrupted.

Article 134 If a prescription is interrupted by presentation of a compromise on credit or a claim in bankruptcy process, and if the presentation is withdrawn, the prescription is deemed not to have been interrupted.

Article 135 If a prescription is interrupted by notice of the pending action, and if no action is brought within six months after termination of the pending action, the prescription is deemed not to have been interrupted.

Article 136 If a prescription is interrupted by institution of proceedings in execution, and if the order for execution is vacated upon the application of the person entitled, or by reason of the non-fulfillment of legal requirements, the prescription is deemed not to have been interrupted.
If a prescription is interrupted by an application for compulsory execution, and if the application is withdrawn or dismissed, the prescription is deemed not to have been interrupted.

Article 137 If a prescription has been interrupted, it recommences from the time when termination of the cause of the interruption.
If a prescription has been interrupted by bringing an action, it recommences from the moment when the action is decided by a final judgment on the merits or otherwise terminated.
If the claim is ascertained by a final judgment on the merits or a ground of execution having the same effect as a final judgment on the merits, and if the original prescription was less than five years, the prescription recommenced after interruption shall be five years.

Article 138 The interruption of a prescription takes effect among the parties, their successors and assignees only.

Article 139 If a prescription can not be interrupted owing to force majeure or any other unavoidable cause at the ending of the period for the prescription, the said prescription is not complete until the expiration of one month from the time when such obstruction ends.

Article 140 The prescription of a claim in favor of or against the property of a succession is not complete until the expiration of six months from the moment when the successor is ascertained, the administrator is appointed

or the bankruptcy is declared.

Article 141 If a person who has no capacity to make juridical acts or has a limited capacity to make juridical acts is left without a guardian within six months before the ending of the period for prescription, the said prescription is not complete until the expiration of six months from the time when such person reaches capacity to make juridical acts or when his guardian enters upon his duties.

Article 142 The prescription of a claim against the guardian of person, who has no capacity to make juridical acts or has a limited capacity to make juridical acts, is not complete until the expiration of one year after his legal relation to the guardian has discontinued.

Article 143 The prescription of a claim of a husband against his wife or of a wife against her husband is not complete until the expiration of one year after the marriage has dissolved.

Article 144 After the completion of a prescription, the debtor is entitled to refuse to perform his obligation.
If any prestation is made in satisfaction of a claim extinguished by a prescription, the debtor may not demand the return of the prestation on the ground that he was ignorant of the prescription. The preceding rule applies to a contractual acknowledgement of obligation and to the giving of security for the obligation.

Article 145 Although a claim for which there is a mortgage, a lien, or a right of retention has been extinguished by a prescription, the creditor is still entitled to satisfy him out of the things mortgaged, liened, or retained.
The provision of the preceding paragraph does not apply to a claim for interest or other successive payments of periodical prestations when the claim has been extinguished by prescription.

Article 146 The effect of prescription of the principal claims extends to the accessory claim, unless otherwise provided by the act.

Article 147 The period of prescription may not be extended or reduced by juridical acts. The advantage of prescription may not be waived in advance.

Chapter VII Exercise of Rights

Article 148 A right can not be exercised for the main purpose of violating public interests or damaging the others.
A right shall be exercised and a duty shall be performed in accordance with the means of good faith.

Article 149 A person acting in defense of his own rights or the rights of another against immediate unlawful infringement thereof is not liable to compensate for any injury arising from his action. But if anything is done in excess of what is required for necessary defense, he is still liable to make a reasonable compensation.

Article 150 A person acting to avoid an imminent danger menacing the life, body, liberty or property of himself or of another is not liable to compensate for any injury arising from his action, provided the action is necessary for avoiding the danger and does not exceed the limit of the injury which would have been caused by the said danger.
Under the circumstances specified in the preceding paragraph, if the person so acting is responsible for the occurrence of the danger, he is liable to compensate for any injury arising from his act.

Article 151 In order to protect his rights, a person who restrains, seizes, or destroys the liberty or the property of another is not liable to compensate for any injury arising therefrom, provided the assistance of the court or other relevant authorities could not be obtained in due time and there was a fact that if the person did not act immediately, the exercise of his rights would be rendered impossible or manifestly arduous.

Article 152 According to the provision of the preceding article, a person who restrains the liberty or seizes the property of another shall apply immediately to the court for assistance.
If the application mentioned in the preceding paragraph is dismissed or is not made in time, this person is liable to compensate for any injury arising from his action.

Part Ⅱ Obligations

Chapter I General Provisions

Section 1 - Sources of Obligations

Sub-section 1 Contracts

Article 153 When the parties have reciprocally declared their concordant intent, either expressly or impliedly, a contract shall be constituted.
If the parties agree on all the essential elements of the contract but have expressed no intent as to the non-essential elements, the contract shall be presumed to be constituted. In the absence of an agreement on the above-mentioned non-essential elements, the court shall decide them according to the nature of the affair.

Article 154 A person who offers to make a contract shall be bound by his offer except at the time of offer he has excluded this obligation or except it may be presumed from the circumstances or from the nature of the affair that he did not intend to be bound.
Exposing goods for sale with their selling price shall be deemed to be an offer. However, the sending of pricelists is not deemed to be an offer.

Article 155 An offer ceases to be binding if it is refused.

Article 156 An offer made inter presentes ceases to be binding if it is not accepted at once.

Article 157 An offer made inter absentes ceases to be binding if it is not accepted by the other party within the time during which notice of acceptance may be expected to arrive under ordinary circumstances.

Article 158 If a period of time for the acceptance of the offer has been fixed, the offer ceases to be binding if it is not accepted within such period.

Article 159 If an acceptance arrives late though it should usually arrive within a reasonable time by its transmitting manner, and this might be known to the offerer, the offerer should immediately notify the acceptor of such delay.
If the offerer delays the notice specified in the preceding paragraph, the acceptance shall be deemed to have arrived without delay.

Article 160 An acceptance which arrives late, except under the circumstances in the preceding article, shall be deemed to be a new offer.
An acceptance with amplifications, limitations or other alterations shall be deemed to be a refusal of the original offer and the making of a new offer.

Article 161 In cases where according to customs or owing to the nature of the affair, a notice of acceptance is not necessary, the contract shall be constituted when, within a reasonable time, there is a fact, which may be considered as an acceptance of the offer.
The provision of the preceding paragraph shall be mutatis mutandis applied when at the time of offer the offerer has waived notice of acceptance.

Article 162 If a notice of withdrawing an offer arrives after the arrival of the offer itself, though it should usually arrive before or simultaneously with the arrival of the offer within a reasonable time by its transmitting manner, and this might be known to the other party, the other party so notified should notify the offerer immediately of such

	delay. If such other party delays the notice specified in the preceding paragraph, the notice of withdrawing the offer shall be deemed to have arrived without delay.
Article 163	The provisions of the preceding article shall apply mutatis mutandis to the withdrawal of acceptance.
Article 164	When a public notice promises to reward the person for his performance of a particular act, it is a rewarding public notice. The promisor is bound to deliver the reward to the person who has performed the act. When the act specified in the preceding paragraph has been successively performed by several persons, it is the person who has performed first acquires the claim for reward; when the act has been performed jointly by several persons or performed simultaneously by several persons respectively, it is these persons who acquire the claim for reward jointly. In the preceding paragraph, if the promisor has delivered the reward in good faith to the person who has first notified his performance, the obligation of the promisor to deliver the reward shall be extinguished. The provisions of the preceding three paragraphs shall apply mutatis mutandis to the person who has performed such act specified in the public notice without knowing of this notice.
Article 164-1	If there is a specific right acquired because of the performance of an act in the preceding article, this right shall belong to the person who has performed the act, unless otherwise notified in the public notice.
Article 165	When a promise of reward made by a public notice is withdrawn before the act is performed, the promisor is bound to compensate the person performing the act in good faith for the injury arising therefrom, unless the promisor can prove that the person could have never performed the act. The compensation shall not exceed the amount of the promised reward. When there is a period of time fixed for the performance in the public notice, the promisor is presumed to waive his withdrawing right.
Article 165-1	If a public notice promises to reward the person who has performed a particular act, notified within a certain period of time and has been evaluated as the best, it is a rewarding public notice for the best. The promisor is bound to deliver the reward in the completion of the evaluation.
Article 165-2	The evaluation in the preceding article shall be proceeded by the person appointed in the public notice. If there is no any appointment in the public notice, it shall be proceed with the manner decided by the promisor. The evaluation according to the provision of the preceding paragraph shall be binding on the promisor and the promisee.
Article 165-3	If there are several persons evaluated as the best, unless otherwise notified in the public notice, these persons acquire the claim for reward jointly.
Article 165-4	The provision of Article 164-1 shall apply mutatis mutandis to the rewarding public notice for the best.
Article 166	If it is agreed between the parties that a contract shall be made in a certain definite form, the contract is presumed to be not constituted before the completion of such form.
Article 166-1	If a contract is made for the obligations of the transferring, creation, or altering of rights over the real property, it shall be made in the notarization made by the notary public. A contract not notarized according to the provision of the preceding paragraph could still be valid if the parties have agreed on the transferring, creation, or altering of rights over the real property and have completed the recordation.

Sub-section 2 Conferring Of Authority Of Agency

Article 167	If authority of agency is conferred by a juridical act, it shall be made by an expression of intent to the agent or to the third party with whom the delegated act is transacted.
Article 168	If there are several agents, the delegated act shall be transacted by them jointly, unless otherwise provided by the act or the principal's expression of intent.
Article 169	A person, who by his own acts represents he has conferred the authority of agency to another person, or who knows that another person declares himself to be his agent and failed to express a contrary intent, shall be liable to the third party as a person who has conferred that authority, except the third party knew, or might know of the absence of authority.
Article 170	A juridical act made in the name of an agent by a person of no authority of agency shall not be effective to the principal except it is acknowledged by the principal. In the case specified in the preceding paragraph, the other party to the juridical act may fix a reasonable period and request the principal to declare definitely whether he acknowledges it or not. If the principal does not give a definite answer within the specified period, the acknowledgement shall be deemed to have been refused.
Article 171	[The expression of intend in]A juridical act made by a person of no authority of agency may be withdrawn by the other party to the act before the acknowledgement of the principal, except where such other party knew of the absence of authority at the time of the act.

Sub-section 3 Management Of Affairs Without Mandate

Article 172	A person, who manages an affair of another person without a mandate or obligation, shall manage the affair in conformity with the principal's expressed or presumptive wishes and in the manner beneficial to the principal.
Article 173	The manager shall notify the principal without delay at the beginning of the management in so far as the notice is possible. If there is no urgency, he shall wait for the instructions of the principal. The provisions of Articles 540 to Article 542 concerning Mandate shall apply mutatis mutandis to Management of Affairs without Mandate.
Article 174	If the undertaking of the management of the affair is against the principal's expressed or presumptive wishes, the manager is bound to compensate the principal for any injury arising from his management, even if no negligence is in his act. The provision of the preceding paragraph shall not apply if the undertaking of the management of the affair is in order to fulfill an obligation of public interests for the principal or to fulfill a statutory duty of the principal to furnish maintenance to others, or the principal's wishes are against the public policy or morals.
Article 175	If the undertaking of the management of the affair is in order to avert an imminent danger which threatens the life, body or property of the principal, the manager is not responsible for any injury derived from his management, except in case of bad faith or gross negligence.
Article 176	If the management of the affair is beneficial to the principal and is not against his expressed or presumptive wishes, and where the manager has, for the principal, made necessary or beneficial expenses, or assumed debt, or suffered injury, he is entitled to claim against the principal for the reimbursement of such expenses plus interest commencing from the date of outlay, or the payment of such debt, or compensation for the injury sustained. In the cases provided by the second paragraph of Article 174, the manager may still have the claim in the preceding paragraph, even if the undertaking of the management of the affair is against the principal's wishes.
Article 177	If the management of the affair does not accord with the provisions of

the preceding article, the principal may still be entitled to the interests derived from the management. But the obligation specified in the first paragraph of the preceding article of the principal towards the manager shall be only to the extent of the interests he acquired.
The provision of the preceding paragraph shall apply mutatis mutandis to the situation when the manager knew it was another person's affair but still managed for his own interests.

Article 178 If the management of the affair is acknowledged by the principal, unless otherwise expressed by the parties, from the beginning of the management, the provisions concerning Mandate shall be applied.

Sub-section 4 Unjust Enrichment

Article 179 A person who acquires interests without any legal ground and prejudice to the other shall be bound to return it. The same rule shall be applied if a legal ground existed originally but disappeared subsequently.

Article 180 In any of the following cases, the prestation shall not be claimed to return:
(1) If the prestation was for the performance of a moral obligation;
(2) If the prestation made by the debtor for the performance of an undue obligation;
(3) If the person who has made a prestation for the purpose of performing an obligation knew, at the time of performance, that he was not bound to perform;
(4) If the prestation was made for an unlawful cause. Except when the unlawful cause exists only with regard to the recipient.

Article 181 In addition to the interests received, a recipient unjustly enriched shall return whatever he acquired by virtue of such interests. If restitution is impossible by reason of the very nature of the interests or by reason of any other circumstance, he shall be bound to reimburse the value.

Article 182 The recipient, who did not know of the absence of the legal ground and the interests have no longer existed, is released from the obligation to return the interests or reimburse the value.
If the recipient knew of the absence of the legal ground at the time of the receipt, or if he was subsequently aware of it, he shall be bound to return the interests acquired at the time of the receipt or such interests still existing at the time when he was aware of the absence of the legal ground plus the interest and to make compensation for the injury, if any.

Article 183 When the recipient unjustly enriched transferred gratuitously whatever he has received to a third party, and therefore the recipient is released from his obligation to return the interests, such third party shall be bound to make restitution to the extent which the recipient is released from his obligation.

Sub-section 5 Torts

Article 184 A person who, intentionally or negligently, has wrongfully damaged the rights of another is bound to compensate him for any injury arising therefrom. The same rule shall be applied when the injury is done intentionally in a manner against the rules of morals.
A person, who violates a statutory provision enacted for the protection of others and therefore prejudice to others, is bound to compensate for the injury, except no negligence in his act can be proved.

Article 185 If several persons have wrongfully damaged the rights of another jointly, they are jointly liable for the injury arising therefrom. The same rule shall be applied even if which one has actually caused the injury cannot be sure.
Instigators and accomplices are deemed to be joint tortfeasors.

Article 186 An official, who has intentionally committed a breach of duty which he ought to exercise in favor of a third party and therefore prejudice to

such third party, is liable for any injury arising therefrom. If the breach is the result of this official's negligence, he may be held liable to compensate only in so far as the injured person is unable to obtain compensation by other means.
In the case mentioned in the preceding paragraph, if the injured person who may obviate the injury by making use of a legal remedy has intentionally or negligently omitted to make use of it, the official shall not be liable to compensate for the injury.

Article 187

A person of no capacity or limited in capacity to make juridical acts, who has wrongfully damaged the rights of another, shall be jointly liable with his guardian for any injury arising therefrom if he is capable of discernment at the time of committing such an act. If he is incapable of discernment at the time of committing the act, his guardian alone shall be liable for such injury.
In the case of the preceding paragraph, the guardian is not liable if there is no negligence in his duty of supervision, or if the injury would have been occasioned notwithstanding the exercise of reasonable supervision.
If compensation cannot be obtained according to the provisions of the preceding two paragraphs, the court may, on the application of the injured person, take the financial conditions among the tortfeasors, the guardian and the injured person into consideration, and order the tortfeasors or his guardian to compensate for a part or the whole of the injury.
The provision of the preceding paragraph shall apply mutatis mutandis to cases where the injury has been caused to a third party by a person other than those specified in the first paragraph in a condition of unconsciousness or of mental disorder.

Article 188

The employer shall be jointly liable to make compensation for any injury which the employee has wrongfully caused to the rights of another in the performance of his duties. However, the employer is not liable for the injury if he has exercised reasonable care in the selection of the employee, and in the supervision of the performance of his duties, or if the injury would have been occasioned notwithstanding the exercise of such reasonable care.
If compensation cannot be obtained according to the provision of the preceding paragraph, the court may, on the application of the injured person, take the financial conditions of the employer and the injured person into consideration, and order the employer to compensate for a part or the whole of the injury.
The employer who has made compensation as specified in the preceding paragraph may claim for reimbursement against the employee committed the wrongful act.

Article 189

The proprietor is not liable for the injury wrongfully caused by an undertaker to the rights of another in the course of his work, unless the proprietor was negligent in regard to the work ordered or his instructions.

Article 190

If injury is caused by an animal, the possessor is bound to compensate the injured person for any injury arising therefrom, unless reasonable care in keeping according to the species and nature of the animal has been exercised, or unless the injury would have been occasioned notwithstanding the exercise of such reasonable care.
The possessor may claim for reimbursement against the third party, who has excited or provoked the animal, or against the possessor of another animal which has caused the excitement or provocation.

Article 191

The injury, which is caused by a building or other work on privately owned land, shall be compensated by the owner of such building or work, unless there is no defective construction or insufficient maintenance in such building or work, or the injury was not caused by the defectiveness or insufficiency, or the owner has exercised reasonable care to prevent such injury.
In the case of the preceding paragraph, if there is another person who shall be responsible for the injury, the owner making compensation may make a claim for reimbursement against such person.

Article 191-1	The manufacturer is liable for the injury to another arising from the common use or consumption of his merchandise, unless there is no defectiveness in the production, manufacture, process, or design of the merchandise, or the injury is not caused by the defectiveness, or the manufacturer has exercised reasonable care to prevent the injury. The manufacturer mentioned in the preceding paragraph is the person who produces, manufactures, or processes the merchandise. Those, who attach the merchandise with the service mark, or other characters, signs to the extent enough to show it was produced, manufactured, or processed by them, shall be deemed to be the manufacturer. If the production, manufacture, process, or design of the merchandise is inconsistent with the contents of its manual or advertisement, it is deemed to be defective. The importer shall be as liable for the injury as the manufacturer.
Article 191-2	If an automobile, motorcycle or other motor vehicles which need not to be driven on tracks in use has caused the injury to another, the driver shall be liable for the injury arising therefrom, unless he has exercised reasonable care to prevent the injury.
Article 191-3	The person, who runs a particular business or does other work or activity, shall be liable for the injury to another if the nature of the work or activity, or the implement or manner used might damage to another. Except the injury was not caused by the work or activity, or by the implement or manner used, or he has exercised reasonable care to prevent the injury.
Article 192	A person who has wrongfully caused the death of another shall also be bound to make compensation for the injury to any person incurring the medical expenses, increasing the need in living, or incurring the funeral expenses. If the deceased was statutorily bound to furnish maintenance to a third party, the tortfeasor shall also make compensation to such third party for any injury arising therefrom. The provision of the second paragraph of Article 193 shall apply to the compensation of the preceding paragraph.
Article 193	If a person has wrongfully damaged to the body or health of another, and caused the injured person to lose or decrease his laboring capacity, or to increase the need in living, the tortfeasors shall be bound to make compensation to the injured person for any injury arising therefrom. The court may, on the application of the parties, order the compensation of the preceding paragraph to be made in periodical payments of money, but the court shall compel the tortfeasor to furnish security.
Article 194	In case of death caused by a wrongful act, the father, mother, sons, daughters and spouse of the deceased may claim for a reasonable compensation in money even if such injury is not a purely pecuniary loss.
Article 195	If a person has wrongfully damaged to the body, health, reputation, liberty, credit, privacy or chastity of another, or to another's personality in a severe way, the injured person may claim a reasonable compensation in money even if such injury is not a purely pecuniary loss. If it was reputation that has been damaged, the injured person may also claim the taking of proper measures for the rehabilitation of his reputation. The claim of the preceding paragraph shall not be transferred or inherited, except a claim for compensation in money has been promised by contract or has been commenced. The provisions of the preceding two paragraphs shall be mutatis mutandis applied when a person has wrongfully damaged to another's status based on the relationship to their father, mother, sons, daughters, or spouse in a severe way.
Article 196	If a person has wrongfully damaged to a thing which belongs to another, the injured person may claim to make compensation for the diminution of the value of the thing.
Article 197	The claim for the injury arising from a wrongful act shall be

extinguished by prescription, if not exercised within two years from the date when the injury and the person bound to make compensation became known to the injured person. The same rule shall be applied if ten years have elapsed from the date when the wrongful act was committed.
A person bound to make compensation shall, even after the completion of prescription under the preceding paragraph, return to the injured person in accordance with the provisions concerning Unjust Enrichment whatever he has acquired through a wrongful act and therefore prejudiced to the injured person.

Article 198 If a person acquires a claim against the injured person by a wrongful act, the latter may still refuse to perform even if the claim for avoidance has been extinguished by prescription.

Section 2 - Object Of Obligations

Article 199 By virtue of an obligation, the creditor is entitled to claim a prestation from the debtor.
A prestation may consist in something which cannot be valued in money.
A prestation may consist in forbearance.

Article 200 When the object of the prestation is determined only in kind, if its quality cannot be determined by the nature of the juridical act or the intent of the parties, the debtor must deliver a thing of medium quality.
In the case of the preceding paragraph, if the debtor has done whatever is necessary for the delivery of such a thing, or if, with the consent of the creditor, he has designated a thing to be delivered, such thing is designated as the object of the prestation.

Article 201 When the object of the obligation is a prestation of a particular kind of currency in vogue and when at the time of prestation this currency is no longer in vogue, the debtor shall make prestation in another currency in vogue.

Article 202 When the object of the prestation is expressed in a foreign currency in vogue, the debtor may make prestation in currency of the Republic of China at the market rate of the place and time of prestation, except it has been agreed upon by the parties that prestation shall be made in the foreign currency in vogue.

Article 203 In the case of a debt bearing interest, if no rate has been fixed by the contract or by the act, the rate shall be five percent (5%) per annum.

Article 204 If the agreed rate of interest is over twelve percent (12%) per annum, the debtor may at any time after one year has elapsed discharge the capital, but he shall notify the creditor one month before.
The right of discharge specified in the preceding paragraph shall not be excluded or limited by the contract.

Article 205 If the agreed rate of interest exceeds sixteen percent (16%) per annum, the exceeded part of the agreement is invalid.

Article 206 The creditor shall not cunningly obtain interests by discounting or by any other way, except the interest specified in the preceding article.

Article 207 Interest shall not be added to capital and again bear interest; unless otherwise agreed by the parties in writing that the creditor may add interest to the capital after interest has been in arrears for more than one year and has not been paid notwithstanding the demand of the creditor.
The provision of the preceding paragraph does not apply in case there is a different trade custom.

Article 208 When the prestation is to be selected from among several prestations, the right of choice belongs to the debtor, unless otherwise provided by the act or by the contract.

Article 209 Either the creditor or the debtor who has the right of choice shall exercise it by an expression of intent to the other party.
If a third party has the right of choice, he shall exercise it by an

	expression of intent to both the creditor and the debtor.
Article 210	If there is a fixed period for exercising the right of choice and it is not exercised within such period, the right of choice will be transferred to the other party. If there is no fixed period for exercising the right of choice, the party who has no such right may, when the obligation becomes due, fix a reasonable time and notify the other party to exercise his right of choice within such time. If the other party does not exercise his right of choice within the fixed period, the right of choice will be transferred to the party who notified. If the choice is to be made by a third party and such person is unable or unwilling to exercise it, the right of choice will be transferred to the debtor.
Article 211	If one of the several prestations is impossible from the beginning or becomes impossible subsequently, the obligation exists only in the prestations which remain possible, except the party who has no right of choice shall be responsible for the impossibility.
Article 212	The effect of the choice is retroactive back to the time when the obligation occurred.
Article 213	Unless otherwise provided by the act or by the contract, a person who is bound to make compensation for an injury shall restore the injured party to the status quo before the injury. If the restoration of the status quo ante shall be paid in money, interest shall be added from the time of the injury. Under the circumstances of the first paragraph, the creditor may claim the necessary expenses for restoration instead of the restoration.
Article 214	If the person who is bound for the restoration of the status quo ante does not perform his obligation within a reasonable period fixed by the creditor, the latter may claim compensation in money for the injury sustained.
Article 215	If it is impossible or obviously and greatly difficult for the restoration of the status quo ante, the injury sustained shall be compensated in money.
Article 216	Unless otherwise provided by the act or by the contract, the compensation shall be limited to the injury actually suffered and the interests which have been lost. Interests which could have been normally expected are deemed to be the interests which have been lost, according to the ordinary course of things, the decided projects, equipment, or other particular circumstances.
Article 216-1	If there are injury suffered and interests acquired derived from the same reason, the interests acquired shall be deducted from the amount of the compensation claimed.
Article 217	If the injured person has negligently contributed in causing or aggravating the injury, the court may reduce or release the amount of the compensation. If the reason of a grave injury was unknown to the debtor and the injured person has omitted to call the attention of the debtor beforehand, or to avert, or mitigate the injury, the injured person will be deemed to be negligently contributed in the injury. The provisions of the preceding two paragraphs shall apply mutatis mutandis to the situation when the agent of the injured person or the person performing the obligation for the injured person has negligently contributed to the injury.
Article 218	When the injury was not caused intentionally or grossly negligently, and if the compensation would gravely affect the livelihood of the person responsible for it, the court may reduce the amount of the compensation.
Article 218-1	If a person who is bound to make compensation for the loss or damage of a thing or a right, he may claim from another, who is entitled to claim for

the injury, for the transfer of the claims which the latter has against the third party by virtue of his ownership of the said thing, or by virtue of the said right.
The provisions of Article 264 shall apply mutatis mutandis to the situation of the preceding paragraph.

Section 3 - Effects Of Obligations

Sub-section 1 Performance

Article 219	(Repealed)
Article 220	The debtor shall be responsible for his acts, whether intentional or negligent. The extent of responsibility for one's negligence varies with the particular nature of the affair; but such responsibility shall be lessened, if the affair is not intended to procure interests to the debtor.
Article 221	Where the debtor is a person of no or limited in capacity to make juridical acts, his responsibility shall be determined according to the provisions of Article 187.
Article 222	Responsibility for intentional or gross negligent acts shall not be released in advance.
Article 223	A person who is answerable for such care as he is accustomed to in the management of his own affairs, shall still be responsible for his gross negligent acts.
Article 224	A debtor shall be responsible for the intentional or negligent acts of his agent and of the person performing the obligation for him to the same extent as he is responsible for his own intentional or negligent acts. Unless otherwise agreed upon by the parties.
Article 225	The debtor will be released from his obligation to perform if the performance becomes impossible by reason of a circumstance to which he is not imputed. If the debtor is entitled to claim compensation for the injury against a third party in consequence of the impossibility of the performance under the preceding paragraph, the creditor may claim against the debtor for the transfer of the claim for the injury, or for the delivery of the compensation he has received.
Article 226	If the performance becomes impossible by reason of a circumstance to which the debtor is imputed, the creditor may claim compensation for any injury arising therefrom. In the case specified in the preceding paragraph, if one part of the performance becomes impossible and the remaining part, if performed, will be of no interests to the creditor, the creditor may refuse the performance of the remaining part and claim compensation for the injury arising from complete non-performance.
Article 227	If a debtor incompletely performs his obligation by reason of a circumstance to which the debtor is imputed, the creditor may execute his right according to the provisions of the default or the impossibility of the performance. In addition to the injury arising from the incomplete performance in the preceding paragraph, the creditor may claim compensation for other injuries arising therefrom, if any.
Article 227-1	If the creditor's personality has been injured by reason of the debtor's non-performance, the debtor shall be bound to compensate for the injury in compliance mutatis mutandis with the provisions of Article 192 to Article 195 and Article 197.
Article 227-2	If there is change of circumstances which is not predictable then after the constitution of the contract, and if the performance of the original obligation arising therefrom will become obviously unfair, the party may

	apply to the court for increasing or reducing his payment, or altering the original obligation. The provision in the preceding paragraph shall apply mutatis mutandis to the obligation not arising from the contract.
Article 228	(Repealed)
	Sub-section 2 Defaults
Article 229	When there is a definite period fixed for the performance of an obligation, the debtor is responsible for the default from the moment when such period expires. When there is no definite period fixed for the performance of the obligation, and when the creditor may demand the performance, but the debtor failed to perform the same after the creditor has notified him of the demand, the debtor is responsible for the default from the moment when he has been notified. The effect of instituting an action for performance and the service of the complaint, or the service of an order for payment according to the hortatory process, or any other similar act is equivalent to a notice. If there is a period fixed for the performance in the notice of the preceding paragraph, the debtor is responsible for the default from the moment when such time expires.
Article 230	The debtor is not being responsible for the default if the prestation has not been made by reason of circumstances to which he is not imputed.
Article 231	When the debtor is in default, the creditor is entitled to claim compensation for any injury arising therefrom. So long as the default continues, the debtor under the preceding paragraph shall also be responsible for any injury arising from circumstances of force majeure, unless he can prove that the injury would have been sustained, even if he had performed in due time.
Article 232	If the performance after the default is of no interests to the creditor, he may refuse the performance and claim compensation for the injury arising from the non-performance.
Article 233	When the object of an obligation which is in default is the payment of money, the creditor may claim interest for the default, which is to be calculated at the statutory rate. But if the agreed rate of interest is higher, this higher rate shall apply. There is no need to pay interest for the interest of default. In cases specified in the preceding two paragraphs, if the creditor can prove other injuries sustained, he may claim compensation for the same.
Article 234	If the creditor refuses or fails to accept the performance tendered to him, he is responsible for the default from the moment when the performance has been tendered.
Article 235	If the debtor does not actually tender the performance according to the tenor of the obligation, there will be no effect on this tendering. But if the creditor has previously declared that he will not accept the performance, or if an act of the creditor is necessary for the performance, the debtor may substitute the notice to the creditor announcing that he (the debtor) is ready to perform for the tendering.
Article 236	If there is no definite deadline for the performance, or if the debtor is entitled to perform before the deadline, the creditor is not responsible for the default when he is temporarily prevented from accepting the tendered performance, unless the performance was tendered by reason of the creditor's notice, or unless the debtor has notified the creditor a reasonable time beforehand.
Article 237	During the default of the creditor, the debtor is responsible only for his intentional or gross negligent acts.
Article 238	The debtor is not responsible for interest during the default of the creditor.

Article 239	If the debtor has to return the profits produced by an object or to make reimbursement for them, he is only responsible for the profits which he has actually acquired during the default of the creditor.
Article 240	In case of the default of the creditor, the debtor may claim compensation for the necessary expenses incurred from the tendering as well as from the safekeeping of the object of the prestation.
Article 241	When the debtor is under an obligation to deliver a real property, he may, after the creditor is in default, abandon its possession. In the case of abandonment under the preceding paragraph, the debtor shall be bound to notify the creditor in advance, unless such notice is impossible.

Sub-section 3 Preservation

Article 242	The creditor may, in order to preserve his prestation, exercise in his the name of himself any right of the debtor which the debtor neglects to exercise, except rights which are exclusively belonged to the debtor.
Article 243	So long as the debtor is not in default, the creditor shall not exercise the right specified in the preceding article, except those rights which are exclusively for the preservation of the rights of the said debtor.
Article 244	If a gratuitous act done by the debtor is likely to be prejudicial to the rights of the creditor, the creditor may apply to the court for the revocation of such act. If a non-gratuitous act done by the debtor is likely to be prejudicial to the rights of the creditor and the debtor knew of it at the time of doing that act, the creditor may apply to the court for the revocation of such act, provided that the party profited by the act (the beneficiary) also knew of the circumstances on the receipt of the interests. The provisions of the preceding two paragraphs do not apply to the act done by the debtor, if the object of which is not on the property or is only prejudicial to the prestation of delivering a specific thing. When the creditor applies to the court for the revocation according to the provision of the first or the second paragraph, he may also apply for ordering the beneficiary or the person who acquires the object afterwards (the afterwards acquiring person) to restore to the status quo ante, except the afterwards acquiring person did not know of the ground for revocation at the time of acquiring.
Article 245	The claim for revocation in the provisions of the preceding article shall be extinguished by prescription if not exercised within one year from the moment when the creditor knew of the ground for revocation, or shall be extinguished after ten years from the date of doing the act.

Sub-section 4 Contracts

Article 245-1	Even though the contract is not constituted, one of the parties is responsible for the injury caused to the other party who without his own negligence believed in the constitution of the contract when he, in order to prepare or negotiate for the contract, has done either of the following: (1) Hidden in bad faith or dishonestly explained the gravely relevant matter of the contract when the other party inquired. (2) Intentionally or gross negligently spilt out the other party's secret known or held by himself which the other party has explicitly expressed to be kept in secret. (3) Any other matter obviously against good faith. The claim for the injury in the preceding paragraph shall be extinguished by prescription if not exercised within two years.
Article 246	If the prestation of a contract is impossible, it is void. However, if the impossibility can be removed and if the parties, at the time when the contract was constituted, intended to have it performed after the removal of the impossibility, the contract is still valid. If the contract is subject to a suspenseful condition or to a time of

	commencement, and if the impossibility has been removed prior to the fulfillment of the condition or the arrival of the time, the contract is valid.
Article 247	When a contract is void on account of the impossibility of the performance, the party who at the time of constituting the contract knew or might know the impossibility is responsible for the injury caused to the other party who, without his own negligence, believed in the validity of the contract. The provision of the preceding paragraph shall be mutatis mutandis applied if the prestation is partially impossible and the contract is valid in respect to the possible part, or if one of the several prestations subject to a choice is impossible. The claims for the injury in the preceding two paragraphs shall be extinguished by prescription if not exercised within two years.
Article 247-1	If a contract has been constituted according to the provisions which were prepared by one of the parties for contracts of the same kind, the agreements which include the following agreements and are obviously unfair under that circumstance are void. (1) To release or to reduce the responsibility of the party who prepared the entries of the contract. (2) To increase the responsibility of the other party. (3) To make the other party waive his right or to restrict the exercise of his right. (4) Other matters gravely disadvantageous to the other party.
Article 248	When one of the parties to a contract receives earnest money from the other, the contract is presumed to be constituted.
Article 249	Unless otherwise agreed upon by the parties, the following rules apply to the earnest money: (1) When the contract has been performed, the earnest money shall be returned or treated as one part of the payment. (2) If the contract cannot be performed owing to a circumstance to which the party who gave the earnest money is imputed, such party shall not claim for the return of the earnest money. (3) If the contract cannot be performed owing to a circumstance to which the party who received the earnest money is imputed, such party shall return double amounts of earnest money. (4) If the contract cannot be performed owing to a circumstance to which neither of the parties is imputed, the earnest money shall be returned.
Article 250	The parties may agree on a penalty to be paid by the debtor in case the debtor does not perform the obligation. Unless otherwise agreed upon by the parties, the penalty shall be deemed to be the total amount of damages due to the non-performance. If it is agreed that the penalty shall be paid when the debtor does not perform the obligation at the agreed time or in the agreed way, this penalty shall be deemed to be the total amount of damages due to this non-performance, besides the creditor may claim for the performance.
Article 251	If the obligation has been partially performed, the court may reduce the penalty proportionately as the interests received by the creditor due to the partial performance.
Article 252	If the agreed penalty is disproportionately high, the court may reduce it to a reasonable amount.
Article 253	The provisions of the preceding three articles shall apply mutatis mutandis to the agreed non-pecuniary payment for the breach of a contract.
Article 254	When a party to a contract is in default, the other party may fix a reasonable period and notify him to perform within that period. If the party in default does not perform within that period, the other party may rescind the contract.
Article 255	If according to the nature of the contract or the expression of intent of the parties, the purpose of the contract can not be accomplished if not

	performed within the fixed period, and if one of the parties does not perform the contract within that period, the other party may rescind the contract without giving the notice specified in the preceding article.
Article 256	In cases provided by Article 226, the creditor may rescind the contract.
Article 257	If there is no deadline for the exercise of the right of rescission, the other party may fix a reasonable one and notify the party having the right of rescission to make a definite reply within such deadline whether he will rescind the contract or not. If the notice of rescission is not received before such deadline, the right of rescission is extinguished.
Article 258	The right of rescission shall be exercised with the expression of intent to the other party. If there are several persons on either side of the contract, the expression of intent specified in the preceding paragraph shall be made by all of them or to all of them. The expression of intent to rescind a contract shall not be revoked.
Article 259	Unless otherwise provided by the act or by the contract, each party shall, in case of rescission, restore the other party to his status quo ante according to the following rules: (1) Each party shall return the prestation received to the other party. (2) If the prestation received consisted of money, interest calculated from the time of receipt shall be added. (3) If the prestation received consisted of service or of the use of a thing, the value of such service or use at the time of receipt shall be reimbursed in money. (4) If a thing to be returned has produced profits, such profits shall be returned. (5) If necessary or beneficial expenses of the thing to be returned have been paid, such expenses may be claimed for to the extent to which the other party is benefited at the time of return. (6) If a thing to be returned has been damaged or destroyed or cannot be retuned owing to any other cause, its value shall be reimbursed.
Article 260	The exercise of the right of rescission does not prejudice to the claim for compensation.
Article 261	The provisions of Articles 264 to 267 shall mutatis mutandis apply to the mutual obligations of the parties resulting from the rescission of the contract.
Article 262	When the person entitled to the right of rescission is imputed to the damage or destruction of the thing received or any other circumstance which causes the return impossible, his right of rescission is extinguished. The same rule shall be applied when the kind of the thing received has been altered by process or remodeling.
Article 263	The provisions of Articles 258 and 260 shall be mutatis mutandis applied when the parties terminate the contract in accordance with the provisions of the act.
Article 264	A party to a mutual contract may refuse to perform his part until the counter-prestation has been performed by the other party, except he is bound to perform first. When one party has partially performed his part, the other party shall not refuse his counter-prestation if circumstances are such that a refusal to perform would be against the manners of good faith.
Article 265	A person who is bound to perform his part first may, if after the constitution of the contract the property of the other party have obviously decreased whereby the counter-prestation might become difficult to be performed, refuse to perform his part, until the other party has performed his part or furnished security for such performance.
Article 266	If none of the parties is imputed to the impossibility of one party's performance, the other party shall be released from his obligation to perform the counter-prestation. If the impossibility is only partial, the

counter-prestation shall be reduced proportionately.
In the case provided in the preceding paragraph, if the counter-prestation has been wholly or partially performed, it may be claimed for the reimbursement in accordance with the provisions concerning Unjust Enrichment.

Article 267 If one of the parties is imputed to the impossibility of the other party's performance, the later may claim for the counter-prestation, but the interests saved or ought to be saved arising from the release of the performance shall be deducted from the counter-prestation claimed.

Article 268 One of the parties to a contract who has undertaken that an obligation shall be performed by a third party shall be responsible for the injury if the third party does not perform the obligation.

Article 269 When it is provided in a contract that an obligation shall be performed to a third party, the offeror may demand the debtor to perform the obligation to the third party, and such third party also has the right to demand performance direct from the debtor.
So long as the third party has not expressed his intent to take advantage of the contract specified in the preceding paragraph, the parties may modify the contract or revoke it.
If the third party expresses to either of the parties his intent not to take advantage of the contract, he is deemed to never have any right under the contract.

Article 270 The debtor specified in the preceding article may take all the valid defenses arising out of the contract against the beneficial third party.

Section 4 - Plurality Of Creditors And Debtors

Article 271 When several persons undertake the same obligation, and if the prestation is divisible, each of them shall be responsible for or be entitled to the prestation equally, unless otherwise provided by the act or by the contract. The same rule shall be applied when a prestation is converted from an indivisible one to a divisible one.

Article 272 When there are several persons undertaking the same obligation and expressing that each of them is bound to the creditor for the whole of the prestation, this obligation is a joint-obligation.
If there is no such expression specified in the preceding paragraph, a joint-obligation is constituted only in the cases provided by the act.

Article 273 The creditor of a joint-obligation is entitled to demand one or several or all of the debtors simultaneously or successively to tender total or partial performance.
Before the complete performance of the obligation, all of the debtors are jointly bound to tender the performance.

Article 274 If any one of the joint-debtors has extinguished the obligation by performance, prestation in lieu of performance, lodgment, offset or merger, the other debtors are also released from the obligation.

Article 275 If there is a non-appealable judgment rendered in favor of one of the joint-debtors and if it is not based on such debtor's personal affairs, this judgment operates in favor of all the other debtors.

Article 276 When the creditor grants a release to one of the joint-debtors without the intent to extinguish the whole obligation, except the amount of the share which is incumbent on such debtor, the other debtors are still not released from the obligation.
When the extinctive prescription has been completed as regards one of the joint-debtors, the provisions of the preceding paragraph shall be mutatis mutandis applied.

Article 277 If there is one of the joint-debtors acquiring a claim against the creditor, to the extent of the amount of the share which is incumbent on such debtor, the other debtors may claim to offset.

Article 278	When there is default of the creditor towards one of the joint-debtors, the effect of the default also operates in favor of all the other debtors.
Article 279	Unless otherwise provided by the provisions of the preceding five articles or the contract, any consequence of the affairs on one of the joint-debtors, whether it is beneficial or not, does not operate on the other debtors.
Article 280	Unless otherwise provided by the act or the contract, all of the joint-debtors shall be burdened for the obligation equally. Except, the damages and the costs resulting from facts for which one of the joint-debtors shall be personally responsible shall be borne by such debtor.
Article 281	If one of the joint-debtors has caused the other joint-debtors to be released from the obligation by virtue of his performance, prestation in lieu of performance, lodgment, offset or merger, he is entitled to demand from the other debtors the reimbursement of their respective shares in the prestation, plus interest from the date of release. In the case specified in the preceding paragraph, the debtor entitled to claim the reimbursement is subrogated to the rights of the creditor to the amount of the reimbursement which the said debtor is entitled to demand, but such debtor shall not exercise them to the detriment of the creditor.
Article 282	If one of the joint-debtors cannot reimburse his share in the prestation, the deficiency shall be borne pro rata by the other debtors, including the debtor entitled to claim the reimbursement, but if the impossibility to reimburse is due to the negligence of the debtor entitled to claim, he shall not claim the other debtors to bear their shares. In the case of the preceding paragraph, if one of those other debtors has been released from his own share in the obligation, he shall still be, however, in accordance with the provisions of the preceding paragraph, responsible for his share in the deficiency.
Article 283	When several persons entitled by the act or by the juridical act to a claim of the same obligation that each of them may demand the whole of the prestation from the debtor, this claim is a joint-claim.
Article 284	The debtor to a joint-claim may at his option perform wholly in favor of any of the joint-creditors.
Article 285	If one of the joint-creditors has made the demand, it operates in favor of all the other creditors.
Article 286	If the obligation is extinguished on account of any one of the creditors having been satisfied by performance, prestation in lieu of performance, lodgment, offset or merger, the rights of the other creditors are also extinguished.
Article 287	If there is a non-appeallable judgment rendered in favor of one of the joint-creditors, it also operates in favor of all the other creditors. If there is a non-appeallable judgment rendered against one of the joint-creditors and if it is not based on such creditors' personal affairs, it also operates against all the other creditors.
Article 288	If one of the joint-creditors has granted a release to the debtor, except to the extent of the share to which the creditor granting the release is entitled, the rights of the other creditors are not extinguished. When the extinctive prescription has been completed against one of the joint-creditors, the provisions of the preceding paragraph shall be mutatis mutandis applied.
Article 289	If there is one of the joint-creditors in default, the other creditors are also responsible for it.
Article 290	Unless otherwise provided by the preceding five articles or the contract, any consequence of the affairs on one of the joint-creditors, whether it is beneficial or not, does not operate on the other creditors.

Article 291 Unless otherwise provided by the act or the contract, all of the joint-creditors shall be benefited by the claim equally.

Article 292 When several persons undertake the same obligation, and the prestation is indivisible, the provisions concerning the joint-obligation shall be mutatis mutandis applied.

Article 293 If there are several persons entitled to a claim of the same obligation, and if the prestation is indivisible, each creditor may only demand the prestation to all of the creditors; and the debtor shall only tender the performance to all of the creditors.
Unless otherwise provided by the preceding paragraph, the affairs between one of the creditors and the debtor, whether it is beneficial or not, does not operate on the other creditors.
The provisions of Article 291 shall apply mutatis mutandis to the affairs between the creditors

Section 5 - Transfer Of Obligations

Article 294 A creditor may transfer a claim of an obligation to a third party, unless;
(1) The nature of the claim does not permit the transfer; or
(2) The parties have agreed that the claim shall not be transferred; or
(3) The claim is not subject to judicial attachment.
The agreement mentioned in the second section of the preceding paragraph shall not be a valid defense against any bona fide third party.

Article 295 When there is a claim being transferred, all the securities of the claim and other accessory rights are transferred together, except those rights which cannot be separated from the transferor.
Interests in arrears are presumed to be transferred, together with the capital.

Article 296 The transferor is bound to deliver to the transferee all documents which serve as evidence of the claim, and to give him all information necessary for the assertion of such claim.

Article 297 The transfer of a claim will not be effective as against the debtor until the debtor has been notified of it by the transferor or by the transferee, unless otherwise provided by the act.
The effect of tendering by the transferee to the debtor the deed of transfer executed by the transferor is equivalent to the effect of notice.

Article 298 When the transferor has notified the debtor that he has transferred the claim, the debtor may take all the defenses which he has against the transferee as the valid defenses against the transferor, even though the transfer is not executed or is invalid.
The notice under the preceding paragraph shall not be revoked without the consent of the transferee.

Article 299 At the time of the debtor being notified, all of the valid defenses he has against the transferor may be taken against the transferee.
At the time of the debtor being notified, if the debtor had the claim against the transferor, and if such claim matures before or at the same of the claim transferred does, he may claim for offset against the transferee.

Article 300 When a third party agrees with the creditor to assume the obligation of the debtor, the obligation is deemed to be transferred to the third party at the time of the constitution of the contract.

Article 301 When a third party agrees with the debtor to assume the obligation of the debtor, it is not effective as against the creditor until the creditor has acknowledged.

Article 302 The debtor or the person assuming the debt under the preceding article may fix a reasonable deadline and notify the creditor to reply definitely before such deadline whether he acknowledges the transfer or not. If the

creditor does not give a definite reply before such period, he is deemed to have refused to acknowledge the said transfer.
If the creditor refuses to acknowledge the transfer, the debtor or the person assuming the debt may revoke the contract concerning the assumption of the debt.

Article 303 The person assuming the debt may take the debtor's valid defenses against the creditor on account of their legal relationship as his valid defenses against the creditor, unless he shall not offset a claim belonging to the debtor.
The person assuming the debt shall not take his valid defenses against the debtor on account of the legal relationship arising from the assumption of the debt against the creditor.

Article 304 The assumption of a debt does not affect the existence of the accessory rights of the claim, unless the accessory rights shall not be separated from the debtor.
The securities given by a third party for the performance of the obligation are extinguished on account of the assumption of the debt, unless such third party has acknowledged the assumption.

Article 305 In case of generally assuming all the assets and liabilities from the property or enterprise of a person, the assumption of the debts becomes effective from the moment the transfer has been published or has been notified to the creditor.
In the case specified in the preceding paragraph, the original debtor remains jointly liable with the person assuming the debt for a period of two years from the date of notice or publication of the transfer for the obligations due, or from the date of maturity for the obligations which are not yet due.

Article 306 When one enterprise is amalgamated with other enterprises and they are assumed each other's assets and liabilities, it is deemed as the general assumption in the preceding article. The new enterprise after the amalgamation shall be responsible for the obligation of each enterprise before the amalgamation.

Section 6 - Extinction Of Obligations

Sub-section 1 General Provision

Article 307 When the obligations are extinguished, the securities furnished for its performance, and other accessory rights are extinguished simultaneously.

Article 308 Once an obligation has been wholly extinguished, the debtor may require the creditor to return or cancel the deed in which the obligation is embodied. If the obligation has been only partially extinguished, or if the deed entitles the creditor to exercise other rights, the debtor may demand that particulars of the extinction to be endorsed into the deed.
If the creditor alleges that he cannot return or endorse the deed, the debtor may require from the creditor a publicly certified acknowledgment showing that the obligation has been extinguished.

Sub-section 2 Performance

Article 309 When performance has been made to the creditor or to his qualified representative in conformity with the tenor of the obligation, and has been accepted, the obligation is extinguished.
The bearer of a receipt signed by the creditor is deemed to be the qualified representative of the creditor, except the debtor knew or was negligent of not knowing that the bearer was not qualified to receive the performance.

Article 310 If the performance is tendered to a third party and has been accepted by him, the following rules shall apply:
(1) Performance effects if the creditor has acknowledged it or if the third party subsequently has acquired the claim of the obligation;
(2) Performance effects, if the performance had been accepted by the quasi possessor of the claim, and the creditor did not know that he is

not a creditor;
(3) In cases other than those specified in the preceding two sections, the performance effects only to the extent which the creditor has been benefited thereby.

Article 311 An obligation may be performed by a third party unless otherwise agreed by the parties or accorded with the nature of the obligation.
If the debtor objects to the obligation being performed by a third party, the creditor may refuse such performance; but if the third party has the interest of conflicts on the performance of the obligation, the creditor shall not refuse.

Article 312 If a third party who has interest on the performance of the obligation has performed the obligation, the third party is subrogated to the rights of the creditor to the amount of the performance, but such third party shall not exercise them to the detriment of the creditor.

Article 313 The provisions of Articles 297 and 299 shall apply mutatis mutandis to the subrogation specified in the preceding article.

Article 314 Unless otherwise provided by the act or by the contract or by the custom, or unless otherwise decided by the nature of the obligation or other situations, the place of performance shall be decided as follows:
(1) If the object of the obligation is to deliver a specific thing, performance shall be tendered at the place where such thing was at the time when the contract was constituted.
(2) The other obligations shall be performed at the place of the creditor's domicile.

Article 315 Unless otherwise provided by the act or by the contract, or unless otherwise decided by the nature of the obligation or other situations, the creditor may demand the performance at any time and the debtor may also perform at any time.

Article 316 If there is a deadline for performance, the creditor may not demand the performance before the deadline; but if there is no contrary expression, the debtor may perform before the deadline.

Article 317 Unless otherwise provided by the act or by the contract, the costs of performance shall be borne by the debtor. But if the creditor has increased the costs of performance by changing his domicile or by any other acts, the additional costs shall be borne by the creditor.

Article 318 A debtor is not entitled to perform in part. However, the court may, taking the condition of the debtor into consideration, allow him to perform by installment or to delay his performance in such reasonable time as may not greatly prejudice to the interests of the creditor.
When the court allows the debtor to perform by installment, the creditor may claim for the whole prestation if the debtor has delayed any installment.
In case the prestation is indivisible, the court may, subject to the provision of the first paragraph, allow the debtor to delay his performance.

Article 319 If the creditor has accepted other prestation in lieu of the prestation originally agreed, the obligation is extinguished.

Article 320 When the debtor, for the purpose of satisfying his creditor, has assumed a new obligation towards him, the original obligation will not be extinguished, if the new obligation is not performed, unless otherwise agreed by a contrary expression of the parties.

Article 321 If a debtor is bound to the same creditor to perform several obligations of the same kind, and if the prestation performed is insufficient for discharging all the obligations, it is the person tendering the performance to specify the obligation to be discharged at the time of the prestation.

Article 322 If the person tendering the performance has not made the specification provided in the preceding article, the obligation to be discharged shall

be specified as follows:
(1) If a obligation has been due, it shall be discharged first;
(2) If all of the obligations are due or if none is due, the obligation which affords the creditor the least security shall be discharged first; if all the obligations are equally secured, the obligation which will be the most favorable to the debtor if performed shall be discharged first; if all the obligations will be equally favorable the debtor if performed, a obligation which matures first shall be discharged first;
(3) If all the obligations are equally favorable to the debtor and all mature at the same time if performed, the obligations shall be discharged proportionately.

Article 323 The prestation tendered by the person tendering the performance shall be taken to discharge the expenses first, then the interest and finally the capital. The same rule shall be applied when an obligation is performed according to the provisions of the preceding two articles.

Article 324 The person tendering the performance may demand from the person accepting the performance the delivery of a written receipt.

Article 325 In case of payment of interest or other periodical performance, if the creditor gives a receipt for one term without any reservation for the other terms, it is presumed that he has received performance for the previous terms.
If the creditor gives a receipt for the capital, it is presumed that he has received the interest.
If the deed to the obligation has been returned, it is presumed that the obligation has been extinguished.

Sub-section 3 Lodgments

Article 326 When the creditor is in default, or when it is impossible to know exactly who the creditor is so that performance becomes difficult, the person tendering the performance may lodge the prestation for the creditor.

Article 327 Lodgment shall be made in the lodgment office of the courthouse at the place of performance.

Article 328 After the lodgment, the danger of the damage or destruction of the object of the prestation is borne by the creditor, and the debtor is not bound to pay the interest or to compensate for failure to acquire the profits.

Article 329 The creditor is entitled to take delivery of the thing lodged at any time. If, however, the debtor is bound to perform only after a counter-prestation has been performed by the creditor, the debtor may prevent the delivery of the thing lodged, until the counter-prestation has been performed or proper security has been furnished.

Article 330 The right of the creditor to the thing lodged shall be exercised within ten years from the day of lodgment; and if it is not exercised within such period, the ownership of the thing lodged is assigned to the Treasury.

Article 331 If the object of the prestation is not suitable for lodgment, or if it might be damaged or destroyed, or if its lodgment would cost disproportionate expenses, the person tendering the performance may apply to the court of the place of performance to have it sold by auction and to lodge the proceeds of the sale.

Article 332 When the object of the prestation mentioned in the preceding article has a current market value, the court may allow the person tendering the performance to sell it at such market value and to lodge the proceeds of the sale.

Article 333 The costs of lodging the proceeds of the auction or the sale are borne by the creditor.

Sub-section 4 Offset

Article 334 If two persons are bound by obligations for each other, and the objects of which are of the same kind and which are both due, each party may take his own obligation to offset the other party's, except the nature of the obligations or the agreement of the parties does not permit of it.
The agreement provided in the preceding paragraph shall not be a valid defense against any bona fide third party.

Article 335 The offset shall be made with the expression of intent by one party to the other. As the mutual relationship of the obligations between themselves, it is extinguished to the extent of the corresponding amounts of the obligations deducted in the offset since the moment when the offset could be claimed.
The expression specified in the preceding paragraph, if made subject to a condition or to a time of commencement or ending, is void.

Article 336 An offset may be made even though the obligations are to be performed in different places; but the party who has claimed the offset shall compensate the other party for any injury resulting therefrom.

Article 337 Even if the claim of an obligation has been extinguished by prescription, it may also be offset, provided that the offset may be made prior to its extinction.

Article 338 If the obligation is not subject to a judicial attachment, the debtor shall not claim for offset.

Article 339 If the obligation is resulted from an intentional wrongful act, the debtor shall not claim for offset.

Article 340 When an obligation has been attached by an order of the court, the third debtor of such obligation shall not take a claim which he has acquired from the creditor after the attachment to offset the obligation attached.

Article 341 When it is provided by a contract that an obligation shall be performed to a third party, the debtor of such obligation shall not take the obligation of the other party to the contract to offset his obligation.

Article 342 The provisions of Articles 321 to 323 shall apply mutatis mutandis to the offset.

Sub-section 5 Releases

Article 343 If the creditor has expressed his intent to release the debtor from his obligation, the relationship of the obligation is extinguished.

Sub-section 6 Merger

Article 344 When the right and liability of an obligation are vested in the same person, the obligation is extinguished, except when it was the object of another person's right or when it is otherwise provided by the act.

Chapter II Particular Kinds Of Obligations

Section 1 - Sale

Sub-section 1 General Provisions

Article 345 A sale is a contract whereby the parties agree that one of them shall transfer to the other his rights over property and the latter shall pay a price for it.
The contract of sale is completed when the parties have mutually agreed on the object and the price.

Article 346 Although the price is not fixed concretely by the agreement, if it may be decided from the circumstances, it is deemed to be fixed.
If it is agreed that the price shall be fixed according to the market price, it is deemed to be fixed according to such market price at the place and time of performance unless otherwise provided by contract.

Article 347	The provisions under the present title shall apply mutatis mutandis to such nongratuitous contracts other than those of sale, unless the nature of the contract does not permit.

Sub-section 2 Effects of Sale

Article 348	The seller of a thing is bound to deliver the thing to the buyer and to make him acquire its ownership. The seller of a right is bound to make the buyer acquire the right sold. If, by virtue of such right, the seller can possess a certain thing, he is also bound to deliver the thing.
Article 349	The seller shall warrant that the thing sold is free from any right enforceable by third parties against the buyer.
Article 350	The seller of a claim of prestation or any other right shall warrant the actual existence of such prestation or right. The seller of valuable securities shall also warrant that it shall not be declared voidance through public summons.
Article 351	If the buyer knew at the time of concluding the contract the defect of the right sold, the seller is not bound to warrant such defect, unless otherwise provided by contract.
Article 352	Unless otherwise provided by contract, the seller of a claim of prestation does not warrant the solvency of the debtor. If he warrants the solvency of the debtor he is presumed to warrant the solvency at the time when the claim of prestation is transferred.
Article 353	If the seller does not perform his duties specified in Articles 348-351, the buyer may exercise his rights in accordance with the provisions concerning non-performance of obligations.
Article 354	The seller of a thing shall warrant that the thing sold is, at the time when the danger passes to the buyer according to the provisions of Article 373, free from any defect in quality which may destroy or impair its value, or its fitness for ordinary efficacy, or its fitness for the efficacy of the contract of sale. However, if the extent of the impairment is of no importance, such impairment shall not be deemed to be a defect. The seller also shall warrant that, at the time the danger passes; the thing has the guaranteed qualities.
Article 355	A seller is not responsible for such defect of quality in the thing sold as specified in the first paragraph of the preceding article, if the buyer knew of the defect at the time when the contract was made. If a defect of the kind specified in the first paragraph of the preceding article has remained unknown to the buyer in consequence of gross negligence, the seller is not responsible if he has not guaranteed that the thing is free from the defect, except in the case that he has intentionally concealed it.
Article 356	The buyer is bound to examine without delay the thing received in accordance with the nature of such thing and as far as the ordinary procedure of affairs allows it, and should he discover any defect for which the seller is responsible, he shall immediately notify the seller of such defect. If the buyer delays giving the notice mentioned in the preceding paragraph, he is deemed to have accepted the thing, except in case where the defect is one which would not have been revealed by ordinary examination. Should a defect, which could not have been discovered immediately, be discovered subsequently, notice shall be sent to the seller without delay after the discovery. If the buyer delays giving such notice, the thing is deemed to be accepted.
Article 357	The provisions of the preceding article do not apply to cases where the seller has intentionally concealed the defect.

Article 358	A buyer, who declines to accept a thing forwarded from another place by asserting that it is defective, is bound to preserve it in his custody temporarily, when the seller has no agent in the place of delivery. In the case specified in the preceding paragraph, if the buyer fails to take proper measures immediately to prove the existence of the defect, it is presumed that the defect asserted did not exist at the time of the delivery. If the thing forwarded will easily deteriorate, the buyer may sell it according to the market price when he takes proper measure to prove that. If it is to the advantage of the seller, the buyer is bound to make such sale, when necessary. The buyer, who sells the thing in accordance with the provisions of the preceding paragraph, shall notify the seller without delay. If he delays the notice, he shall be liable to compensate for the injury arising therefrom.
Article 359	When there is a defect in the thing sold for which, according to the provisions of the five preceding articles, the seller is responsible for a warranty, the buyer has the option to rescind the contract or to ask for a reduction of the price, unless in the case specified, that a rescission of the contract would constitute an obvious unfairness of the transaction the buyer is only entitled to ask for a reduction of the price.
Article 360	In the absence of a quality of the thing sold, which was guaranteed by the seller, the buyer may demand to compensate for the injury of nonperformance, instead of rescission of the contract or of a reduction of the price. The same rule shall be applied if the seller has intentionally concealed a defect in a thing.
Article 361	If the buyer asserts that there is a defect in the thing sold, the seller may fix a reasonable deadline and notify the buyer to declare within such deadline whether he rescinds the contract or not. If the buyer does not rescind the contract within the deadline specified in the preceding paragraph, the right of rescission is lost.
Article 362	Rescission of a contract on account of a defect in the principal thing extends to its accessory. If there is a defect in the accessory, the buyer may only rescind such contract of accessory.
Article 363	If one of several things sold is defective, the buyer may only rescind such defective thing. If several things are sold for an aggregate price, the buyer may also demand a reduction in the aggregate price proportionate to the defective thing. In the case provided by the preceding paragraph, either party may rescind the whole contract if he is obviously injured through the separation of the defective thing from the others.
Article 364	When the thing sold is a thing designated only as to its kind, and the thing is defective, the buyer may, instead of rescission of the contract or a reduction of the price, immediately request the seller to deliver in exchange another thing free from defect. The seller is also bound to warrant that the thing delivered in exchange under the preceding paragraph is free from defect.
Article 365	Where there has been delivery of a thing which is defective, the right of the buyer to rescind the contract, or to claim a reduction of the price is extinguished by prescription, according to the provision of article 356, if the buyer does not exercise his rights within six months after notice or after five years from the date of delivery. The provisions of the preceding paragraph concerning six months periods shall not be applied if the seller has intentionally concealed the defect.
Article 366	An agreement releasing the seller of liability on account of defects in a right or a thing or limiting such liability is void if the seller has intentionally concealed the defect.

Article 367	The buyer is bound to pay to the seller the agreed price and to accept delivery of the object sold.
Article 368	If the buyer has good causes to fear that a third party may assert rights which may deprive the said buyer of the whole or a part of the rights derived from the sale, he may refuse to pay the whole or a part of the price, except the seller has furnished proper security. In the cases specified in the preceding paragraph, the seller may request the buyer to lodge the price.
Article 369	Unless otherwise provided, by the act, by contract or by customs, the delivery of the object sold and the payment of the price shall take place simultaneously.
Article 370	If a deadline for the delivery of the object sold has been fixed, such deadline is presumed to be the deadline for the payment of the price.
Article 371	If the delivery of the object sold and the payment of the price shall take place simultaneously, the price shall be paid at the place of delivery.
Article 372	If the price is calculated according to the weight of the thing sold, the weight of the packing shall be deducted. Unless otherwise provided by the contract or if there is a specific custom, such contract or custom shall be followed.
Article 373	The profits and dangers of the object sold pass to the buyer at the time of delivery, unless otherwise provided by contract.
Article 374	If the buyer requests that the object sold be delivered at a place other than the place where delivery ought to be made, the dangers pass to the buyer at the time when the seller delivers the object to the person who transports it or is entrusted with its transportation.
Article 375	If the dangers have passed to the buyer before delivery of the object sold, and the seller incurs any necessary outlay on the object before delivery and after such dangers have passed, the buyer is bound to compensate the seller for such outlay in conformity with the provisions concerning Mandate. If the outlay incurred under the circumstances described in the preceding paragraph was not necessary, the buyer is bound to compensate such outlay in conformity with the provisions concerning Management of Affairs without Mandate.
Article 376	If the buyer has given specific instructions as to the manner of forwarding the object sold and the seller deviates from those instructions without urgent reason, and the seller is liable to the buyer for any injury resulting therefrom.
Article 377	When the object of a sale is a right, by virtue of which the seller may possess a certain thing, the provisions of the four preceding articles shall be mutatis mutandis applied.
Article 378	Unless otherwise provided by the act, by contract or by customs, the costs of sale are to be borne according to the following rules: (1) The costs of the contract of sale are to be borne by both parties equally; (2) The costs of transferring the right sold, the costs of transporting the object sold to the place of performance, and the costs of delivery are to be borne by the seller; (3) The costs of accepting delivery of the thing sold, the costs of registration and the costs of forwarding the thing sold to a place other than the place of performance, are to be borne by the buyer.

Sub-section 3 Redemption

Article 379	When in the contract of sale, the seller reserves the right of redemption, he may redeem the object sold on returning the price.

If the price for redemption specified in the preceding paragraph has been fixed by an agreement, such agreement shall be followed.
The interest on the original price and the profits obtained by the buyer from the object sold are deemed to be offset against each other.

Article 380 The redemption period shall not exceed five years. If a longer period is provided by the contract, it shall be reduced to five years.

Article 381 The person who redeems shall return the costs of the sale paid by the buyer together with the price of redemption.
Costs of redemption are borne by the person who redeems.

Article 382 The person who redeems shall return the expenses and other beneficial outlays made by the buyer for the improvement of the object, in so far as the value of the object has been presently increased thereby.

Article 383 The buyer is bound to the person who redeems to deliver the object sold along with its accessories.
If, owing to circumstances for which the buyer is responsible, the object sold cannot be delivered, or has been obviously altered, the buyer shall be bound to compensate for any injury arising therefrom.

Sub-section 4 Particular Kinds of Sale

Article 384 A contract of sale on approval is a contract which is constituted to be subject to the suspenseful condition of the approval of the object of the sale by the buyer.

Article 385 In a contract of sale on approval the seller is bound to permit the buyer to examine the object sold.

Article 386 If the object has been examined without being delivered and the buyer has not declared his acceptance within the agreed deadline, the buyer is deemed to have refused acceptance. The same rule shall be applied, if in the absence of an agreed deadline the buyer has not declared his acceptance within a reasonable deadline fixed by the seller.

Article 387 If an object has been delivered to be examined and the buyer does not return the object or declare his refusal within the agreed deadline, or, in the absence of an agreed deadline, within a reasonable deadline fixed by the seller, the buyer is deemed to have accepted.
If the buyer has paid the whole price or a portion of it, or does any action which is not necessary for examining the object, he is deemed to have accepted it.

Article 388 In a sale according to sample the seller is deemed to warrant that the object delivered will have the same quality as the sample.

Article 389 A clause in a contract of sale by installments that the whole of the: price may be claimed by seller as soon as the buyer is in default shall not be enforced, unless the buyer is in default for installments representing at least one-fifth of the total price.

Article 390 A clause in a contract of sale by installments, if it is agreed that, upon the rescission of the contract, the seller may retain the installments received, the amount retained shall not exceed an amount representing the rental of the object sold plus damages in case the object sold has sustained any injury.

Article 391 A sale by auction is constituted when the auctioneer announces its completion by knocking down the hammer or in any other customary manner.

Article 392 The auctioneer shall not bid nor employ any person to bid at any auction conducted by him.

Article 393 Unless the person who has ordered the sale has expressed a contrary intent, the auctioneer has the right to adjudge the lot to the highest bidder.

Article 394 The auctioneer may not announce the completion of the sale, and withdraw

a lot from the auction if he thinks that the highest bid is insufficient.

Article 395 A bid made by a bidder ceases to be binding, when a higher bid is made or when the lot is withdrawn from the auction.

Article 396 The buyer at a sale by auction shall pay the price in cash when the sale by auction constituted or at the time fixed by the notice advertising the sale.

Article 397 If the buyer at a sale by auction fails to pay the price in time, the auctioneer may rescind the contract and resell the thing by auction.
If the price of the second auction does not cover the original price and costs of the resell by auction, the original buyer is liable for the difference.

Section 2 - Exchange

Article 398 The provisions concerning Sale shall apply mutatis mutandis to the case where the parties agree to transfer to one another his rights over property other than money.

Article 399 If one of the parties has agreed to deliver or transfer to the other money in addition to the rights over property specified in the preceding article, the provisions concerning the price of sale shall apply mutatis mutandis to such money.

Section 3 - Current Account

Article 400 Current account is a contract whereby the parties agree that the claim of prestations and obligations arising from transactions between them shall be settled at fixed periods and offset against each other, the balance only being paid.

Article 401 The entry of a bill of exchange, promissory note, check or other negotiable instrument in current account may be cancelled, if such negotiable instrument is not paid by its debtor.

Article 402 In the absence of a specific agreement, the period for striking the balance of a current account shall be six months.

Article 403 Unless otherwise provided by contract, either party may at any time terminate the contract of current account and have the balance struck.

Article 404 The parties may agree that each item in the current account shall bear interest from the date of entry.
Interest may be claimed on the difference from the date the balance was struck

Article 405 Removal or correction of the items of entry in a current account shall not be claimed after one year from the date when the balance was struck.

Section 4 - Gift

Article 406 A gift is a contract whereby the parties agree that one of the parties delivers his property gratuitously to another party and the latter agrees to accept it.

Article 407 (Repealed)

Article 408 So long as the right of the gift has not been transferred to the donee, the donor may revoke the gift. If the thing given has been partially transferred, the donor may revoke the gift for the portion has not been transferred.
The provision of the preceding paragraph shall not apply to gifts notarized or to gifts made for the discharge of a moral obligation.

Article 409 If a gift coming under the provisions of the second paragraph of the preceding article delayed to deliver, the donee may claim the delivery of the thing given, the donee may claim to compensate for the price of the

thing given when the donor is responsible for being unable to perform the payment.
In the case of the preceding paragraph, the donee shall not claim to interest for the default or other injury for such non-performance.

Article 410 The donor is responsible to be unable to perform the payment to the donee only for his intentional acts or gross negligence.

Article 411 The donor is not liable for a defect in the thing or right given. But, if he has intentionally concealed the defect or expressly guaranteed that the thing was free from such defect, he is bound to compensate the donee for any injury arising therefrom.

Article 412 If the gift has been made subject to a charge and the donee does not perform the charge after the gift has been delivered to him, the donor may demand performance or revoke the gift.
If the purpose of the charge is for the public interests, the authorities concerned or public prosecutor may, after the donor died, order the donee to perform it.

Article 413 If the gift is made subject to a charge and it is insufficient to defray the charge, the donee is bound to perform the charge only up to the extent of the value of the gift.

Article 414 When a gift is made subject to a charge, the donor is liable for defects in the thing or right given in the same rule as a seller, up to the extent of the charge executed by the donee.

Article 415 If a gift consists in periodical prestations to be performed by the donor, the obligation has ceased to be effective when either the donor or donee died, unless the donor has expressed a contrary intent.

Article 416 The donor may revoke a gift if the donee has acted towards the donor in any of the following ways:
(1) Committing against the donor, his spouse, his lineal blood relatives, collateral relatives by blood within three generations, or relatives by marriage within two generations an intentional offense expressly punishable under the Penal Code; or
(2) Failing to perform his duty to furnish maintenance to the donor, in case he has such duty.
The right of revocation specified in the preceding paragraph is extinguished by prescription if it is not exercised within one year from the date when the donor knew of the grounds for revocation. The same rule shall be applied if the donor has expressly forgiven the donee.

Article 417 The successor of the donor may revoke the gift if the donee has intentionally and wrongfully caused the death of the donor or prevented the donor from revoking the gift. But their right of revocation will be extinguished by prescription, if it is not exercised within six months from the date when they knew of the said ground for revocation.

Article 418 A donor may refuse performance of a gift, if after the gift has been agreed upon his economic conditions have changed, to such an extent that the performance of the gift would seriously affect his means of livelihood or hinder his duty to furnish maintenance to others.

Article 419 Revocation of a gift shall be made by an expression of intent to the donee.
After the revocation of the gift, the donor may demand to return the gift given in accordance with the provisions concerning Unjust Enrichment.

Article 420 The right of revocation of a gift is extinguished by the death of the donee.

Section 5 - Lease

Article 421 A lease is a contract whereby the parties agree that one of them shall let the other party use a thing or collect profits therefrom and the latter shall pay a rental for it.
The rental specified in the preceding paragraph may consist of money or

	of profits of the thing leased.
Article 422	A lease of real property for a period exceeding one year shall be executed in writing. If it is not so executed in writing, it is deemed to have been made for an indefinite period.
Article 422-1	Leasing a land (station) for building a house, a lessee may demand a lessor to register superficies after a contract constituted.
Article 423	The lessor shall be bound to deliver to the lessee the thing leased in a condition fit for the stipulated use or for the collection of profits as agreed upon. He shall be also liable to keep it up in such a condition as to be fit for such use or collection of profits during the continuance of the lease.
Article 424	In the case of a lease of a house or other place intended for habitation, if the defect is such as to endanger the health or safety of the lessee or of the persons living with him, the lessee may terminate the contract, although he knew of the defects at the time of the contract or has waived his right of terminating the contract.
Article 425	A lease continues to exist to the transferee notwithstanding the lessor transfers the ownership of the thing leased to a third party after the lessor delivered the thing leased and the lessee has possessed such thing. The provisions of preceding paragraph shall not apply to a lease of real property without notarizing, the period exceeding five years or an indefinite period.
Article 425-1	The land and the house on such land belong to one person, he transfers only the ownership of land of the house to the other, or transfers the ownership of land and house simultaneously or in sequence to the different persons, the lease is presumed to be constituted between the transferee of the land or of the house and the person of transferor, or between the transferee of the house and of the land in the duration of the use of the house. The limitation of the period in the first paragraph of Article 449 shall not be applied. In the case specified in the preceding paragraph, if the parties cannot reach an agreement, they may apply to the court to judge.
Article 426	The provisions of article 425 shall be mutatis mutandis applied, when the lessor creates the thing leased with a right in rem, which prevents the lessee from using and collecting the profits of the thing leased.
Article 426-1	Leasing a land (station) for building a house, when the lessee transfers the ownership of the house, the lease of land (station) continues to exist to the transferee of house.
Article 426-2	Leasing a land (station) for building a house, if the lessor sells the station, the lessee is entitled to have a first right to buy it according to the same condition. If the lessee sells the house, the owner of the land (station) is entitled to have a first right to buy it according to the same condition. In the case specified in the paragraph, the seller shall notify the conditions of sale in writing to the person who has a first right to buy it. The person who has a first right to buy it is deemed to give up his right, if he doesn't express his intent to buy it with in ten days after the notice arrived. If the seller doesn't notify the person who has a first right to buy it and registers the ownership of transferring, he shall not against the person who has a first right to buy it.
Article 427	All charges and taxes on the thing leased shall be borne by the lessor.
Article 428	If the thing leased is an animal, the lessee shall bear the cost of provender.
Article 429	Unless otherwise provided by the contract or customs, the lessor shall make all repairs to the thing leased.

The lessee shall not refuse the lessor to do such actions as are necessary for the maintenance of the thing leased.

Article 430 If, for the duration of the lease, the thing leased is necessary for repairing incumbent on the lessor, the lessee may fix a reasonable deadline and notify the lessor to make such repairs. If the lessor fails to make such repairs within the deadline, the lessee may terminate the contract or make the repairs himself with demanding the lessor to return for any expenses incurred therefrom or deducting the said expenses from the rental.

Article 431 If the lessee incurs any beneficial outlays for the thing leased, whereby its value is increased, and if the lessor knows of the circumstances but fails to express a contrary intent, he shall return such expenses to the lessee, upon the termination of the contract, expenses in so far as the value of the thing has been presently increased thereby.
The lessee may remove all the attachments affixed to the thing leased, unless he shall restore the thing leased to its status quo ante.

Article 432 The lessee shall be bound to keep and manage the thing leased with the care of a good administrator. If the thing leased possesses productivity, he shall also be bound to maintain such productivity.
If the lessee violates the duty under the provisions of the preceding paragraph, whereby damage or destruction has been caused to the thing leased, he is bound to compensate for the injury arising therefrom. However, he is not responsible for any damage or change caused to the thing leased through the use of the thing, or through the collection of profits therefrom, in the ways as agreed upon or in the ways as are in accordance with the nature of the thing.

Article 433 The lessee is bound to compensate for damage or destruction to the thing leased, which has been brought about by circumstances for which the persons living with him or any third party, whom he permits to use the thing leased or to collect profits therefrom, shall be responsible to compensate for the injury.

Article 434 If, owing to gross negligence of the lessee, damage or destruction is caused by fire to the thing leased, the lessee is bound to compensate the lessor for such injury.

Article 435 If, in consequence of circumstances for which the lessee is not responsible, the thing leased is partially destroyed for the duration of the lease, the lessee may claim for a reduction of rental proportionate to the part destroyed.
In the case specified in the preceding paragraph, if the lessee cannot with the remaining part accomplish the purpose of the lease, he may terminate it.

Article 436 The provisions of the preceding article shall be mutatis mutandis applied, when the lessee cannot use the thing leased or collect profits therefrom in the agreed use of, whereby a third party claims rights to the thing leased.

Article 437 For the duration of the lease, if the thing leased is necessary for repairing incumbent upon the lessor, or if an equipment becomes necessary for avoiding a danger to the thing, or if a third party claims a right over it, the lessee shall immediately notify the lessor of the occurrence, except the lessor already knew of it.
If the lessee delays giving such notice, and where the lessor owing to the delay could not afford remedy in time, the lessee shall be bound to compensate the lessor for any injury arising therefrom.

Article 438 The lessee shall use the thing leased or collect profits therefrom only in the ways as are agreed upon, or, in the absence of such agreement, only in the ways as are in accordance with the nature of the thing leased.
If the lessee uses the thing leased or collects profits therefrom in a way against the provisions of the preceding paragraph, and if he continues to so use it notwithstanding a remonstrance of the lessor, the

latter may terminate the contract.

Article 439 The lessee shall pay the rental at the agreed date and in the absence of such agreed date, according to customs; and in the absence of such agreement or customs, the rental shall be paid at the termination of the lease. If the rental is paid periodically, it shall be paid upon the end of each of the periods. If there is a season for the collection of profits from the thing leased, the rental shall be paid at the end of such season.

Article 440 If the lessee delays paying the rental, the lessor may fix a reasonable deadline and notify him to pay. If the lessee does not pay within such deadline, the lessor may terminate the lease.
If the thing leased is a house, the lease cannot be terminated so long as the total rental in arrears does not correspond to two months, the provisions of the preceding paragraph shall not be applied. The rental is agreed to pay at the commence of the period, the lessor may terminate the lease only as the rental delays paying more than two months.
Leasing for building a house of a land (station), as the total rental in arrears corresponds to two years, the provisions of preceding paragraph shall be applied.

Article 441 The lessee shall not be released from his obligation to pay his rental by the fact that he is prevented from using the thing leased or from collecting profits therefrom, either wholly or partially, through a cause brought about by himself.

Article 442 In case the thing leased is a real property, either party may apply to the court for an increase or reduction of its rental in proportion to the fluctuation of its value, unless the lease in made for a definite period.

Article 443 The lessee shall not sublet the thing leased to another person without the consent of the lessor. But if the thing leased is a house, the lessee may sublet a part of it to another person, unless otherwise agreed upon a contrary intention.
If the lessee sublets the thing leased to another person against the provisions of the preceding paragraph, the lessor may terminate the lease.

Article 444 If the lessee sublets the thing leased to another person in conformity with the provisions of the preceding article, the lease is still continuous between the lessor and the lessee.
The lessee is bound to compensate for injury arising from circumstances for which the sublessee shall be responsible.

Article 445 The lessor of a real property has for his claim of prestations arising from the lease a right of retention over the movables belonging to the lessee and placed in the real property, thing except those movables which cannot be seized in execution.
In the case of the preceding paragraph, the lessor may compensate himself out of the thing retained only to the extent of those injury he is already entitled to claim for, together with the rental for the present term and for the unpaid past terms.

Article 446 The lessor's right of retention as specified in the preceding article is extinguished by the removal of the things to which it applies by the lessee, unless the removal has taken place without the lessor's knowledge or he has objected to such removal.
If the removal takes place in the performance of the business or in ordinary course of life of the lessee, or if the things remaining on the premises are sufficient to secure the payment of the rental, the lessor shall not object to the removal.

Article 447 The lessor may, even without application to the court, prevent the removal of the things subject to his right of retention, in so far as he is entitled to object to the removal. If the lessee is away from the real property leased, the lessor is entitled to take possession of the things subject to the right of retention.
If the said things have been removed without the knowledge of or in spite

	of the objection of the lessor, the lessor may terminate the lease.
Article 448	The lessee may release the right of retention to exercise by the lessor by furnishing security. He is also entitled to extinguish the right of retention against any individual by furnishing security to the extent proportionate of the value of the thing.
Article 449	The period of a lease shall not exceed twenty years. If a period longer than twenty years, such period is to be reduced to twenty years. The period specified in the preceding paragraph may be renewed by the parties. Leasing a land (station) for building a house, the provisions of the first paragraph shall not be applied.
Article 450	When the lease is made for a definite period, the lease terminates at the end of such period. If no such period has been specified for the termination of the lease, each party may terminate it at any time. However, if customs is in favor of the lessee, such customs shall be followed. To terminate a lease as specified in the preceding paragraph a notice shall be given in advance according to customs, but if the rental of a real property is payable weekly, fortnightly or monthly, termination is effective only at the end of the calendar week, or fortnight, or month, and a notice shall be given at least one week or fortnight or month in advance.
Article 451	If, after the end of the lease, the lessee still continues to use the thing leased or to collect profits therefrom, and the lessor does not immediately express his intent to the contrary, the lease is deemed to be continued for an indefinite period.
Article 452	If the lessee died, his successor may terminate the lease by giving notice in advance according to the provisions of the third paragraph of Article 450, even if the lease was made for a definite period of date.
Article 453	If the lease is made for a definite period and if it is agreed that one of the parties may terminate the lease before its end, a notice of such termination shall be given in advance according to the provisions of the third paragraph of Article 450.
Article 454	If the lease is terminated according to the provisions of the two preceding articles, the lessor shall return the rental which he has received in advance for those terms falling due after such termination.
Article 455	The lessee shall, at the end of the lease, return the thing leased. If the thing leased possesses productivity, he shall return to the lessor and maintain the thing in a state of normal productivity.
Article 456	Claims by the lessor against the lessee for compensation for injury caused to the thing leased, and claims by the lessee for the return of expenses, and his right for the removal of the work done to the thing leased, are extinguished by prescription if it is not exercised within two years. The period as specified in the preceding paragraph commences for the lessor from the date when he accepts the return of the thing leased, and for the lessee from the date of the end of the lease.
Article 457	The lessee of an agricultural land may demand for a reduction or release of the rental, if by reason of force majeure, the profits of the thing leased have decreased or totally failed. The right to demand for a reduction or release of the rental as specified in the preceding paragraph cannot be waived beforehand.
Article 457-1	The lessor of agricultural land cannot receive the rental in advance. The lessor shall not refuse to receive, if the lessee fails to pay whole of the rental in accordance with the period instead of paying a part of the rental.
Article 458	The lessor of an agricultural land may terminate the lease before the end of the period of the lease in either of the following circumstance,

(1) The lessee died without successors or his successors without cultivation ability.
(2) The lessee has not cultivated for the duration more than one year, it is not by the reason of force majeure.
(3) The lessee sublets the whole or a part of the agricultural land leased to other.
(4) The sum of the rental in arrears corresponds to two years.
(5) The agricultural land has arranged according to the act or changed to be a land not for cultivating.

Article 459 The lease of an agricultural land with an indefinite period, the lessor in addition to restore such land for his own cultivation, may terminate the lease only if in the case specified in each paragraph of preceding article or the lessee acts against the provisions of Article 432, or the provisions of the second paragraph of Article 462.

Article 460 Termination of the lease made by the lessor of an agricultural land, the end of the lease shall be after the season when the crops are reaped, and before the beginning of the next cultivation.

Article 460-1 The lessor of an agricultural land sell or dian the agricultural land, the lessee is entitled to have a first right of priority to buy or dian it according to the same condition.
The provisions of the second and third paragraph of Article 426-1 shall apply mutatis mutandis to preceding paragraph of buying or dianing.

Article 461 If the lessee of an agricultural land has incurred expenses of the cultivation of crops which are not yet to be reaped after the termination of the lease, he may demand the return of such expenses from the lessor, however, provided that his claim shall not exceed the value of such crops.

Article 461-1 The lessee of an agricultural land in addition to maintain the original nature and efficiency of the agricultural land, he may raise the production of the agricultural land or improve a handy cultivation. However, he shall notify the entries of improvement and the sum of expense to the lessor in writing.
The lessee may demand the lessor to return the expense specified in the preceding paragraph, when the lessee return the agricultural land. However, the price is limited to the part which hasn't lost its utility.

Article 462 When agricultural implements, livestock, and other accessories are leased together with an agricultural land, an inventory of the same, showing their individual value at the time of the conclusion of the lease, shall be made in duplicate, and signed by the parties. Each party shall keep a copy of it.
If any of the accessories mentioned in the inventory be destroyed through a circumstance for which the lessee is responsible, the lessee is bound to supply substitutes.
Should it be destroyed through a circumstance for which the lessee is not responsible, the lessor is bound to supply substitutes.

Article 463 The lessee of an agricultural land who has received accessories according to an inventory shall return them to the lessor at the end of the lease. If he fails to do so, he shall compensate for their value according to the said inventory, except it shall be deducted from ordinary wear and tear, resulting from their use.

Article 463-1 The provisions of this section shall apply mutatis mutandis to a lease of a right.

Section 6 - Loan

Sub-section 1 Loan for Use

Article 464 A contract of loan for use is a contract whereby one of parties shall deliver a thing to the other, and agrees that the latter shall return the thing after gratuitously using it.

Article 465	(Repealed)
Article 465-1	After an agreement on constituting a contract of a loan for use, the lender of the agreement may revoke such agreement. Unless otherwise the borrower of the agreement has demanded to perform the agreement and the lender of the agreement hasn't revoked immediately.
Article 466	If the lender intentionally conceals a defect in the thing lent, he is responsible to the borrower for any injury resulting therefrom.
Article 467	The borrower shall use the thing lent in the ways as are agreed upon, if in the absence of such agreement, in the ways as are in accordance with the nature of the thing lent. The borrower shall not allow a third party to use the thing lent without the consent of the lender.
Article 468	The borrower shall preserve the thing lent with the care of a good administrator. If the borrower violates the provision of the preceding paragraph whereby damage or destruction has been caused to the thing lent, he is bound to compensate therefrom. However, he is not responsible for any change or damage brought about through use of the thing lent in the ways as are agreed upon or as are in accordance with the nature of the thing.
Article 469	The borrower is bound to bear the ordinary expenses for the maintenance of the thing lent. The same rule shall apply to the cost of provender in the case of a loan of animals. If the borrower incurs any beneficial outlays for the thing lent in consequence of increasing the value of the thing lent, the provisions of the first paragraph of Article 431 shall be mutatis mutandis applied. The borrower may remove any additions to the thing lent which he has made, unless he shall restore the thing lent to its status quo ante.
Article 470	The borrower shall return the thing lent at the end of the agreed period. If no such period is agreed upon, the thing shall be returned after the borrower has made use of it for the purposes of the loan. However, the lender may also demand the return of the thing lent when a reasonable period has elapsed and it may be presumed that the borrower did make use of it. If an indefinite period of a loan and cannot be inferred from the purposes of the loan, the lender may demand the return of the thing lent at any time.
Article 471	When several persons have borrowed a thing together, they are jointly responsible to the lender.
Article 472	The lender may terminate the loan in either of the following circumstances: (1) If he needs the thing lent in consequence of an unforeseen circumstances. (2) If the borrower uses the thing lent otherwise than for the agreed use or for the ordinary uses in accordance with the nature of the thing, or allows a third party to use it without the consent of the lender. (3) If the borrower causes damage or danger of damage to the thing lent by neglecting to take care of it. (4) If the borrower died.
Article 473	A claim for damages by the lender for injury caused to the thing lent, a claim for damages by the borrower in accordance with the provisions of Article 466, a claim for the return of beneficial outlays specified provisions of Article 469 and the borrower's right to remove any addition from the thing lent, are extinguished by prescription if it is not exercised within six months. The period specified under the preceding paragraph commences for the lender from the date when he accepts the return of the thing lent and for the borrowers from the date of the termination of the contract.

Sub-section 2 LOANS FOR CONSUMPTION

Article 474	A contract of loan for consumption is a contract whereby one of the parties shall transfer to the other the ownership of money or other fungible things, and the parties agree that the latter shall return things of the same kind, quality and quantity. If one of the parties is responsibility to the other for the payment of money or other fungible things and the parties agree that it is to be the object of loan for consumption, a contract of loan for consumption is also constituted.
Article 475	(Repealed)
Article 475-1	An agreement on constituting a contract of a loan for consumption, if interest or other remuneration has been agreed upon for a loan for consumption, one of the parties becomes incapability to pay after the agreement on constituting a contract of a loan for consumption constituted, the lender of the agreement may revoke such agreement. An agreement on constituting a contract of a loan for consumption, if without remuneration has been agreed upon for a loan for consumption, the provisions of Article 465-1 shall be mutatis mutandis applied,
Article 476	When interest or other remuneration has been agreed upon for a loan for consumption and if the thing lent is defective, the lender shall exchange it for another free from defect. However, the borrower may still demand for the injury. When the loan for consumption is gratuitous and if the thing lent is defective, the borrower may return to the lender the value which the defective thing had. In the case of the preceding paragraph, the borrower may still demand for the injury if the lender has intentionally concealed the defect.
Article 477	Interest or other remuneration shall be paid within the agreed deadline. If no such deadline has been specified, it shall be paid at the end of the loan; unless, the duration of the loan is for over one year, it shall be paid at the end of each year.
Article 478	The borrower shall return things of the same kind, quality and quantity as lent, within the agreed deadline. If no such deadline for return has been agreed upon, the borrower may return them at any time; the lender may also fix a reasonable deadline, not less than one month later, and notify the borrower to return.
Article 479	If the borrower cannot return things of the same kind, quality and quantity as lent, he shall return their value at the time and place where the return ought to have taken place. If no date or place of return has been agreed upon, such things are returned according to the value of the things at the time when, or place where they were when the contract was constituted.
Article 480	Unless otherwise provided by contract, the following rules shall apply for the return of money loaned: (1) When the money loaned is a currency which is no longer in vogue at the time of return, it shall be returned in a currency which is in vogue at the time of return. (2) A loan which is agreed to be calculated in a currency in vogue shall be returned in a currency in vogue at the time of return, irrespective of the fluctuation in the value of the currency which the borrower may have received. (3) If a loan is agreed to be calculated in a particular kind of currency, it shall be returned in the particular kind of currency or in a currency in vogue according to the market price at the time and place of return.
Article 481	Notwithstanding any agreement to the contrary, if a loan of money is converted from goods or valuable securities, a sum of the loan shall be in accordance with the market value of the goods or valuable securities at the time and place of delivery.

Section 7 - Hire of Services

Article 482	A contract of hire of services is a contract whereby the parties agree that one of them shall service for a fixed or undefined period to the other party, and the latter shall pay remuneration.
Article 483	Remuneration is deemed to have been agreed upon, if according to the circumstances the service is not to take place without remuneration. If the amount of the remuneration is not agreed upon, the remuneration shall be paid according to a tariff. If there is not the tariff, the remuneration shall be paid according to customs.
Article 483-1	The employee performs the services, under circumstances his life, body, health may be endangered, the employer shall prevent by necessary means according to such circumstance.
Article 484	The employer shall not transfer his right of the services to a third party without the consent of the employee, and the employee cannot make a third party perform the services in his place without the consent of the employer. If either party violates the provision of the preceding paragraph, the other party may terminate the contract.
Article 485	If the employee either expressly or impliedly warrants that he has special skill, the employer may terminate the contract if without such skill.
Article 486	The remuneration shall be paid at the agreed deadline, if, in the absence of an agreement, according to customs. In the absence of an agreement and customs, the following rules shall be applied: (1) If the remuneration is fixed by periods, it shall be paid at the end of each period. (2) If the remuneration is not fixed by periods, it shall be paid at the end of the services.
Article 487	If the employer delays accepting the services, the employee may demand for his remuneration without being bound to perform the service subsequently. The employer may, however, deduct from the amount of the remuneration the expenses that the employee has saved by non-performance and what the employee has gained, or could have gained but for his intentional omission, by performing services to other persons.
Article 487-1	When employee performing the services incurs an injury, he may demand to the employer for the injury, if, owing to circumstance for which he is not responsible. If there is someone else who shall be responsible for the injury prescribed in the preceding paragraph, the employer may make a claim against this person for reimbursement.
Article 488	If the duration of hire of services is fixed, the contract of hire of services terminates with the end of that duration. If the duration of hire of services is not fixed or can not be fixed in accordance with the nature or purpose of services, either party may terminate the contract at any time, however, if customs is in favor of the employee, such customs shall be followed.
Article 489	Even though the duration of the hire of services has been agreed upon, either party may, in the event of any serious occurrence, terminate the contract before the end of such duration. If the occurrence as specified in the preceding paragraph be due to the negligence of one of the parties, the other party may demand for the injury from him.

Section 8 - Hire of Work

Article 490	A contract of hire of work is a contract whereby the parties agrees one of them complete a definite work for the other party, who pays him remuneration after the completion of the work. The value of the materials is presumed to be part of remuneration whereby the parties agree that the undertaker provides the materials.

Article 491	Remuneration is deemed to have been agreed upon, if according to the circumstances the completion of the work is not to take place without remuneration. If the amount of the remuneration is not agreed upon, the remuneration shall be paid according to a tariff. If there is no such tariff, the remuneration shall be paid according to customs.
Article 492	The undertaker shall complete the work in such a manner that the result has the agreed qualities and doesn't be affected with defects which destroy or reduce its value or its fitness for ordinary purposes or for the purposes agreed in the contract.
Article 493	If there is any defect in the work, the proprietor may fix a reasonable period and demand the undertaker to repair the defect within such period. If the undertaker fails to repair the defect within the period specified in the preceding paragraph, the proprietor himself may repair the defect and demand to the undertaker for the return of the necessary expenses arising therefrom. If the repair of the defect would require a disproportionate outlay, the undertaker may refuse to repair the defect, and the provisions of the preceding paragraph shall not be applied.
Article 494	When the undertaker fails to repair the defect within the period specified in the first paragraph of the preceding article, or refuses to repair the defect according to the provisions of the third paragraph of the preceding article, or the defect cannot be repaired, the proprietor may rescind the contract or demand a reduction of the remuneration. If, however, the defect is not important, or if the contract is for the construction of a building or other works on land, the proprietor shall not rescind the contract.
Article 495	When the defect of work occurred is due to circumstances for which the undertaker is responsible, the proprietor may demand the injury arising therefrom in addition to the repair of the defect, or the rescission of the contract, or the reduction of the remuneration as specified in the two preceding articles. In the case specified in the preceding paragraph, if the contract is for the construction of a building or other works on land, and the defect is serious so that cannot use for the purpose, the proprietor may rescind the contract
Article 496	If the defect of the work is due to the nature of the materials provided by the proprietor, or to proprietor's instructions, the proprietor does not have the rights under the three preceding articles, unless the undertaker knew of the nature of the materials or of the inappropriate instructions and failed to notify to the proprietor.
Article 497	If it is due to the undertaker's own negligence, in the process of the work, it clearly appears that the work will be defective or other circumstances violates the contract, the proprietor may fix a reasonable period and demand the undertaker to mend the work or to comply with the contract within such period. If the undertaker fails to mend the work or comply with the contract within the period specified in the preceding paragraph, the proprietor may mend the defect or have the work continued by a third party, the undertaker is bound to take the dangers and expenses.
Article 498	The rights of the proprietor as specified in Articles 493 to 495 shall not be asserted if the defects have not been discovered within one year after the delivery of the work. If by reason of the nature of the work, no delivery can take place, the one year period specified as the preceding paragraph commences from the completion of the work.
Article 499	In the case of the construction of a building or other works on land, and of vital repairs to the said building or works, the deadline specified in the preceding article shall be extended to five years.
Article 500	The deadlines specified in Articles 498, and 499 are extended to five

	years and ten years respectively in case of the defects of the work which the undertaker has intentionally concealed.
Article 501	The deadlines specified in Articles 498 and 499 may be extended by agreement between the parties but they shall not be reduced.
Article 501-1	An agreement releasing or limiting the undertaker of his warranty of defects in the work is void if the undertaker has intentionally concealed the defect.
Article 502	If, owing to circumstances for which the undertaker is responsible, the work is completed not within the agreed deadline, or, in the absence of such agreement, or not within a reasonable deadline, the proprietor may demand a reduction in the remuneration or for the injury arising by the delay. In the case specified in the preceding paragraph, if completion or delivery of the work at a fixed deadline is an essential element of the contract, the proprietor may rescind the contract and demand for the injury arising from failing to perform.
Article 503	If, owing to circumstances for which the undertaker is responsible, the work is delayed in such a manner that it can be foreseen that it cannot be completed within the deadline and the delay be such as would have entitled him to rescind the contract after the work is completed, the proprietor may rescind the contract according to the provisions of the second paragraph of preceding article, and demand for the injury.
Article 504	The undertaker is not liable for the consequences of delay, if the proprietor has accepted the work after the delay without reservation.
Article 505	The remuneration shall be paid at the time of delivery of the work, or, if no delivery can take place, shall be paid at the time of its completion. If the work is to be delivered in parts and a separate remuneration has been specified for each separate part, the remuneration for each part shall be paid at the time of its delivery.
Article 506	If, at the time of the making of the contract, only an approximate estimate has been made for remuneration, and if, owing to circumstances for which the proprietor is not responsible, the remuneration will greatly exceed the estimate, the proprietor may rescind the contract either during the execution of the work or after its completion. In the case specified in the preceding paragraph if the contract is for the construction of a building or other works executed on land, or for vital repairs of the said building or works, the proprietor may only demand for a reasonable reduction of the remuneration; or, if the work is not completed, he may notify the undertaker to cease the work and may rescind the contract. When the proprietor rescinds the contract in accordance with the provisions of the two preceding paragraphs, he shall compensate reasonably to the undertaker for the injury.
Article 507	If an action of the proprietor is necessary for the execution of the work and the proprietor fails to do it, the undertaker may fix a reasonable deadline and notify the proprietor to do the action within such deadline. If the proprietor fails to do the action within the deadline specified in the preceding paragraph, the undertaker may rescind the contract, and demand for the injury arising therefrom.
Article 508	The undertaker takes the danger of damage or destruction of the work before its acceptance by the proprietor. If the proprietor delays accepting such work, the danger passes on to him. The undertaker is not responsible for loss or destruction by force majeure of materials provided by the proprietor.
Article 509	If, before the proprietor accepts the work, which is damaged or destroyed, or cannot be completed on account of the defects in the materials provided by him or on account of his inappropriate instructions, and if the undertaker has, immediately, notified the proprietor of such defects or such inappropriate instructions, the

undertaker may demand for a part of the remuneration proportionate to the labor performed, and the return of the expenses paid in advance. The undertaker may also demand for further injury if the proprietor is negligent.

Article 510 In the case of acceptance specified as provisions of the two preceding articles, if the nature of the work, no delivery can take place, the time of completion of the work is deemed to be the time of acceptance.

Article 511 The proprietor may terminate the contract at any time before the completion of the work, however, he shall compensate to the undertaker for any injury resulting from such termination.

Article 512 If the personal skill of the undertaker is an essential element of the contract, the contract terminates when the undertaker died or when without his own negligence he becomes incapable of completing the work agreed upon.
If a part of the work has already done which is useful to the proprietor, he is bound to accept it and to pay a reasonable remuneration for it.

Article 513 When the contract of hire of work is for the construction of a building or other works on land or for vital repairs on such building or works, the undertaker in accordance with the remuneration of the relation of hire of work on the real property of the proprietor upon which the work is done, may demand the proprietor to register a right of mortgage, or may demand to register a right of mortgage in advance to the real property of the proprietor which will be done in the future.
The demand specified in the preceding paragraph, the undertaker may also do it before the work commences.
The register of a right of mortgage specified in the two preceding paragraphs, if the contract of hire of work has been notarized, the undertaker may apply himself.
In the case of the first and second preceding paragraphs, a right of mortgage registered in accordance with the remuneration of repairing, up to the extent of the value of the work increased by repairing, is superior to the mortgage registered earlier.

Article 514 The right of the proprietor to demand for the repair of a defect, or for the return of expenses made for the repair of defect, or for a reduction of the remuneration, or for the injury, or for a rescission of the contract, is extinguished by prescription if it is not exercised within one year from the discovery of the defect.
The right of the undertaker to demand for the injury or to rescind the contract is extinguished by prescription if it is not exercised within one year from the occurrence of the causes on which such demand is based.

Section 8-1 Travel

Article 514-1 A tourist agency is a person who carries on a business of providing a travel service for traveler and receives the expense of the travel.
The travel service specified in the preceding paragraph is to arrange an itinerary, provide communications, provide board and lodging, and a tour guide or other service.

Article 514-2 A tourist agency shall, according to the traveler's request, draw up the following entries in writing to the traveler:
(1)The name and address of a tourist agency;
(2) A roll of traveler;
(3) A travel district and an itinerary;
(4) A tourist agency provides communications, board and lodging, a tour guide or other service and its quality;
(5) What kind of travel insurance and its price;
(6) Other entries;
(7) The date of filling in it.

Article 514-3 If an action of the traveler is necessary for the travel and the traveler fails to do it, the tourist agency may fix a reasonable deadline and notify the traveler to do the action within such deadline.
If the traveler fails to do the action within the deadline specified in

	the preceding paragraph, the tourist agency may rescind the contract, and demand for the injury arising therefrom. After the travel has commenced, if the tourist agency rescind the contract according to the preceding paragraph, the traveler may demand the tourist agency to pay the expense in advance for sending them to the original place where they started off. The traveler shall return it with interest after he arrives.
Article 514-4	Before the travel starts, the traveler may change to the third party instead to join in the travel. The tourist agency shall not refuse without good causes. If the third party is being a traveler according to the provision of the preceding paragraph, and the expense increases resulting therefrom, the tourist agency may demand him to pay. If the expense reduces, the traveler shall not demand to return.
Article 514-5	The tourist agency shall not change the content of the travel without unavoidable circumstances. If the tourist agency changes the content of the travel according to the provision of the preceding paragraph, he shall return the reduction of the expense to the traveler; he cannot gather the increase of the expense to the traveler. If the tourist agency changes the itinerary of the travel according to the provision of the first paragraph, the traveler may terminate the contract if he doesn't consent it. If the traveler terminates the contract according to the provision of the preceding paragraph, he may demand the tourist agency to pay the expense in advance for sending them to the original place where they started off. The traveler shall return it with interest after he arrives.
Article 514-6	The travel service provided by the tourist agency shall have ordinary value and the agreed qualities.
Article 514-7	If the travel service doesn't have the value and quality specified in the preceding paragraph, the traveler may request the tourist agency to improve it. If the tourist service doesn't improve or cannot improve, the traveler may demand for the reduction of the expense, if, under the circumstance it's hard to reach the purpose of expectation, the traveler may terminate the contract. If, owing to circumstances for which the tourist agency is responsible to the travel service lacking the value or quality specified in the preceding paragraph, the travel may in addition to demand for the reduction of the expense or the termination of the contract, may demand for the injury. If the traveler terminates the contract according to the provisions of the preceding two paragraphs, the tourist agency shall send the traveler to the original place where they started off. The tourist agency is bound to pay the expense resulting therefrom.
Article 514-8	If, owing to circumstances for which the tourist agency is responsible to the travel doesn't proceed according to the itinerary agreed, the traveler may demand for the injury of a reasonable sum of money which is counted by day, in accordance with the waste of time. However, the sum of the injury for each day shall not exceed the average sum of each day which the tourist agency has received from the travel outlays.
Article 514-9	Before the travel hasn't been finished, the traveler may terminate the contract at any time. However, he shall compensate to the tourist agency for the injury resulting therefrom. The provision of the fourth paragraph of Article 514-5 shall apply mutatis mutandis to the preceding paragraph.
Article 514-10	If an accident of the body or the property happens to the traveler during the travel, the tourist agency shall give a necessary help and disposition. The accident specified in the preceding paragraph, if, owing to circumstances for which the tourist agency is not responsible, the traveler is bound to pay the expense resulting therefrom.

Article 514-11	If the tourist agency arranges the traveler to go shopping in the specific place, and the thing which he bought is defective, the traveler may request the tourist agency to help him to dispose within one month after he received such thing which he bought.
Article 514-12	The claim for increase, reduction or return of the expense, the claim for compensation for the injury, and the claim for the return of expense paid in advance specified provisions of this section is extinguished by prescription if it is not exercised within one year from the end of the travel or the travel shall end.

Section 9 - Publication

Article 515	A contract for publication is a contract whereby one of the parties agrees to deliver to the other for publication a literary, a scientific, an artistic, or others of the writings, and the latter agrees to print or in other ways to reproduce and publish the said writings. Writing for a publication in a newspaper or a magazine has been published, it is presumed to be constituted the contract for publication.
Article 515-1	The right of publication cedes to the editor when the person ceding the right of publication according to the contract for publication delivers the writing to the editor. The provision of preceding paragraph, the editor's right of publication ceded, is extinguished at the end of the contract for publication.
Article 516	The rights of the author who are entitled to the intellectual property are exercised by the editor, in so far as it is necessary for the legal authority of the execution. The person ceding the right of publication shall warrant that, at the time when the contract is constituted, he has the right of ceding the publication; and, if the writing is protected by law, he shall also warrant that he has its copyright. If the whole or a part of the writing has already been delivered to a third party for publication, or has been publicly published by such third party to the knowledge of the person ceding the right of publication, such person shall inform the editor about it before the conclusion of the contract.
Article 517	So long as the copies which the editor may reproduce and publish are not exhausted, the person ceding the right of publication shall not dispose to the prejudice of the editor of the whole writing or of any part of it, unless otherwise provided by the contract.
Article 518	If the number of editions has not been agreed, the editor may print only one edition. If according to the contract, the editor may publish several editions or to publish the writing indefinitely and he neglects to reproduce a new edition after the last one is exhausted, the court may, on the application of the person ceding the right of publication, order that a new edition be published by the editor within a fixed deadline. Failure by the editor to comply with this order within such deadline his right of publication is deprived.
Article 519	The editor shall not add or shorten or modify the writing. The editor shall reproduce the writing in appropriate form. He shall also make the necessary advertisements and take the ordinary measures to promote the sales of the publication The selling price of the publication is to be fixed by the editor, but it shall not be fixed too high so as to hinder the sale of the publication.
Article 520	The author may correct or revise his writing in so far as it does not harm the interests of the editor, or does not increase his responsibility. However, he shall compensate to the editor for all unexpected expenses resulting therefrom. The editor shall give the author the opportunity to correct or revise the writing, before a new edition is reproduced.
Article 521	Where several writings of one and the same author are delivered to the

editor to be published separately, the editor shall not publish them collectively.
The person ceding the right of edition whereby several writing of the same author or several authors are delivered to the editor to be published collectively, the editor shall not publish them separately.

Article 522 (Repealed)

Article 523 Remuneration is deemed to have been agreed upon, if in accordance with the circumstances the delivery of the writing is not to take place without remuneration.
If the editor has the right to publish several editions, relating to remunerations and other conditions for publishing the subsequent editions are presumed to be the same as the last one.

Article 524 Remuneration shall be paid when the reproduction of the whole writing is completed, if it is to be issued as a whole, or when the reproduction of each part is completed if it is to be issued separately.
When the whole or a part of the remuneration is to be fixed according to the results of the sale, the editor shall pay such remuneration counted by customs and produce proof of his account of sale.

Article 525 When the writing, after having been delivered to the editor, is destroyed by force majeure, the editor is still liable to pay the remuneration.
If the person ceding the right of edition keeps a duplicate copy of the writing destroyed, he is bound to deliver it to the editor; but in case there is no duplicate copy, if the person ceding the right of edition is the author, he shall remake it, if the work does not take much labor.
In the case specified in the preceding paragraph, the person ceding the right of edition may demand for a reasonable compensation.

Article 526 If before publishing, the publication of reproduction completed, the whole or a part of the edition is destroyed by force majeure, the editor may republish at his own expense the part that is destroyed without paying an additional remuneration to the person ceding the right of edition.

Article 527 A contract of publication is extinguished if, before the completion of the writing, the author died or becomes incapable, or it is impossible to have it completed without his own negligence.
In the case specified in the preceding paragraph, if it is possible and fair to continue the whole or part of the contract of publication, the court may allow it to be continued and order the necessary disposition.

Section 10 - Mandate

Article 528 A contract of mandate is a contract whereby the parties agree that one of them commissions the other party to deal with his affairs, and the latter agrees to do so.

Article 529 With regarding to the provisions of Mandate shall apply to any contract concerning the performance of services which does not belong to any kind of other contracts provided for by the act.

Article 530 A person who publicly expresses to take commission to deal with affairs specified is deemed to have accepted a mandate relating to such affairs, if he does not notify offeror immediately to refuse it.

Article 531 If, in order to deal with the affairs commissioned to him, the mandatory has to make juridical acts, which are required by the act to be in writing, giving the power of dealing with the affairs shall also be in writing. If a delegated power is given, the giving of delegated power shall apply the same rule.

Article 532 The scope of the power of the mandatory is agreed by the contract of mandate, or, in the absence of such agreement, according to the nature of the affair commissioned. The principal may give to the mandatory one or several affairs for specific mandate, or he may give a general mandate for all the affairs.

Article 533	The mandatory who has been given a general mandate may do whatever is necessary for the principal, of dealing with the affair commissioned.
Article 534	The mandatory who has a general mandate may do all acts, unless the following acts for which a specific commission shall be given: (1) To sell real property or create a right in rem over it; (2) To lease real property for a period of more than two years; (3) To make a gift; (4) To make a compromise; (5) To bring an action for the satisfaction of a claim; (6) To submit a dispute for arbitration.
Article 535	The mandatory who deals with the affair commissioned, shall be in accordance with the instructions of the principal and with the same care as he would deal with his own affairs. If he has received the remuneration, he shall do so with the care of a good administrator.
Article 536	A mandatory shall not deviate from the instructions of his principal except in cases of urgency, and provided that from the circumstances he can presume that the principal would permit of the deviation, if he had knowledge of the state of affairs.
Article 537	The mandatory shall deal personally with the affairs commissioned. However, if the principal has consented, or customs, or unavoidable circumstances, he may commission a third party instead to deal with the said affairs.
Article 538	If the mandatory has commissioned a third party instead to deal with the affairs which are the object of the mandate contrary to the provisions of the preceding article, he is liable for the acts of such third party in the same way as for his own. If the third party has been commissioned instead to deal with the affairs which are the object of the mandate in accordance with the provisions of the preceding article, the mandatory is liable only for the selection of such third party, and the instructions which he has given to the third party.
Article 539	When a third party has been commissioned instead to deal with the affairs which are the object of the mandate, the principal has a direct right of demand to such third party relating to the execution of the affairs which are the object of the mandate.
Article 540	The mandatory shall inform the principal of the progress of the affairs commissioned. He shall give a definite report of his account at the end of the mandate.
Article 541	The mandatory shall deliver to the principal the moneys, things and profits which he received or collected in consequence of the dealing of the affairs commissioned. The mandatory shall transfer to the principal the rights which he acquires in his own name but on behalf of the principal.
Article 542	If the mandatory has used for his own interests money which he shall have delivered to his principal or to have used in the interests of the principal, he shall pay interest thereon from the date when he used it for his own interests. He shall also compensate for the injury, if any.
Article 543	The principal shall not transfer to a third party the claim of dealing the affairs commissioned without the consent of the mandatory.
Article 544	The mandatory shall be liable to the principal for any injury resulting from his negligence in the execution of the affairs commissioned or from such acts as are beyond his authority.
Article 545	The principal shall, if required by the mandatory, pay him necessary outlays for the dealing of the affairs commissioned.
Article 546	If the mandatory, in the dealing of the affairs commissioned, has incurred necessary outlays, the principal shall return them with interest

from the date when he paid for it.
If the mandatory in the dealing of the affairs commissioned has born a necessary obligation, he may demand the principal to perform such obligation in his place; or if the obligation is not yet matured, he may demand the principal to furnish a proper security for its performance.
If, in the dealing of the affairs commissioned, the mandatory has incurred injury through a circumstance for which he is not responsible, he may demand for the injury from the principal.
If there is someone else who shall be responsible for the injury prescribed in the preceding paragraph, the principal may make a claim against this person for reimbursement.

Article 547 Although remuneration has not been agreed upon, the mandatory may demand for such remuneration by customs, or by the nature of the affairs commissioned which shall pay the remuneration.

Article 548 When the mandatory shall receive remuneration, he shall not demand to pay until the end of the mandate and after the mandatory has given a definite report of his accounts, unless otherwise provided by the contract.
If, owing to circumstances for which the mandatory is not responsible, the mandate has ended before the completion of the dealing of the affairs commissioned, the mandatory may demand for the remuneration for such part he has dealt.

Article 549 Either party to a contract of mandate may terminate it at any time.
One of the parties who terminate the contract of the mandate at a period which is prejudicial to the other party shall pay to the other party for any injury resulting therefrom, unless the termination has to take place by reasons for which the party terminating the contract of the mandate is not responsible.

Article 550 The mandate terminates when one of the parties dies, or bankrupts, or loses his capacity to make juridical acts, unless it is otherwise provided by contract, or unless, from the nature of the affairs commissioned, such mandate cannot be extinguished.

Article 551 In the case specified in the preceding article, when the extinction of the mandate would be prejudicial to the interests of the principal, the mandatory, his successors or his guardian shall continue the dealing of the affairs, until the principal, his successors or his guardian themselves can continue to deal the said affairs.

Article 552 When the causes for the extinction of the mandate arise through one of the parties, the mandate is deemed to continue, until the other party knows or may know of such causes.

Section 11 - Manager And Commercial Agents

Article 553 A manager is a person who has authorized by a firm, to manage the affairs of a firm and to sign on behalf of the said firm.
The authorization of power of the manager under the preceding paragraph may be expressed or implied.
The power of the manager may be limited to the management of a particular line of business of the firm or to the management of a particular branch or several branches of the firm.

Article 554 As regard to third parties, a manager is deemed to have a power to do whatever is necessary for the management of the firm, or branch, or line of business authorized to him.
However, the manager shall not sell or buy or create a right in rem over real property, unless he has been authorized in written form.
The limitation with regard to the buying or selling real property specified in the preceding paragraph shall not apply to a manager of a firm which is on business of buying or selling real property.

Article 555 A manager is deemed to have a power to represent his firm as a plaintiff or defendant, or to do any other acts in actions, for the business authorized.

Article 556 The firm may authorize to several managers, but the joint signatures of two of them are effective to the firm.

Article 557 The limitation to the power of a manager other than those specified in the third paragraph of Article 553, the second paragraph of Article 554, and Article 556, shall not be a valid defense against any bona fide third parties.

Article 558 A commercial agent is a person who, are not a manager, is commissioned by a firm to deal with the whole or a part of the affairs, in the name of the firm, in a specified place or area.
As regard to third parties the commercial agent is deemed to have a power to do whatever is necessary for the affairs which he is commissioned.
A commercial agent shall not bear the duty of the note or loan for consumption or file an action in court, unless he has been authorized in written form.

Article 559 The commercial agent shall inform to his firm of the commercial conditions of his place or district, at any time, concerning the affairs which he is commissioned. He shall report immediately to his firm any transaction which he has made for it.

Article 560 A commercial agent can demand for the remuneration or reimbursement of expenses as agreed upon. If, in the absence of such agreement, according to customs, and in the absence of such agreement or customs, his remuneration shall be proportionate to the importance and volume of the affairs which he has done for his firm.

Article 561 If the duration of the power of the commercial agent is not fixed, either party may terminate it at any time, unless three months notice in advance shall be given to the other party.
One of the parties may also terminate the contract at any time without notice in advance in case the termination has to take place by reasons for which the party terminating the contract is not responsible.

Article 562 A manager or commercial agent shall not without the consent of his firm enter on his own account or on account of third parties into any business of the same kind as that which he is commissioned for his firm, nor can he be a partner with unlimited liability in a commercial firm which carries on the same kind of business.

Article 563 If an action of a manager or commercial agent violates the provisions specified in the preceding article, his firm may demand from him, as the injury, the profits resulting from his act.
The right to claim under the preceding paragraph is extinguished by prescription if it is not exercised within two months from the time when the firm knew of the violation or within one year from the date of the act.

Article 564 The power of a manager or commercial agent is not extinguished, when the owner of the firm dies, bankrupts or loses his capacity to make juridical acts.

Section 12 - Brokerage

Article 565 A contract of brokerage is a contract whereby one of the parties agrees to inform the other party of the occasion to constitute a contract, or to act as intermediary for the conclusion of a contract, and such other party agrees to pay him remuneration.

Article 566 Remuneration is deemed to have been agreed upon, if from the circumstances the broker is not to apply the information for the conclusion of the contract or to act as an intermediary for it without remuneration.
If the amount of the remuneration is not specified, it shall be paid according to the tariff. If there is not a tariff, the remuneration shall be paid according to custom.

Article 567 The broker is bound to accurately to each party report the circumstances

of the proposed transaction, so far as he knows them. He shall not act as intermediary for a person who is notoriously insolvent or whom he knows to have no capacity to enter into the proposed contract.
A business broker has duty of investigation about the circumstances of the proposed transaction and the solvency or capacity of each party to enter into the proposed contract.

Article 568 The broker is entitled to his remuneration only if the contract is constituted through his intermediary or due to the information supplied by him.
When the contract is constituted under a suspenseful condition, the broker shall not claim the remuneration until the condition is fulfilled.

Article 569 The broker is entitled to claim reimbursement for expenses incurred by him only if such reimbursement has been agreed upon.
The provisions of the preceding paragraph shall be applied even if no contract is constituted after the broker has supplied the information or acted as an intermediary.

Article 570 Unless otherwise provided for by contract or by custom, each party to the contract shall bear an equal part of the remuneration to which the broker is entitled for having acted as intermediary.

Article 571 The broker forfeits his rights to remuneration and to reimbursement of expenses if he acts in the interest of the other party contrary to his obligations to the principal, or if he accepts from such other party advantages under such circumstances as violating the rules of good faith.

Article 572 If the agreed remuneration is not proportionate to the actual value of the services rendered by the broker to such an extent that unfairness of the transaction appears, the court may at its discretion, on the application of the person who is responsible for the remuneration, reduce it to a reasonable amount. But no claim shall be made for the return of the remuneration already paid.

Article 573 An agreement promising remuneration for matrimonial brokerage, the claim of remuneration is not enforceable.

Article 574 A broker has no authority to make or to receive on behalf of the parties prestations concerning the contract entered into through his intermediary.

Article 575 The broker is bound, if so instructed by one of the parties, not to disclose the name of such party or of such party's firm to the other party in the contract.
When the broker does not disclose to one of the parties the name of the other party or of the other party's firm, he is personally liable for the performance of the obligations of such other party resulting from the contract and he has authority to receive prestations on behalf on such party.

Section 13 - Commission Agency

Article 576 A commission agent is a person who undertakes, as a business, to buy or sell the personal property or deal any other commercial transaction in his own name but on account of a principal, for a remuneration.

Article 577 In addition to the provisions contained in the present title, the provisions concerning Mandate shall apply to the Commission Agency as well.

Article 578 The commission agent personally acquires rights against and incurs obligations towards the parties with whom he transacts business on account of the principal.

Article 579 Unless otherwise provided by the contract or by the custom, if the other party to a contract, which a commission agent made on behalf of a principal, does not perform his obligations, the commission agent is directly liable to the principal for the performance of the contract.

Article 580 When a commission agent has made a sale for a lower price or has made a purchase for a higher price than that specified by the principal, he shall compensate the difference, of the sale or purchase.

Article 581 If the commission agent constitutes a sale for a higher price, or constitutes a purchase for a lower price than that specified by the principal, the benefit shall belong to the principal.

Article 582 The commission agent is entitled to such remuneration, storage charges and transportation charges as are specified in the contract, or as are customary. He is also entitled to reimbursement of the expenses plus interests which he makes in the interests of the principal.

Article 583 So long as the things bought or sold by the commission agent on account of the principal are in the possession of the commission agent, the rules concerning Deposit shall be applied.
The commission agent is not bound to insure the things mentioned in the preceding paragraph, unless he has been otherwise instructed by the principal.

Article 584 If goods entrusted to a commission agent for sale is arrived in a defective condition, or if owing to their perishable nature, the commission agent is bound to take, for the protection of the interests of the principal, such steps as he would take for the protection of his own interest.

Article 585 If the principal refuses to accept the goods bought by the commission agent under orders of the principal, the commission agent may fix a reasonable deadline and notify the principal to accept within such deadline. If the principal fails to accept the goods within such deadline, the commission agent may sell them by auction and appropriate the proceeds of the sale up to the amount due to him by the principal by reason of the contract of commission. The balance, if any, may be lodged.
Goods that are easy to corrupt may be sold without notice.

Article 586 If goods entrusted to a commission agent for sale could not be sold, or if the order to sell has been revoked by the principal, and the principal fails to take back the goods or to dispose of them within a reasonable time, the commission agent may exercise his rights in conformity with the provisions of the preceding article.

Article 587 Unless there is an agreement to the contrary, the commission agent who has been ordered to buy or sell currency, stocks or things which have a market quotation may himself be the seller or buyer, the price being determined in accordance with the market quotation at the time of the sale or purchase made in conformity with the orders of the principal.
The commission agent is entitled to exercise his claims specified in Article 582 even in the case specified in the preceding paragraph.

Article 588 In cases where the commission agent is entitled to be himself the seller or buyer, if he notifies the principal of the conclusion of the contract without disclosing the name of other party, he is deemed to have assumed personally the obligations of such other party.

Section 14 - Deposit

Article 589 A contract of deposit is a contract whereby one of the parties delivers a thing to the other party, who agrees to keep it in his custody.
The depositary is not entitled to remuneration unless otherwise provided for by contract or unless according to the circumstances the keeping into custody is not to be assumed without remuneration.

Article 590 The depositary is bound to take as much care of the thing deposited as he takes of his own things. If the deposit is undertaken for remuneration, the depositary is bound to keep the thing in his custody with the care of a good administrator.

Article 591 The depositary may not use the thing deposited or allow a third party to use it without the consent of the depositor.

	The depositary, who acts contrary to the provisions of the preceding paragraph, shall pay a reasonable compensation to the depositor. He is also liable for damages, if any, except he can prove that the injury would have occurred even if the thing had not been used.
Article 592	The depositary shall personally keep the thing deposited. He may, however, entrust its custody to a third party if he is allowed to do so by the depositor, or by custom, or in case of unavoidable circumstances.
Article 593	The depositary who entrusts the custody of the thing deposited to a third party contrary to the provisions of the preceding article is liable for any injury thereby caused to the thing deposited, except he can prove that the injury would have happened even if the thing deposited had not been entrusted to such third party. The depositary who entrusts the custody of the thing deposited to a third party in conformity with the provisions of the preceding article is liable only for the selection of such third party and for the instructions which he has given to the said third party.
Article 594	The depositary may not change the method of custody which has been agreed upon, except in case of urgency when he may assume that the depositor would approve of the change if he knew of the state of affairs.
Article 595	The depositor is bound to reimburse the depositary for expenses which were necessary for the preservation or maintenance of the thing deposited, and is also bound to pay the interests of the expenses. But if it is otherwise agreed upon, such an agreement shall be applied.
Article 596	The depositor is liable for any injury caused to the depositary and resulting from the nature of defects of the thing deposited, except at the time of deposit he did not know of the defect or the dangerous character of the thing and his ignorance was of no negligence, or except the depositary knew of them.
Article 597	Although the parties have fixed a deadline for the return of the thing deposited, the depositor may still at any time demand the return of it.
Article 598	If the parties have fixed no deadline for the return of the thing deposited, the depositary may return it at any time. If a deadline has been fixed, depositary shall not return the thing deposited before the expiration of that period, except in a case of unavoidable circumstances.
Article 599	The depositary is bound to return together with the thing deposited and any profits which may have accrued from it.
Article 600	The return of the thing deposited shall be made at the place where the thing was to be kept. If the depositary has removed the thing to another place in accordance with the provisions of Article 592 or 594, the return may be made at the place where the thing actually is.
Article 601	If a remuneration has been agreed upon, it is payable at the termination of the deposit. If the remuneration is fixed by periods, it is payable at the end of each period. If the custody of the thing deposited be suspended owing to a circumstance for which the depositary is not liable, the depositary may claim a portion of the remuneration proportionate to his services rendered, unless otherwise provided for by contract.
Article 601-1	The depositary is bound to return the thing deposited to the depositor, notwithstanding any claim of a third party who asserts a right over it, unless such person files an action against the depositary or attaches the thing. In the case of an attachment or action by such third party, the depositary shall inform the depositor without delay.
Article 601-2	Claims for remuneration, reimbursement of expenses or the injury relating to a contract of deposit are extinguished by prescription, if not exercised within one year from the date of the termination of the

	deposit.
Article 602	In the case of a deposit of fungible things, if it is agreed that the ownership of such things transfers to the depositary, and that the depositary shall return things of the same kind, quality and quantity, is consumption deposit. The provisions concerning Loans for Consumption shall be mutatis mutandis applied from the moment when the things were accepted by the depositary. Consumption deposit, if a period has been fixed for the return of the thing deposited, the depositor shall not claim the return of the thing before the expiration of that period, except in case of unavoidable circumstances. If there are commercial customs rules, the preceding paragraph shall not be applied.
Article 603	If the deposit is one of money, it is presumed to be the consumption deposit.
Article 603-1	In the case of a deposit of fungible things, if it is not agreed that the ownership of such things transfers to the depositary with the consent of depositor, the depositary may keep things of the same kind, quality and quantity which are belonged to depositor mixed with the other things from him and other depositors, every depositor gets the ownership in accordance with the percentage of the things mixed together. The depositary keeps the things by the preceding paragraph, may return things of the same kind, quality and quantity to depositor.
Article 604	(Repealed)
Article 605	(Repealed)
Article 606	The proprietor of a hotel or such other place where guests are received for lodging is liable for any damage or loss of to the things which a guest has brought with him, except the damage was caused by force majeure, or resulted from the nature of the thing, or due to the intentional or negligent acts of the guest himself or of his fellow guests or of the servants of the guest or of persons whom the guest has received.
Article 607	The proprietor of a restaurant or a bathhouse or the other similar places, is liable for any damage or loss of to the ordinary things which the guest has brought with him, except in the cases provided for in the exception of the preceding article.
Article 608	The proprietor is not liable for money, valuable securities, jewelries or other valuables, unless they have been deposited with the proprietor with a specification of their nature and quantity. The proprietor is liable for the loss or injury of the article specified in the preceding article, which he has refused without justifiable cause to receive into safe custody. The same rule shall be applied when the damage or loss is caused through the intentional or negligent acts of the proprietor himself or his agents.
Article 609	A notice, which excludes or limits the liability of the proprietor provided for in the three preceding articles, is void.
Article 610	The guest shall give notice to the proprietor of the damage or loss immediately after knowledge of the same. If he delays giving such notice, he forfeits his right to claim for the injury.
Article 611	The right to claim for damages arising from the provisions of Articles 606 to 608, is extinguished by prescription if not exercised within six months from the date of the discovery of the lose or damage. The same rule shall be applied when six months have elapsed from the departure of the guest.
Article 612	The proprietor is entitled to retain the luggage or other property of the guest, until he has been paid the whole of what the guest may owe him in respect to lodging, food, shower or the other services and disbursements.

The provisions of Article 445 to Article 448 shall apply mutatis mutandis to the right of retention of the preceding paragraph.

Section 15 - Warehousing

Article 613 A Warehouseman is a person who undertakes, as a business, the storage and custody of goods for other persons for remuneration.

Article 614 In addition to the provisions of the present title, the provisions concerning Deposit shall apply mutatis mutandis to Warehousing.

Article 615 After the warehouseman received the goods and was required by the depositor shall make out and deliver to the depositor a receipt of warehousing.

Article 616 The receipt of warehousing shall contain the following particulars and be signed by the warehouseman:
(1) The name and address of the depositor;
(2) The place of storage;
(3) The kind of goods stored, their quality and quantity and the kind, number and marking of the packages;
(4) The place where and the date when the receipt of warehousing is made out.
(5) The period for which the goods are stored, if that has been fixed;
(6) The remuneration for storage;
(7) If the goods stored are insured, the amount of the insurance, the deadline for which the goods are insured and the name of the insurer.
The warehouseman shall enter the same particular mentioned above in the carbon copy of the warehouse register.

Article 617 The holder of the receipt of warehousing may require the warehouseman to divide the goods stored and to issue to him a separate receipt for each part, provided that the holder shall return the original receipt of warehousing to the warehouseman.
The expenses for such divisions and for the issuance of the new receipt of warehousing specified under the preceding paragraph shall be borne by the holder.

Article 618 The transfer of ownership of the goods entered in a receipt of warehousing is not effective unless the receipt has been endorsed by the owner of the goods with the counter-signature of the warehouseman.

Article 618-1 When the receipt of warehousing has been lost, stolen or destroyed, the holder of the receipt may, after the commencement of the proceedings by public summons, furnish proper security to the warehouseman and require for the re-issuance of a new receipt.

Article 619 The warehouseman shall not request the depositor to remove the goods before the expiration of the time agreed upon for the storage.
If no time has been agreed upon for the storage, the warehouseman may, after six months have elapsed from the commencement of the custody, request at any time, the removal of the goods, provided that one month's previous notice is given to the depositor.

Article 620 The warehouseman is bound, on the request of the depositor or of the holder of the receipt of warehousing, to allow them to inspect the goods deposited or to take samples, or the other necessary conducts for preservation.

Article 621 If, at the termination of the contract of warehousing, the depositor or holder of the receipt refuses or is unable to remove the goods deposited, the warehouseman may fix a reasonable deadline and request the depositor to remove the goods within such deadline. If the goods are not removed within such deadline, the warehouseman may sell them by auction, and deduct from the proceeds of the sale the expenses of the auction and the storage charges, and the balance, if any, shall be delivered to the person entitled thereto.

Section 16 -Carriage

Sub-section 1 General Provision

Article 622	A carrier is a person who undertakes as a business to transport goods or passengers for freight.
Article 623	Claims for damages for loss, damage or delay in the transportation of goods are extinguished by prescription if not exercised within one year from the date of the ending of the transportation, or from the date when the ending of the transportation ought to have taken place. Claims for damages for injury or delay in the transportation of passengers are extinguished by prescription if not exercised within two years from the date of the ending of the transportation, or from the date when the ending of the transportation ought to have taken place.

Sub-section 2 Carriage Of Goods

Article 624	If required by the carrier, the sender shall make and issue to him a bill of transportation. A bill of transportation shall contain the following particulars and be signed by the sender: (1) The name and address of the sender; (2) The kind of goods sent, their quality and quantity, and the kind, number and marking of the packages; (3) The place of destination; (4) The name and address of the consignee; (5) The place where and the time when the bill of transportation is made out.
Article 625	If required by the sender, the carrier shall make and issue to him a bill of lading after receiving the goods of delivery. The bill of lading shall contain the following particulars and be signed by the carrier: (1) Those mentioned in section 1, 2, 3, and 4 or the preceding article. (2) The amount of freight, and whether it is paid by the sender or is to be paid by the consignee. (3) The place where and the time when the bill of lading is made out.
Article 626	The sender shall supply the carrier with the documents which are necessary for the transport of the goods or required by the tax officials and police authorities, and furnish the necessary information to that effect.
Article 627	When a bill of lading has been supplied to the sender the facts concerning the carriage as between the carrier and the holder of the bill are determined by the tenor of the bill of lading.
Article 628	Even though a bill of lading has been made out to a named consignee, it may be transferred by endorsement to another person, except endorsement is forbidden in the bill.
Article 629	The delivery of the bill of lading to a person entitled to accepting the goods has the same effect, as regards the transfer of the ownership of the goods, as delivery of the goods themselves.
Article 629-1	The provisions of Article 618-1 shall apply to the bill of lading.
Article 630	The consignee shall, on his requesting the delivery of goods, surrender the bill of lading.
Article 631	If the goods are of such a nature as are likely to cause injury to persons or property, the sender shall declare their nature to the carrier before making the contract of carriage, failing which he shall be liable to make compensation for any injury caused thereby.
Article 632	The goods shall be transported within the agreed time; in the absence of such agreement, custom shall rule; and in the absence of such agreement or custom, transportation shall be done within a reasonable time. In determining what a reasonable time is as mentioned in the preceding

	paragraph, the circumstances of each particular case shall be taken into consideration.
Article 633	The carrier is not entitled to deviate from the instructions of the sender except in case of urgency, and provided that from the circumstances he can assume that the sender would approve of the deviation if he had knowledge of the state of affairs.
Article 634	The carrier is liable for any loss, damage or delay in the delivery of the goods entrusted to him, except he can prove that the loss, damage or delay is due to force majeure, or to the nature of the goods, or to the negligence of the sender or of the consignee.
Article 635	The carrier is liable for loss or damage due to apparent defects in packing, if he has accepted the goods for transportation without reservation.
Article 636	(Repealed)
Article 637	If the goods were transported by several successive carriers, each of them as are unable to prove that they have no liability under the Article 635 are jointly liable for the loss, damage or delay.
Article 638	In the case of loss, damage or delay, the damages shall be fixed in accordance with the value which the goods would have had at the destination and the time when delivery was due. The freight and other expenses which need not be paid in consequence of the loss of or damage to the goods transported shall be deducted from the amount of damages specified in the preceding paragraph. If the loss, damage or delay is due to the intentional acts or gross negligence of the carrier, the sender may also claim for other injuries, if any.
Article 639	The carrier is not liable for the loss or damage of the moneys, valuable securities, jewelries or such other valuables, unless he is given notice of the nature and value of such goods when they are entrusted to him. If their value is declared the liability of the carrier is limited to such declared value.
Article 640	Injuries in the case of delay in delivery shall not exceed the amount which could be claimed in case of the total loss of the goods.
Article 641	In the cases of Articles 633, 650 and 651 and in other cases which may prevent or delay the transportation, or impair the safety of the goods, the carrier shall exercise necessary care and measures. If he fails to take such care and measures as specified in the preceding paragraph, he is liable for any injury resulting therefrom.
Article 642	As long as the carrier has not notified the consignee of the arrival of the goods, or the consignee after their arrival has not asked for their delivery, the sender, or, if a bill of lading has been made, the holder of the bill of lading may require the carrier to stop the transportation and to return the goods, or to make any other disposition of them. In the case provided for in the preceding paragraph, the carrier is entitled to the freight in proportion to the transportation already performed and to all expenses occasioned by the stoppage, return or other disposition of the goods, and to reasonable damages.
Article 643	The carrier shall notify the consignee as soon as the goods arrive.
Article 644	After the goods have arrived at the destination, and the consignee has demanded delivery, the consignee acquires the rights of the sender arising from the contract of carriage.
Article 645	The carrier is not entitled to the freight of goods which arc lost by force majeure during transportation. Whatever has been received for that purpose shall be returned.
Article 646	If the carrier delivers the goods before payment of freight and other

expenses, he remains liable to the preceding carriers for such part of the freight and other expenses as may still be due to them.

Article 647 The carrier is entitled to retain such portion of the goods as may be necessary to secure payment of freight and other expenses.
If the amount of the freight and other expenses be disputed, the consignee is entitled to ask for the delivery of the goods on lodging the amount in dispute.

Article 648 The liability of the carrier ceases when the consignee has, without reservation, accepted the goods and paid the freight and other expenses. But this does not apply in the case of loss of or damage to the goods not easily discoverable, provided that notice of such loss or damage is given to the carrier within ten days after the goods accepted by the consignee.
When the loss or damage has been fraudulently concealed by the carrier, or is due to the carrier's intentional acts or gross negligence, the carrier shall not take advantage of the two preceding paragraphs.

Article 649 A statement in the bill of lading or other such document delivered by the carrier to the sender excluding or limiting the liability of the carrier is ineffective, unless it is proved that the sender has expressly agreed to such exclusion or limitation of liability.

Article 650 If the consignee cannot be found, or he delays to take delivery of the goods or there are other difficulties of delivery, the carrier shall immediately notify the sender thereof and ask for his instructions.
If the instructions of the sender are not made or are impracticable, or if the carrier cannot keep the goods any longer in his custody, the carrier may deposit the goods in a warehouse at the expense of the sender.
If circumstances are such that deposit in a warehouse is impossible, or if the goods are of a nature of easy to corrupt, or if it is obvious that their value will not be sufficient to cover the freight and other expenses, the carrier may sell the goods by auction.
So far as is practicable, the carrier shall notify the sender and the consignee of the fact of the deposit in the warehouse or of the sale by auction.

Article 651 The provisions of the preceding article shall apply, when delay of delivery is due to an action as to who is entitled to take delivery of the goods.

Article 652 The carrier shall, after deducting from the proceeds of the auction the costs of auction, the freight and other expenses, deliver the remaining to the person entitled to it, or, if such person cannot be found, lodge it for such person's benefit.

Article 653 If the goods were transported by several successive carriers, the last of them may exercise the rights described in Articles 647, 650 and 652 for the amounts due to them all for freight and other expenses.

Sub-section 3 Carriage Of Passengers

Article 654 The carrier of passengers shall be liable for any injury suffered by the passenger in consequence of the transportation, and for the delay in the transportation, except the injury or the delay is due to the negligence of such passenger or the injury is due to force majeure.
If the delay of the transportation is due to force majeure, unless otherwise provided by the trade custom, the liability of the carrier of passengers shall be limited to the increased necessary expenses paid by the passenger due to the delay of the transportation.

Article 655 Luggage entrusted to the carrier in time shall be delivered on the arrival of the passenger.

Article 656 If the passenger does not take delivery of the luggage within one month after its arrival within the reasonable deadline the carrier may ask the passenger bring back, or after the deadline, the carrier may sell it by auction. If the passengers could not be found, the carrier may sell it by

auction without notice.
If the luggage is of a nature that is easy to corrupt, the carrier may sell it by auction twenty-four hours after its arrival.
The provisions of Article 652 shall apply mutatis mutandis to the cases provided for the two preceding paragraphs.

Article 657 Unless otherwise provided for under this part, the rights and obligation of the carrier for the luggage, which the passenger has entrusted to him, are governed by the provisions concerning Carriage of Goods, even though the carrier did not make a separate charge for it.

Article 658 The carrier is liable for the loss or damage of the luggage caused by his own negligence or that of his employees, even if such luggage has not been entrusted to him by the passenger.

Article 659 A statement in a ticket, receipt or other document delivered by the carrier to the passenger, excluding or limiting the liability of the carrier, is ineffective, unless it can be proved that the passenger expressly agreed to such exclusion or limitation of liability.

Section 17 - Forwarding Agency

Article 660 A forwarding agent is a person, who undertakes, as a business, to forward goods through carriers in his own name but on account of other persons, for remuneration.
Unless otherwise provided in this Section, the provisions concerning Commission Agents shall apply mutatis mutandis to Forwarding Agency.

Article 661 The forwarding agent is liable for any loss, damage or delay in the delivery of the goods entrusted to him, except he can prove that he has not failed to exercise due care in the reception and custody of the goods, in the selection of the carrier, in the delivery at the destination and in all other matters connected with the transportation.

Article 662 The forwarding agent is entitled to retain such portion of the goods, as may be necessary to secure payment of his remuneration and disbursements.

Article 663 Unless otherwise provided for by contract, the forwarding agent may himself assume the transportation of the goods, in which case he has the same rights and obligations as a carrier.

Article 664 If a fixed price for the whole of the transportation has been agreed upon, or if the forwarding agent has himself delivered to the sender a bill of lading, the forwarding agent is deemed to have himself assumed the transportation of the goods, in which case he is not entitled to remuneration.

Article 665 The provisions of Articles 631, 635, 638, 639 and 640 shall apply mutatis mutandis to Forwarding Agency.

Article 666 Claims against a forwarding agent for loss, damage or delay in the transportation are extinguished by prescription if not exercised within one year from the date of the delivery of the goods or from the date when such delivery ought to have taken place.

Section 18 - Partnership

Article 667 Partnership is a contract whereby two or more persons agree to put contributions in common for a collective enterprise.
The contribution may consist of money or other rights over property or of services, credit or other interests.
A contribution other than money shall be assessed at the value of the contribution. If it is not assessed, the average value of the contribution of the other partners is deemed to be the value of the contribution.

Article 668 The contributions of the partners and all other properties of the partnership are held in common by all the partners.

Article 669	Unless otherwise agreed upon by the partners, a partner is not bound to provide an increase of the contribution which has been agreed upon, nor, if his contribution has been reduced by losses, to make good such losses.
Article 670	The resolutions of the partnership ought to be made by the unanimous consent of all the partners. The resolutions of the preceding paragraph when are agreed upon by all the partners or some of the members, should be followed by the agreement, except the affairs of partnership contract or the change of business entity shall be agreed by the numbers more than two thirds of the partners.
Article 671	Unless otherwise provided for by contract or by resolutions, the affairs of the partnership shall be managed by all the partners in common. When it is agreed upon or by resolutions that the affairs of the partnership shall be managed by some of the members only, the affairs of the partnership shall be managed in common by the said members of the partnership. The ordinary affairs of the partnership may be managed individually by each partner who has the right of management, but, in such a case, every partner who has the right of management may oppose the action of any other partner. In a case of opposition, the dealing of the affair shall be stopped.
Article 672	A Partner who deals the affairs of the partnership shall exercise such care as he would deal with his own affairs, who gets the remuneration should do so with a care of a good administrator...
Article 673	Concerning resolutions of partnership, each partner entitled to vote is presumed to have one vote only, irrespective of the amount of his contribution.
Article 674	When one or several partners in the partnership, by agreement or by resolutions manage the affairs of the partnership, they shall not resign or be removed by the other partners except for a good cause. Removal of a managing partner, as specified in the preceding paragraph, may take place only by the unanimous consent of all the other partners.
Article 675	Notwithstanding any stipulation to the contrary, a partner who has no right of management, is entitled to enquire at any time into the affairs of the partnership and its financial situation, and to examine its books.
Article 676	Unless otherwise provided for by contract, the accounts of a partnership shall be settled and its profits be distributed at the end of each business year.
Article 677	If the shares of the partners in the profits and losses are not specified, they are fixed in proportion to the value of the contribution of each partner. If only the share in profits or the share in losses is specified, the proportion is deemed to be applicable to both profits and losses. Unless otherwise provided for by contract, a member who contributed only his services does not share in the losses.
Article 678	A partner is entitled to the reimbursement of the expenses which he has made for dealing the affairs of the partnership. Unless otherwise provided for by contract, he is not entitled to remuneration for dealing the affairs of the partnership.
Article 679	A partner, who by agreements or by resolutions deals the affairs of the partnership, represents the other partners towards third parties, in so far as he deals such affairs within his authority of tenor of Mandate.
Article 680	The provisions of Articles 537 to 546 concerning Mandate shall apply mutatis mutandis to the dealing of the affairs of the partnership by its partners.
Article 681	If the assets of the partnership are not sufficient to cover the liabilities, the partners are jointly liable for the deficit.

Article 682	A partner is not entitled to demand the partition of the assets, until the liquidation of the partnership takes place. A debtor of the partnership who has a claim against one of the partners shall not offset it against a claim of the partnership against him.
Article 683	A partner shall not transfer his share in the partnership to a third party, except it be to another partner.
Article 684	So long as the partnership continues, a personal creditor of a partner shall not be subrogated in any of the rights of such partner against the partnership, except claims for dividends.
Article 685	A creditor of a partner may apply for attachment against the share of such partner. Within two months of the attachment under the preceding paragraph, if the partner could not perform or furnish proper security, the attachment functions to the effect for withdrawal of the partnership for that partner.
Article 686	If no period has been fixed for the duration of the partnership, or if the partnership has been formed for the lifetime of any of its partners, each partner may withdraw from it, provided that the other partners have been notified two months beforehand. The withdrawal as specified in the preceding paragraph shall not take place at a time when withdrawal would be prejudicial to the affairs of the partnership. Even if a period has been fixed for the duration of the partnership, a member may give notice of withdrawal for vital reasons due to circumstances for which he is not responsible, notwithstanding the preceding two paragraphs.
Article 687	In addition to the cases provided for in the preceding two articles, withdrawal of a partner takes place in any of the following: (1) A partner’s death. Except that when stated in a contract that the partner’s heirs may inherent his/her rights; (2) A partner is declared bankrupt or is subject to the order of the commencement of guardianship; (3) A partner is dismissed from his duty.
Article 688	Exclusion of a partner may only take place for a good cause. The exclusion as specified in the preceding paragraph may be made only by the unanimous consent of the other members, and a notice of the fact shall be served on the excluded partner.
Article 689	The settlement of the accounts between the withdrawing partner and the other partners shall be made on the basis of the financial situation of the partnership at the time of withdrawal. The share of the withdrawing member may be repaid in money, irrespective of the nature of his contribution. In regard to those affairs of the partnership not yet concluded at the time of withdrawal, accounts may be settled and profits and losses be distributed after the conclusion of such affairs.
Article 690	A person who has withdrawn from a partnership continues to be liable in respect of the obligations incurred before his withdrawal.
Article 691	No person may be introduced as a partner in a partnership that already exists, except by the unanimous consent of all the partners. A person who becomes a partner of such a partnership is liable in the same way as the other partners for all the obligations incurred prior to his entering it.
Article 692	A partnership is dissolved in any of the following cases: (1) When the duration of the partnership agreed upon has expired; (2) When the partners unanimously decide to dissolve it; (3) When the undertaking which forms its object is accomplished, or when it is impossible to accomplish it.
Article 693	If, after the ending of the duration of the partnership, the partners

continue its affairs, the partnership contract is deemed to continue for an indefinite period of time.

Article 694 After dissolution of a partnership, the liquidation of its affairs is carried out either by all the partners jointly, or by liquidators appointed by them for that purpose.
The decision appointing the aforesaid liquidators shall be made by a majority vote of all the partners.

Article 695 When there are several persons acting as liquidators, the decisions concerning the liquidation shall be made by a majority vote.

Article 696 In case one or more liquidators are appointed by the partnership contract from the partners, the provisions of Article 674 shall be applied.

Article 697 The assets of the partnership shall be first used for the payment of its debts. If a debt has not yet matured or is the subject of litigation, the amount necessary for the performance of such debt shall be taken out from the assets of the partnership, and be reserved.
After all the debts have been paid or the necessary amounts for the same have been taken out in accordance with the preceding paragraph, the contributions of the partners shall be returned in money or the other property from the remaining assets.
The reimbursement of contributions of non-money shall return in the same value of property like the moment of contributions.
For the performance of the debts and the return of the contributions, the property of the partnership shall, as far as necessary, be converted into money.

Article 698 If the assets of the partnership are not sufficient for reimbursing the contributions, the reimbursement shall be made pro rata, in proportion to the respective value of each contribution.

Article 699 If there is a balance of assets remaining, after the payment of the debts and the return of contributions, it shall be divided among the partners, in the proportion in which they are entitled to the profits.

Section 19 - Sleeping Partnership

Article 700 A contract of sleeping partnership is a contract whereby one of the parties agrees to furnish a contribution to an enterprise managed by the other party, on the understanding that the former will share in the profits and losses of the enterprise.

Article 701 In addition to the provisions of this Section, the provisions concerning Partnership shall apply mutatis mutandis to Sleeping Partnership.

Article 702 On the contribution of the sleeping partner being handed over, the right over the same transfers to the active partner.

Article 703 In respect to losses, the sleeping partner is liable only to the extent of his contribution.

Article 704 The affairs of the sleeping partnership shall be exclusively managed by the active partner.
No rights or obligations towards third parties shall accrue to the sleeping partner on account of transactions entered into by the active partner.

Article 705 If a sleeping partner takes part in the management of the affairs of a sleeping partnership or declares that he takes part in it, does not deny of others' expression of his participation of the management, he becomes liable to third parties as an active partner, notwithstanding any agreement to the contrary.

Article 706 Notwithstanding any agreement to the contrary, a sleeping partner may at the expiration of each business year, inspect the books of the partnership and make investigations as to its business and financial state.
For vital reasons, the court may, on the application of a sleeping

partner, authorize such sleeping partner to make, at any time inspections or investigations as specified in the preceding paragraph.

Article 707 Unless otherwise provided for by contract, the active partner shall, at the expiration of each business year, take stock and find out the profits and losses made, and pay immediately to the sleeping partner the profits accrued to him.
Unless otherwise agreed upon, profits which are accrued to the sleeping partner but have not yet been paid out shall not be considered as increases of his contribution.

Article 708 In addition to the provisions of Article 686 by which a sleeping partner is entitled to declare his withdrawal, a sleeping partnership is terminated in any of the following cases;
(1) Expiration of the agreed time;
(2) Consent of the parties;
(3) Accomplishment of the enterprise or impossibility of accomplishing;
(4) Death or subject to the order of the commencement of guardianship of the active partner;
(5) Bankruptcy of the sleeping or active partner;
(6) Cessation or transfer of enterprise.

Article 709 In case of the termination of a sleeping partnership, the contribution of the sleeping partner shall be returned by the active partner together with the profit accruing to him.
However, if the contribution is decreased by losses, only the balance shall be returned.

Section 19-1 - Bid Society

Article 709-1 Bid society is a contract wherein a leader invites two or more persons as the members and all of them agree to deliver the payments of the bid and to bid for the fund of the bid society; wherein the aforesaid agreement is only respectively made between the leader and the member also constitutes the bid society.
The fund of the bid society prescribed in the preceding paragraph refers to the entire payments of the bid which the leader and the members shall deliver.
The payments of the bid may consist of money or other fungible things.

Article 709-2 Only the natural person qualifies for being the leader or the member.
The leader shall not concurrently be a member of the same bid society.
The person who is with no capacity or limited in capacity to make juridical acts shall not be the leader, and shall not join the bid society wherein his guardian is the leader.

Article 709-3 The bid society shall be made by the bill of bid society wherein the following entries shall be included:
(1) Name, address, and telephone number of the leader;
(2) Names, addresses, and telephone numbers of all the members;
(3) Kinds and the base amount of the payments of the bid for each membership;
(4) Date of the constitution of the bid society;
(5) Dates of the meeting of the bid;
(6) Method of the bid;
(7) Agreement on the limit of the amount of the maximum or minimum bid, if any.
The bill of bid society of the preceding paragraph shall be signed by the leader and all the members, recorded with the date, and kept by the leader. Copies of the aforesaid bill of bid society shall be provided, signed, and delivered to each member.
If a member has delivered the first installment of the payments of the bid to the leader, though the bill of bid society is not made in accordance with the preceding two paragraphs, the contract of bid society is deemed to have been constituted.

Article 709-4 The meeting of the bid is presided by the leader in accordance with the agreed date and method. The place of the meeting is determined by the leader and he shall notify the members of it beforehand.

If the leader cannot preside the meeting of the bid, the meeting shall be presided by the member appointed by the leader or the members who have attended.

Article 709-5 The first installment of the fund of the bid society is acquired by the leader without need to bid for; each of the rest parts is acquired by the member who wins the bid.

Article 709-6 At each meeting of the bid, each member may bid for only once, and the member offers the maximum bid wins the bid. If the maximum bid is offered by more than one member, the member winning the bid shall be determined by drawing lots, unless otherwise agreed upon.
Unless otherwise agreed upon, if there is no one to bid, the member winning the bid shall be determined by drawing lots.
The bid may be won only once for each membership.

Article 709-7 A member shall deliver his payments of the bid within three days after each meeting of the bid.
The leader shall collect all the payments of the bid for the member winning the bid during the period of the preceding paragraph, and he shall deliver these payments of the bid together with his own to the member winning the bid before the expiration of the aforesaid period. If the payments of the bid are not collected during that period, the leader shall pay for the member who is responsible for it.
Before the delivery to the member winning the bid, the leader shall be responsible for the loss or destruction of the payments of the bid collected in accordance with the preceding paragraph, except the loss or destruction is imputable to the member winning the bid.
After the leader has paid in accordance with the provisions provided in the preceding two paragraphs, he may claim against the member who does not pay for reimbursement together with interests.

Article 709-8 The leader shall not assign his rights and duties to another person without the consent of all the members.
A member shall not withdraw from the bid society or assign his membership to another person without the consent of the leader and all the other members.

Article 709-9 When the bid society cannot continue due to the bankruptcy or fleeing and hiding of the leader, or any other reason, each installment of the payments of the bid, which shall be paid by the leader and the members winning the bid, shall be averagely delivered to the members not winning the bid on the date of each meeting of the bid, unless otherwise agreed upon.
The leader shall be jointly responsible for each installment which shall be paid by the members winning the bid in accordance with the preceding paragraph.
If the leader or the members winning the bid is in default on the payments which shall be averagely delivered to the members not winning the bid in accordance with the first paragraph, and the amounts of the payments in default amount to the sum of two installments, the member not winning the bid may claim for the entire payments of the bid.
In the case of the first paragraph, the members not winning the bid may choose one or several persons to deal with the matters concerned.

Section 20 - Security Payable By An Assigned Person

Article 710 A security payable by an assigned person is an instrument whereby a person directs another person to deliver to a third party money or valuable securities or other fungible things.
Under the preceding paragraph, the person who directs is called the assignor; the person who is directed is called the assignee; and the person to whom presentation is made is called the payee.

Article 711 When the assignee has notified the payee that he accepts to perform the order of payment, he is bound to perform it in accordance with the tenor of the order.
In the case specified in the preceding paragraph, the assignee may only take such defenses as arises from the tenor of the order or from his

legal relationship with the payee as valid defenses against the payee.

Article 712 If a security payable by an assigned person is made by the assignor for the performance of a debt due to the payee, the debt is extinguished when prestation is made by the assignee.
In the case specified in the preceding paragraph, the creditor who has accepted an order of payment shall not claim payment of the original debt from the assignor, except he has been unable to procure prestation of the order by the assignee within the time specified in the securities, or, if no time is specified, within a reasonable time.
A creditor who is not willing to accept a security payable by an assigned person from his debtor shall notify the latter of his refusal without delay.

Article 713 Even though the assignee is indebted to the assignor, he is not bound to accept the assignment of payment or to perform it. If he performs it, he is released from his debt to the assignor to the amount of his performance.

Article 714 If the assignee refuses acceptance or performance of the security payable by an assigned person, the payee shall notify the assignor of the refusal without delay.

Article 715 An assignor may revoke his security payable by an assigned person so long as the assignee has not notified the payee of his acceptance or performance of the order. Such revocation shall be made by an expression of intent to the assignee.
The order is deemed to be revoked, if the assignor declares bankrupt before the acceptance or performance of the order by the assignee.

Article 716 The payee may transfer the security payable by an assigned person to a third party, except the assignor has inserted in the securities itself that transfer is forbidden.
The transfer specified in the preceding paragraph shall be made by endorsement.
If the assignee accepts the assignment in favor of the transferee, he shall not take whatever resulting from his legal relationship with the payee as valid defenses against the transferee.

Article 717 The claim of the payee or the transferee against the assignee who has accepted the security payable by an assigned person is extinguished by prescription, if not exercised within three years from date of acceptance.

Article 718 In case securities has been lost, stolen or destroyed, the court may, on the application of the bearer, declare the order invalid by means of proceedings by public summons.

Section 21 - Securities Payable To Bearer

Article 719 A security payable to bearer is securities by which the bearer may claim from the maker a prestation according to the tenor thereof.

Article 720 The maker of a security payable to bearer is bound to make the prestation to the person who presents it. However, he shall not make such prestation if he knows that the bearer is not entitled to dispose of the securities, or if he has been notified of the loss, stolen or destruction of the same.
The maker is released from his obligation if he has performed according to the provisions of the preceding paragraph, even if the bearer was not entitled to dispose of the securities.

Article 720-1 If, after the bearer has notified the maker of the loss, stealing, or destruction of the security payable to bearer, the bearer does not present the proof of the application for public summons within five days, the notification loses its effect.
In the proceedings by public summons prescribed in the preceding paragraph, if the bearer does not present the proof of the commencement of the litigation to the maker within ten days after the court has

notified him that report of rights from the third person, the same rule shall be applied.

Article 721 The maker of a security payable to bearer is bound by it towards bona fide bearers, even if it has been lost, or stolen by him, or has otherwise passed into circulation without his consent.
A security payable to bearer does not lose its effect, even if the securities is issued after the maker has died or has lost his capacity to make juridical acts.

Article 722 The maker of a security payable to bearer may only take the defenses which result from the voidance of the securities itself, or for its tenor, or from his legal relationship with bearer as valid defenses against the bearer. However if the bearer acquires the securities in bad faith, the maker may also take the defenses against the former bearer as valid defenses against the bearer.

Article 723 The bearer of a security payable to bearer is bound to surrender the securities to the maker on his requesting performance.
When the maker has, in accordance with the previsions of the preceding paragraph, received back the said securities, he acquires the ownership of same, even if the bearer was not entitled to dispose of it.

Article 724 If a security payable to bearer is damaged or defaced in such a way as to be no more fit for circulation, but its essential contents and distinctive marks are still recognizable, the bearer is entitled to request the maker to issue a new security payable to bearer on surrender of the old one.
The costs of replacement are to be borne by the bearer, except in the case of banknotes or other currency notes, where the costs are to be borne by the maker.

Article 725 In case a security payable to bearer has been lost, stolen or destroyed, the court may, on the application of the bearer, declare the securities invalid by means of proceedings by public summons.
In the case provided for in the preceding paragraph, the maker is bound to give the bearer such information concerning the obligation as may be necessary for proceedings by public summons, and to supply him with whatever evidence that is necessary.

Article 726 When a period for the presentation of a security payable to bearer has been fixed, if the court has, on the application of a person taking proceedings by public summons, ordered the stoppage of payment by the maker, the period of presentation is suspended.
The suspension provided for in the preceding paragraph runs from the time of the application for the aforementioned order, and ends on the termination of the proceedings by public summons.

Article 727 When the maker of a security payable to bearer has been notified of the loss, theft or destruction of for interest, annuity or dividends, if such securities are not presented for payment before the expiration of the period of prescription provided by law for periodical payments, the bearer who made the notification is entitled to claim from the maker the payment of the interest, annuity or dividends accruing to the said securities. However, this claim shall be extinguished by prescription after one year from the date of expiration of the prescription period.
If, before the expiration of the prescription period, the securities are presented for payment by a third party, the maker shall notify the third party that payment has been stopped and shall defer payment until such third party and the person making the notification have come to an agreement, or until the case has been decided by a non-appeasable judgment of the court.

Article 728 The provisions of the last sentence of paragraph I, Article 720, and of Article 725 do not apply to security payable to bearer which bear no interest but are payable at sight, except securities for interest, annuity and dividends.

Section 22 - Annuity For Lifetime

Article 729	A contract of annuity for lifetime is a contract whereby the parties agree that one of them shall make periodical payments in money to the other party or to a third party, during the lifetime of one or the other parties or of a third party.
Article 730	Contract of annuity for lifetime shall be made in writing.
Article 731	In a contract of annuity for lifetime, where there is a doubt as to its duration, the annuity for lifetime is presumed to be payable to the creditor during his lifetime. In case of doubt, the amount mentioned in the contract is presumed to be the amount to be paid annually.
Article 732	Unless otherwise provided in the contract, an annuity for lifetime is payable quarterly in advance. If the person on whose life the annuity for lifetime depends, dies after a payment made in advance and before the expiration of the period for which the payment was made, the creditor is entitled to the whole amount advanced for that period.
Article 733	When the death which terminated the annuity for lifetime is due to circumstances for which the debtor of the annuity for lifetime is responsible, the court may, on the application of the creditor or of his heirs, decide that the annuity for lifetime shall continue for a reasonable period of time.
Article 734	Unless otherwise provided for by contract, the right to an annuity for lifetime shall not be transferred.
Article 735	The provisions of the present title shall apply mutatis mutandis to the legacy of annuity for lifetimes.

Section 23 - Compromise And Settlement

Article 736	A compromise and settlement is a contract whereby the parties by making mutual concessions terminate an existing dispute or prevent the occurrence of a future dispute.
Article 737	The effect of a compromise and settlement is to extinguish the rights abandoned by each party and to secure to each party those rights which are specified in the compromise and settlement.
Article 738	A compromise and settlement shall not be revoked for mistake, except in any of the following cases: (1) If the compromise and settlement is based on documents which are afterwards discovered to be forged or altered, provided that the forgery or alteration be such that the party concerned would not have agreed to compromise and settlement if he had known of the forgery or alteration. (2) If the object of the compromise and settlement had been settled by a non-appealable judgment of the court, of which the parties or one of them had no knowledge at the time of the compromise and settlement. (3) If one of the parties was acting under a mistake as to the qualification of the other party or as to the point in dispute, which was essential in the case.

Section 24 - Guaranty

Article 739	A guaranty is a contract whereby the parties agree that one of them shall be bound to satisfy the obligation, when the debtor of the other party fails to perform same.
Article 739-1	Unless otherwise provided by this section, the rights of the guarantor provided in this section shall not be waived beforehand.
Article 740	Unless otherwise provided by the contract, the guaranty shall include the interest on the principal debt, the penalty, the compensation for the injury, and other accessory charges.

Article 741	In case the liability of the guarantor is heavier than that of the principal debtor, it shall be reduced to the level of the principal debt.
Article 742	The guarantor is entitled to take any defense that is open to the principal debtor as a valid defense. He may still take such defenses as valid defenses even if they are waived by the principal debtor.
Article 742-1	The guarantor may take the principal debtor's claim against the creditor as his claim to offset.
Article 743	A guaranty given for an obligation which is invalid on account of debtor's lack of capacity to make juridical acts is still valid, if the guarantor binds himself in spite of the knowledge of the fact.
Article 744	If the principal debtor has the right of revoking the juridical act upon which the debt is founded, the guarantor is entitled to refuse to perform the obligation.
Article 745	A guarantor may refuse performance to the creditor, so long as the creditor has not filed proceedings for compulsory execution, against the property of the principal debtor, without results.
Article 746	The guarantor shall not assert the right specified in the preceding article in any of the following cases: (1) If the guarantor has waived his rights specified in the preceding article. (2) If the principal debtor has been declared bankrupt. (3) If the property of the principal debtor is not sufficient to satisfy the obligation.
Article 747	A claim for performance and other acts which interrupt prescription made against the principal debtor operates against the guarantor.
Article 748	Unless otherwise agreed upon by the contract, when several persons act as guarantors for one and the same debt, they are joint-guarantors for the said debt.
Article 749	After guarantor has satisfied the creditor, to the extent of the performance, he is subrogated to the claim of the creditor against the principal debtor, but he shall not exercise it to the detriment of the creditor.
Article 750	If the guarantor has assumed the guaranty by reason of a mandate of the principal debtor, the guarantor may request the principal debtor to procure his discharge from the guaranty under any of the following cases: (1) If the property of the principal debtor has obviously decreased. (2) If, after the conclusion of the contract of guaranty claims for performance against the principal debtor have become difficult on account of change of his domicile, or his business office, or his residence. (3) If the principal debtor is in default. (4) If the creditor has obtained a non-appealable judgment entitling him to compel the guarantor to perform. If the principal obligation is not yet due, the principal debtor may give security to the guarantor instead of discharge of obligation of guaranty.
Article 751	If the creditor waives the rights in rem on which his claim is secured, the guarantor is released from his obligation to the extent of the rights which have been waived.
Article 752	If the guaranty has been given for a definite period of time, the guarantor is released from his obligations, if within such period the creditor fails to enter judicial proceedings against the guarantor.
Article 753	If the guaranty is given for an indefinite period of time, the guarantor may, after the maturity of the principal debt, fix a reasonable period of not less than one month and request the creditor to enter judicial proceedings against the principal debtor within such period. If the creditor fails to enter judicial proceedings against the principal debtor within the period specified in the preceding paragraph, the

guarantor is released from his obligation.

Article 753-1	Due to being directors, controllers or other representatives of a juridical person, and agreeing to be the guarantor of the obligation of the juridical person, they are only liable to the obligation of the juridical person occurred within the duration of their offices.
Article 754	If guaranty is given for a series of obligations and for an indefinite period of time, the guarantor may at any time terminate the contract by giving notice to the creditor. In the case of the preceding paragraph, the guarantor is not liable for the obligations incurred by the principal debtor after the notice has reached the creditor.
Article 755	If guaranty has been given for an obligation which is to be performed at a definite time and the creditor grants to the principal debtor an extension of time, the guarantor is released from his obligation, unless he has agreed to the extension.
Article 756	A person who gives a mandate to another to provide credit to a third party in the name and on the account of such other person is liable to the mandatory as a guarantor for the obligation of the third party arising from the providing of the credit.

Section 24-1 - Employment Guaranty

Article 756-1	An employment guaranty is a contract whereby the parties agree that one of them shall be bound to make compensation when the employee of the other party shall be liable to compensate the other party for the performance of his duties in the future. The contract of the preceding paragraph shall be made in writing.
Article 756-2	The guarantor in employment guaranty may be held liable only in so far as the employer is unable to obtain compensation by other means. When the guarantor is held liable in accordance with the provision of the preceding paragraph, unless otherwise provided by the act or the contract, the compensation shall be limited to the total sum of the remuneration which the employee may receive in the year when the event causing the injury happened.
Article 756-3	The duration of employment guaranty agreed upon shall not exceed three years. If it exceeds three years, it shall reduce to three years. The parties may renew the duration prescribed in the preceding paragraph. If there is no duration fixed in a contract of employment guaranty, the duration of the contract shall be three years reckoning from the date of the constitution of the contract.
Article 756-4	If there is no duration fixed in a contract of employment guaranty, the guarantor may terminate the contract at any time. For the termination of a contract in the preceding paragraph, the employer shall be notified three months beforehand. However if the parties agree upon a shorter period of notification, this period shall be followed.
Article 756-5	The employer shall notify the guarantor if there is any situation as follows: (1) The employer may terminate the contract of hire of services according to the law, and the reason of the termination might cause the guarantor to be held liable; (2) The employee shall be liable to compensate the employer for the performance of his duties, and the employer has made the claim against the employee; (3) The employer changes the contents, or time, place of the employee's job, and this therefore intensifies the liability of the guarantor or makes him hard to watch out for the performance of the duties. The guarantor who receives the notification of the preceding paragraph may terminate the contract. The same rule shall be applied when the guarantor is aware of anything as prescribed in the preceding paragraph.

Article 756-6	The court may reduce or release the compensation for the guarantor if there is any situation as follows: (1) The situation as prescribed in the first paragraph of the preceding article happened, but the employer does not notify the guarantor immediately; (2) The employer is negligent of the selection and supervision of the employee or his duty of supervision.
Article 756-7	The relationship of employment guaranty extinguishes if there is any situation as follows: (1) The duration of the guaranty expires; (2) The guarantor died, goes into bankruptcy, or loses the capacity to make juridical acts; (3) The employee dies, goes into bankruptcy, or loses the capacity to make juridical acts; (4) The relationship of hire of services extinguishes.
Article 756-8	The claim of the employer against the guarantor shall be extinguished by prescription if not exercised within two years.
Article 756-9	Unless otherwise provided by this section, the provision concerning the guaranty shall apply mutatis mutandis to the employment guaranty.

Part Ⅲ Rights In Rem

Chapter 1 General Provisions

Article 757	No rights in rem shall be created unless otherwise provided by the statutes or customs.
Article 758	The acquirement, creation, loss and alternation of rights in rem of real property through the juridical act will not effect until the recordation has been made. The acts as specified of the preceding paragraph shall be made in writing.
Article 759	A person, who has acquired rights in rem of real property by succession, compulsory execution, taking, a judgment of the court or other non juridical act before recordation, shall only dispose of such rights until recordation has been made.
Article 759-1	If a right in rem of real property has been recorded, the right-holder recorded in the register is presumed to own the rights legitimately. If a bona fide third party in reliance of the real property recordation has recorded an alternation to the right in rem of real property pursuant to a juridical act, the validity of the alternation shall not be affected by the original false recordation of a right in rem.
Article 760	(Repealed)
Article 761	The transfer of rights in rem of personal property will not effect until the personal property has been delivered. However, if the transferee has been in possession of the personal property, the transfer effects when the parties agree to such transfer. In the transfer of a right in rem of personal property, where the transferor is still in possession of it, a contract causing the transferee to acquire its indirect possession may be made between the parties in the place of its delivery. In the transfer of a right in rem of personal property, where a third party is in possession of it, the transferor may transfer the claim against such third party for the return of it to the transferee in place of its delivery.
Article 762	If the ownership of a thing, and any other right in rem of the same thing assigned to one and the same person, such other right in rem of thing is extinguished by merger, except the owner or a third party has a legal advantage in the continuance of such other right in rem.

Article 763 If any right in rem other than ownership and any right of said right in rem assigned to one and the same person, such right of right in rem is extinguished by merger.
The exception of the provision in the preceding article shall apply mutatis mutandis to the case of the preceding paragraph.

Article 764 Unless otherwise provided by the statute, rights in rem are extinguished by waiver.
If the third party has any right in rem of said right in rem or other legal advantage of said right in rem, the waiver of the preceding paragraph shall only be made with the consent of the third party.
A person, who has waived the right in rem of a personal property, shall also abandon the possession of the personal property.

Chapter 2 Ownership

Section 1 - General Provisions

Article 765 The owner of a thing has the right, within the limits of the Acts and regulations, to use it, to profit from it, and to dispose of it freely, and to exclude the interference from others.

Article 766 Unless otherwise provided by the Act, the component parts of a thing and the natural profits thereof, belong, even after their separation from the thing, to the owner of the thing.

Article 767 The owner of a thing has the right to demand its return from anyone, who possesses it without authority or who seizes it. Where his ownership is interfered, he is entitled to claim the removal of the interference; and where the ownership might be interfered, he is entitled to claim the prevention of such interference.
The provision of the preceding paragraph shall apply mutatis mutandis to the rights in rem other than ownership.

Article 768 A person, who has peacefully, publicly and continually possessed another's personal property with the intent of being an owner for ten years, acquires the ownership of such personal property.

Article 768-1 A person, who has peacefully, publicly and continually possessed another's personal property with the intent of being an owner for five years, and was in good faith and not of negligence at the beginning of his possession, acquires the ownership of such personal property.

Article 769 A person, who has peacefully, publicly and continually possessed another's real property which is not recorded for twenty years with the intent of being an owner, is entitled to claim to be recorded as the owner of the said real property.

Article 770 A person, who has peacefully, publicly and continually possessed another's unrecorded real property with the intent of being an owner for ten years, and was acting in good faith and not negligently at the beginning of his possession, is entitled to claim to be recorded as the owner of the said real property.

Article 771 The prescription to acquire ownership is interrupted, if any of the following occurs to the possessor:
(1) The possessor has changed his intent of possession to that other than the intent of being an owner,
(2) The possession is changed to be not peaceful or public,
(3) The possessor himself stops possessing, or
(4) The possessor has unintentionally lost possession, unless possession is recovered in accordance with article 949 or article 962.
The prescription to acquire the ownership is interrupted if the possessor has been sued to return the property in accordance with the article 767.

Article 772 The provisions of the preceding five articles shall apply mutatis mutandis to the acquisition of rights over property other than ownership, and to the recorded real property as well.

Section 2 - Ownership of the Real Property

Article 773	Unless otherwise restricted by the Acts and regulations, ownership of land extends to such height and depth above and below the surface of the land within the range advantageous to the exercise of such ownership. Interference from others shall not be excluded if it does not obstruct the exercise of the ownership.
Article 774	In carrying on business and in exercising his ownership, the landowner shall takes care to prevent the occurrence of any injury to the adjacent land.
Article 775	The landowner shall not prevent the natural flow of water coming from an adjacent land. The landowner shall not prevent all of the natural flow of water which is indispensable to the adjacent land, even though it is necessary for utility of his land.
Article 776	When the disruption or obstruction of works constructed on a piece of land for the purposes of storing, draining or drawing water has caused prejudice or may cause prejudice to another's land, the landowner shall, at his own expenses, make necessary repair, dredging or prevention. However, if the bearing of such expenses is otherwise provided by custom, such custom shall be followed.
Article 777	The landowner shall not construct the eaves, works or other equipment which will cause rain water or other liquid to fall directly upon the adjacent real property.
Article 778	When the flow of water is obstructed by accident on the adjacent land, the landowner is entitled to construct necessary works for its dredging at his own expenses. Provided that the owner of the adjacent land, who has taken the advantage, shall bear the reasonable expenses in proportion to the interests which he is benefited therefrom. The bearing of such expenses of the preceding paragraph is otherwise provided by custom, such custom shall be followed.
Article 779	For the purpose of drying out the marshy land or discharging superfluous water of household use or of other use to the river or waterway, the landowner is entitled to conduct such water through the adjacent land, provided that the place and method which will cause the least injury to the adjacent land shall be chosen. In the case of the preceding paragraph, the person entitled to passing through shall make compensation for any injury caused to the adjacent land. In the case of the preceding two paragraphs, if it is otherwise provided by the statutes or custom, such statutes and custom shall be followed. In the case of the exception of the first paragraph, where the owner of the adjacent land has an objection, the person entitled to passing through or the person who has objection is entitled to apply to the court to make a decision..
Article 780	The landowner is entitled, for the purposes of conducting water on his land, to use the works constructed by the owner of the adjacent land, provided that he shall bear the expenses of the construction and maintenance of such works in proportion to the interests which he is benefited therefrom.
Article 781	The owner of a land where water originates, or of a well, waterway or other land through which water flows, is entitles to freely use the water, except there are statutes or customs.
Article 782	The owner of a land where water originates, or of a well, is entitled to claim compensation against another, who, owing to the works carried on by him, cuts off, reduces or pollutes the water of such land or well. If the water is necessary for drinking or for utilizing the land, the said owner is also entitled to claim to have the status quo ante restored. If it is impossible to have the status quo ante completely restored, then restoration shall be performed within the possible scope.

In the case of the preceding paragraph, if the damages are not caused by intentional acts or negligence, the court may reduce the amount of damages or exempt the liability.

Article 783 The landowner, who cannot procure the water necessary for his household or for utilizing his land without undertaking excessive expenses or labor, is entitled to make compensation and demand the owner of the adjacent land for the spare water.

Article 784 The owner of a land through which the water flows shall not change the course or the width of the water, when the land on the opposite shore belongs to another person.
When the land on both shores belongs to the same owner of the land through which the water flows, he is entitled to change the course or the width of the water, provided that the natural course of the water at its lower mouth shall be kept.
In the case of the preceding two paragraphs, if it is otherwise provided by statutes or customs, such statutes or customs shall be followed.

Article 785 The owner of a land through which the water flows is entitled to, when it is necessary to construct a weir, rest the weir on the opposite shore, provided that compensation shall be made for any injury resulting therefrom.
The owner of the land on the opposite shore is entitled to use the weir specified in the preceding paragraph, when a part of the land through which the water flows belongs to him, provided that he shall bear the expenses of construction and maintenance of such weir in proportion to the interests which he is benefited therefrom.
In the case of the preceding two paragraphs, if it is otherwise provided by statutes or customs, such statutes or customs shall be followed.

Article 786 Where electric wires, water pipes, gas pipes or other pipes cannot be constructed without making use of the land of another or where they can only be constructed through the incurring of excessive expenses, the landowner is entitled to construct the said wires or pipes on, over or under the land of another person, provided that the place and method of constructing such wires or pipes which will cause the least injury to such other land shall be chosen and provided that compensation shall be made.
If, after the construction of electric wires, water pipes, gas pipes or other pipes has been made in accordance with the provision of the preceding paragraph, there is change of circumstances, the owner of such other land is entitled to demand to change the aforesaid construction. The expenses of the change of such construction shall be born by the landowner. However, if it is otherwise provided by statutes or customs, such statutes or customs shall be followed.
The fourth paragraph of Article 779 shall apply mutatis mutandis to the exception of the first paragraph.

Article 787 If a piece of land is not fit for ordinary use because there is no suitable access to a public road, the landowner is entitled to access the surrounding land in order to reach the public road unless the lack of access is otherwise caused by the arbitrary behavior of a landowner.
In the case of the preceding paragraph, the person with the right of access shall, within the limits necessary for access, choose the place and method which will cause the least injury to the surrounding land. Compensation shall be made for any injury caused as a result of the access.
The fourth paragraph of Article 779 shall apply mutatis mutandis to the case of the preceding paragraph.

Article 788 The person entitled to access may construct a road when necessary, provided that he shall compensate for any injury caused thereby to the land accessed.
In the preceding case, if extensive injury is caused by such access, the landowner may require the person accessing his property to purchase the land accessed and the odd lot caused thereby for a reasonable price, with such price agreed to by both parties. If the parties cannot agree upon the purchase price, the price shall be determined by a court.

Article 789	If, in consequence of a transfer of a part of a piece of land or of a partition of a piece of land, the land has no suitable access to the public road, and is not fit for ordinary use, the landowner in order to reach the public road, is only entitled to pass through the land owned by the transferee or the transferor or the other petitioners. The same rule shall be applied, if a piece of land has no suitable access to the public road and becoming unfit for ordinary use after the owner of many pieces of lands has transferred some of the lands or simultaneously transferred all lands to others. In the case of the preceding paragraph, the person entitled to passing through shall not liable to make compensation.
Article 790	The landowner has the right to prohibit other persons from trespassing on his land, except any of the following cases: (1) When the other persons are entitled to passing through the land. (2) When, according to the local custom, it is allowed to enter his (the owner's) field, pasture or forest, around which no fence has been made, for the purpose of cutting and taking grass, of gathering dead branches or timber, of collecting wild products or of grazing stock.
Article 791	If, things or animals of another have by accident entered the land, the landowner shall allow the possessor or the owner of the things or animals to enter the land in order to find them and take them back. In the case specified in the preceding paragraph, the landowner is entitled to claim compensation for the injury, if any; and he is also entitled to retain the said things or animals until such compensation has been made.
Article 792	The landowner shall allow the owner of an adjacent land to use such part of his land necessary for the construction or repair of the building or other works on or near the abuttal. However he may claim compensation for any injury resulting therefrom.
Article 793	The landowner is entitled to prohibit the discharge of gases, steam, odours, smoke, heat, soot, noises, vibrations and other similar nuisances from another person's land, building or other works, except such nuisance is insignificant or is justified by the shape of the land or by local custom.
Article 794	In excavating the land or in constructing buildings, the landowner shall not cause the foundations of the adjacent land to be shaken or endangered, nor can he cause any injury to the building or other works of the adjacent land.
Article 795	If there is danger of falling of the whole or a part of a building or other works on a piece of and, and this may prejudice to the adjacent land, the owner of the adjacent land is entitled to claim for necessary prevention.
Article 796	If a landowner constructs a building onto adjacent property with no intent or gross negligence, then the adjacent landowner shall not claim to remove or alter the building if the owner of the adjacent land is aware of the trespass and does not immediately object. The landowner shall compensate the adjacent property owner for any injury caused. In the case of the preceding paragraph, the adjacent property owner may require the landowner to purchase the part of the trespassed land and the odd lot caused thereby at a reasonable price. If the parties cannot agree upon the purchase price, the price shall be determined by a court.
Article 796-1	If the landowner construct a building beyond the abuttal, and the owner of the adjacent property claim to remove or alter such building, the court may take the public interest and the interest of both parties into account and order the release of all or part of the removal or alternation, unless the landowner intentionally construct a building beyond the abuttal. Both the proviso of paragraph 1 of the preceding article and paragraph 2 of the preceding article apply mutatis mutandis to the situation provided in the preceding paragraph.

Article 796-2	The preceding two articles shall apply mutatis mutandis to other constructions that have a value equivalent to a building.
Article 797	If the branches or roots of plants of the adjacent land have spread beyond the abuttal, the landowner is entitled to require the owner of the plants to cut and rid the said branches or roots within a reasonable period. If the owner of the plants does not cut and rid the said branches or roots within the period specified in the preceding paragraph, the landowner is entitled to cut and take the encroaching branches or roots, and is also entitled to claim the expenses caused thereby. The provisions of the preceding two paragraphs shall not apply to such encroaching branches or roots that do not interfere with the utility of the land.
Article 798	Fruits that fall naturally on an adjacent land are deemed to belong to the owner of such land, except if it is a land for public use.
Article 799	A condominium building is a building that is partitioned by several persons. Each of these persons owns an individual unit of it and has individual ownership of the individual unit, and the common elements of the building and its accessories is held tenancy in common by all the owners. The individual unit which is a part of a condominium building, provided in the preceding paragraph, means the property that is independent both in construction and in use, is the object of individual ownership. The common elements means the property excluding the individual units of a condominium. The individual unit, under the permission of its owner, may be jointly used by all the owners of the condominium by master lease. The common elements, unless the statutes provides otherwise, may be used by specific owners of the condominium by master lease. The owner’s share to the common elements of the building and the land on which the building is erected is decided by the ratio of his own individual unit to the total of the individual units, if it is otherwise provided by master deed, such deed shall be followed. The individual unit and its dependent rights of the common elements of the building with the land on which the building is erected, shall not separately transfers or establishing encumbrances.
Article 799-1	The expenses of repair and other charge to the common elements of a condominium building shall be born by all the owners in proportion to their respective shares, except there is another agreement. The preceding paragraph shall apply mutatis mutandis to the individual unit which is agreed to be used by all owners of a condominium building in accordance with the provisions of the third paragraph of the preceding article. After considering the location, coverage, its purpose of use, its use condition, whether or not the owner has paid the consideration, and other conditions of the individual unit, the common elements, and the land on which the building is erected, if the provision of the master deed is obviously unfair, the opposing owner of the condominium may file a claim with the court to revoke it within three months after the establishment of the master deed. The rights and duties deriving from the master deed between the owners shall be binding upon owners’ successors. The rights and duties deriving from other agreements shall apply, if the specific successor knows or has a reason to know the content of the agreements.
Article 799-2	The provisions of Article 799 shall be mutatis mutandis applied where a person own a building and the building has been recorded as a condominium.
Article 800	In the case of Article 799, if it is necessary for an individual unit owner to use the middle gate which belongs to another individual unit owner, he is entitled to do so, unless it is otherwise provided by a particular agreement or custom which shall then govern. Owing to the preceding use, compensation shall be made for any injury caused to another individual unit owner.

Article 800-1	The provisions of Article 774 to the preceding article shall apply mutatis mutandis to the superficiary, the agricultural right holder, the owner of a dominant real property, dian-holder, lessee or other users of land, building and other works.

Section 3 - Ownership of the Personal Property

Article 801	When a transferee of a personal property is in possession of it and is protected by the provisions concerning possession, he acquires the ownership of the same even if the transferor has no right to transfer such ownership.
Article 802	Whoever with the intent of being the owner of a personal property of no owner takes possession of the same, unless otherwise provided by the statutes, he acquires its ownership.
Article 803	A person who picks up a lost property has a duty to notify the one who lost the property, its owner, other person who is entitled as a receiver, or report to the police or the local autonomous institution as soon as possible and deposit the property with them at the time of such report. However, if a person picks up lost property at an institution, school, organization or other public place, he can also report to the management authority, company, its conductor or manager of such place, and deposit the property with them at the time of such report. Those who have been reported in the preceding paragraph shall announce, broadcast, or use other appropriate means to advertise the owner of his claim to the property at the place where the property has been found or other proper place as soon as possible.
Article 804	If the person who is entitled to receive the lost property does not identify and claim the lost property within a reasonable time after the notice in accordance with the first paragraph of the preceding article, or after the advertisement of the management authority, company, its conductor or manager of such place in accordance with the second paragraph of the preceding article, then the person who picks up the lost property shall deposit the property with the police or the local autonomous institution. If the police or the local autonomous institution has determined that the original place or method of advertising the owner of his claim to the lost property is improper, they may advertise again.
Article 805	If the person who is entitled to receive the lost property identifies and claims it within six months from the date of the notification or the last day of advertisement, then the person who picks up the lost property, the person who advertise the owner of his claim to the property, the police or the local autonomous institution shall return the lost property after the person who is entitled to receive the property has reimbursed those who have incurred costs for notice, advertisement, or preserving the property. When the person who is entitled to receive the lost property identifies and claims the lost property, the person who picks up the lost property is entitled to claim a reward not to exceed ten percent of the value of the property. If the lost property does not have monetary value, the person who picks up is still entitled to claim a moderate reward. If it is apparently unfair for the person who is entitled to receive the lost property to deliver the reward as specified in the preceding paragraph, the person who is entitled to receive the lost property may request the court to order a decrease in the reward or release him from the obligation to provide such reward. The claim for reward as specified in the second paragraph will be extinguished by prescription, if it is not exercised within six months. The person who incurs the expense set forth in the first paragraph or the person that is entitled to a reward has a lien over the lost property until such expense or reward has been paid. If several persons have reimbursement rights or the claim for reward, the possessor of the lost property is presumed to possess for them all.
Article 805-1	No claim for reward provided in the second paragraph of the preceding

	article shall be made under any of the following situations: (1). The lost property is picked up in a public facility or in a public transportation facility by its manager or employee. (2). The person who picks up the lost property fails to notify of, report or submit the pickup within seven days, or conceals the fact of his pick-up of the lost property when being asked. (3). The person who is entitled to receive the lost property is a member in the family in hardship, low income household or medium-low income household or accepts emergency relief or disaster relief in accordance with the law or under any other emergencies.
Article 806	If the lost property being picked up is easy to corrupt, or if the cost to preserve it is excessive, the person who advertises the owner of his claim to the property, the police or local autonomous institution may sell it by auction or sell it at market price and keep the net proceeds of the sale.
Article 807	If the person who is entitled to receive the lost property does not identify and claims it within six months from the date of the notification or the last day of advertisement, the person who picks up the lost property acquires its ownership. The police or the local autonomous institution shall inform the person who picks up the lost property to claim such property or the net proceeds of its sale. If he can not be informed, an advertisement shall be done instead. If the person who picks up the lost property does not claim such property within three months from the date of informing or advertisement in accordance with the preceding paragraph, the lost property or the net proceeds of its sale belongs to the local autonomous institution.
Article 807-1	When the value of the lost property is below five hundred NT dollars, the person who picks it up shall inform the loser, the owner, or other person who is entitled to receive as soon as possible. If there is a case of the exception of the first paragraph of Article 803, it can be handled in accordance with the exception of first paragraph and the second paragraph of such article. If the lost property of the preceding paragraph has not been identified and claimed its ownership within the following period of time, the person who picks it up acquires its ownership or the net proceeds of its sale: (1) Fifteen days after the date of informing or advertising the owner of his claim to the property. (2) A month after the day of picking up, if it cannot be handled in accordance with the preceding paragraph. Article 805 to the preceding article shall apply mutatis mutandis to the case of the preceding two paragraphs.
Article 808	Whoever finds a treasure-trove and takes possession of it, he acquires its ownership. However, if the treasure-trove is found in a personal or real property owned by another, the finder and the owner of such personal or real property shall equally acquire a half of the treasure-trove.
Article 809	When a treasure-trove that has been found is fit for the academic, artistic, archaeological or historical material, its ownership shall be determined in accordance with the provisions of the particular law relating thereto.
Article 810	The provisions concerning the picking up of the lost property shall apply mutatis mutandis to the picking up of the floating property, the sunken property or other property which separates from its possessor because of the natural force.
Article 811	When a personal property becomes an important component part of a real property through attaching, the owner of the real property acquires the ownership of such personal property.
Article 812	When a personal property belonging to one person is attached to a personal property belonging to another person in such a way that they cannot be separated without damage or can only be separated through the incurring of excessive expenses, both owners shall jointly own the composition in proportion to the value of each personal property at the

time they were attached.
If one of the personal properties attached as specified in the preceding paragraph can be deemed to be the principal thing, the owner of such principal thing acquires the ownership of the composition.

Article 813 The provisions of the preceding article shall be mutatis mutandis applied when a personal property is mixed together with a personal property belonging to another person so as to be no longer distinguishable from each other or so as to be distinguished only through the incurring of excessive expenses.

Article 814 When a person has contributed work to a personal property belonging to another, the ownership of the personal property upon which the work is done belongs to the owner of the material thereof. However, if the value of the contributing work obviously exceeds the value of the material, the ownership of the personal property upon which the work is done belongs to the contributing person.

Article 815 When the ownership of a personal property is extinguished in accordance with the provisions of the preceding four articles, all other rights over such personal property are also extinguished.

Article 816 The person, who has a loss through the provisions of the preceding five articles, is entitled to claim a reimbursement of the value in accordance with the provisions concerning unjust enrichment.

Section 4 - Co-Ownership

Article 817 When several persons have the ownership of a thing in proportion to their own respective shares, they are co-owners.
If the shares to which each co-owner is entitled are not known, they are presumed to be equal.

Article 818 Each co-owner is, in proportion to his own share, unless otherwise provided by a covenant, entitled to use and to acquire the profits of the thing held in indivision.

Article 819 Each co-owner may freely dispose of his own share.
The disposition of, the alteration of and the creation of an encumbrance over a thing held in indivision shall only be made with the consent of all the co-owners.

Article 820 Unless otherwise provided by a covenant, the management of the thing held in indivision, the consent of more than half of the Co-owners whose holding of ownership is more than half of the total share shall be required. But if the holding of ownership is more than two thirds, the numbers of consenting co-owners need not be taken into account.
If the management in accordance with the preceding paragraph is obviously unfair, the disagreeing co-owner may apply to the court for the alternation.
When the management of the preceding two paragraphs cannot be maintained because of the change of circumstance, the court may rule an alternation on the application of any of the co-owners.
The co-owners, with intent or gross negligence, pursuant to the first paragraph of this article, pass the resolution of the management which caused damages to other co-owners, shall be jointly and severally liable to the damages suffered by the opposing co-owners.
In regard to simple repairs and such other act for the preservation of the thing held in indivision, each of the co-owners is entitled to make it alone.

Article 821 Each co-owner may exercise the right of ownership against the third party for the whole thing held in indivision. However a claim for restoration of the said thing may only be made for the common interests of all the co-owners.

Article 822 Unless otherwise provided by a covenant, the costs of management and other charges relating to the thing held in indivision shall be born by all the co-owners in proportion to their respective shares.

	When one of the co-owners has paid more than the share incumbent on him for the charges relating to such thing held in indivision, he is entitled to claim a reimbursement from the other co-owners in proportion to their respective shares.
Article 823	Unless otherwise provided by the statutes, each co-owner is entitled to demand at any time the partition of the thing held in indivision, except in consequence of the purpose of using such thing that makes partition impossible, or a covenant that provides a period of non-partition. The period of non-partition of such covenant as specified in the preceding paragraph shall not exceed five years. Where a period exceeding five years has been agreed upon, it shall be reduced to five years. However, if the covenant of the real property held in indivision has an agreement on the management, the period of non-partition shall not exceed thirty years. Where a period exceeding thirty years has been agreed upon, it shall be reduced to thirty years. In the case of the preceding paragraph, if there is significant cause, each co-owner is still entitled to demand at any time the partition of the thing held in indivision,
Article 824	The partition of the thing held in indivision can be made in accordance with the method agreed by all the co-owners. If the method of partition cannot be agreed upon, or the co-owner refuses to fulfill the deed of partition because of the completion of the prescription after making an agreement, the court may, on the application of any of the co-owners, order such partition to be made according to either of the following: (1) The distribution of the thing held in indivision itself to every co-owner. If it is difficult to distribute the thing held in indivision itself to every co-owne, the thing held in indivision itself can be distributed to some of the co-owners. (2) The sale of the thing held in indivision and the distribution of the net proceeds to the co-owners, if there is an obvious difficulty in distributing the thing held in indivision itself. The distribution of some parts of the thing held in indivision to every co-owner, together with the sale of other parts of the thing held in indivision and its distribution of net proceeds to every co-owner. In the case of the distribution of the thing held in indivision itself, if some of the co-owners can not receive a distribution or cannot receive a distribution in proportion to their own shares, they may be compensated in money. In the case of the distribution of the thing held in indivision itself, the thing held in indivision can be partially maintained in indivision in consideration of the interests of the co-owners or other necessary circumstances. If the same group of co-owners owns several real properties, unless otherwise provided by the statute, the co-owner is entitled to claim to merge and then partition. If the co-owners of several adjacent real properties are partially the same, the co-owner who owns a share to each real property is entitled to claim to merge and then partition with the consent of other co-owners whose holding of ownership are more than half of the total share of each real property according to the preceding paragraph. However, if the court considers that to merge and then partition is improper, it may still be partitioned respectively. In the case of the sale of the thing held in indivision, under the same terms and conditions, the co-owners have the right of first purchasing to buy the thing held in indivision, unless the buyer is another co-owner. If two co-owners are willing to exercise the right of first purchasing, the buyer shall be decided by drawing lots.
Article 824-1	The co-owner acquires the ownership of the distinct part when the partition is effective. When the thing held in indivision has been partitioned, a mortgage or the lien on the respective share is not thereby affected, except any of the following cases, such rights shift to the distinct part of the mortgagor or the lienee: (1) The right-holder agrees to partition. (2) The right-holder has participated in the litigation for the partition

	of the thing held in indivision. (3) The right-holder is notified of the partition litigation and fails to join. The provisions of the first and the second paragraph of Article 881, or the first paragraph of Article 899, shall apply mutatis mutandis to the exception of the preceding paragraph with the money distribution or the money compensation. In the case of the third paragraph of the preceding article, if it is the partition of real property, the co-owner who shall be reimbursed has mortgage on the distinct part of the person who shall reimburse to such an extent as the amount of compensation. The mortgage of the preceding paragraph shall be recorded at the same time the partition of the thing held in indivision is recorded. Such mortgage shall have priority over the mortgage of the exception of the second paragraph.
Article 825	Each co-owner in proportion to his share bears a liability or warranties the same as that of a seller in regard to the things which the other co-owners have acquired by partition.
Article 826	After the partition of a thing held in indivision, each participant shall preserve all documents relating to the thing which he has acquired. After the partition of a thing held in indivision, all documents relating to the said thing shall be preserved by the person who has acquired the largest portion of the thing. If no person has acquired a larger portion, the partitioners shall determine the person who shall preserve the said documents by agreement, and if it cannot be determined by agreement, the person shall be nominated by the court on the application of the partitioners. Each partitioner is entitled to claim the use of the documents preserved by the other partitioners.
Article 826-1	The covenant of the use, management, partition or partition inhibition or the decision made between the co-owners of the real property according to the first paragraph of Article 821, is bound to the share transferee or the person who acquires the right in rem after its recordation. The same rule shall apply to the management which a court has ruled that has been recorded. The agreement and decision upon the thing held in indivision or the order made by the court between co-owners of personal property shall also bind the share transferee and the person who acquires the right in rem, but only when such person knows or should have known of such case while transferring or acquiring. When the share of the thing held in indivision is transferred, the transferee is jointly and severally liable for the charges arising from the use, management, or other matters related to the thing held in indivision.
Article 827	Where several persons who constitute a relationship in common according to the provisions of statutes, customs or juridical acts hold a thing in common by virtue of the relationship in common, such persons are owners-in-common. The relationship in common through juridical acts of the preceding paragraph shall only be constituted if there are statutes or customs. The rights of each owner-in-common extend to the whole thing held in common.
Article 828	The rights and duties of the owners-in-common are determined according to the statute, juridical act or custom from which the relationship in common is derived. The provisions of Article 820, Article 821 and Article 826-1 shall apply mutatis mutandis to the ownership-in-common. Unless otherwise provided by statutes, the disposition of the thing held in common and the exercise of other rights relating to the same shall be made with the consent of all the owners-in-common.
Article 829	For the duration of the relationship in common, neither of the owners-in-common shall demand the partition of the thing held in common.

Article 830	The ownership-in-common is extinguished with the termination of the relationship in common or by the transfer of the thing held in common. Unless otherwise provided by statutes, the provisions governing the methods relating to the partition of the thing held in indivision shall apply mutatis mutandis to the partition of the thing held in common.
Article 831	The provisions of this section shall be mutatis mutandis applied when rights over property other than ownership are held in indivision or in common by several persons.

Chapter 3 Superficies

Section 1- General Superficies

Article 832	A general superficies is the right to use the land of another person with the purpose of constructing a building or other works thereon or thereunder.
Article 833	(Repealed)
Article 833-1	If the superficies without a definite duration has existed for more than twenty years, or the purpose of establishing the superficies has no longer existed, the court may, upon the request claim by the parties, fix the duration or terminate the superficies after considering the purpose of establishing the superficies as well as the type, nature, and using conditions of the building or works.
Article 833-2	If a superficies without a definite duration is established for the purpose of public constructions, the duration of the superficies shall terminate upon the completion of the public construction.
Article 834	If a superficies is of no rental, the superficiary may waive his/her right at any time.
Article 835	If the superficies has a fixed duration and an agreed-upon rental, the superficiary may waive his/her rights after having paid the rental for the next three years. If the superficies has an indefinite duration and an agreed-upon rental, and the superficiary may waive his/her rights, by either notifying the landowner one year before the waiver, or paying one-year rental. If the land cannot satisfy the original purpose of use for reasons not imputable to the superficiary, the superficiary may waive his/her rights after paying half of the rental as specified in the preceding two paragraphs. If the land cannot satisfy the original purpose of use for reason imputable to the landowner, the superficiary may waive his/her rights and therefore be exempted from paying the rental.
Article 835-1	If the rise or fall in land value after the creation of a superficies makes the original rental arising therefrom obviously unfair, the party may file a claim with the court to increase or reduce the rental. If the superficies has no rental and the burden unexpectedly increased after the creation of the superficies make it obviously unfair to use the land for free, the landowner may file a claim with the court to fix the rental.
Article 836	Where the superficiary has delayed the payment of the rental which has accumulated to the amount equivalent to the total rental for two years, the landowner is entitled to fix a reasonable time and notified the superficiary to pay the rental, if the superficiary does not pay within the fixed period, the landowner is entitled to terminate the superficies, unless otherwise provided by the custom. If a mortgage is created on the superficies, the mortgagee shall also be informed about such notice. If the agreement of rental has been registered, when the superficies is transferred, the rental owed by the former superficiary shall also be taken into consideration. The transferee is jointly and severally liable with the transferor for the rental owed by the former superficiary. The termination as specified in the first paragraph shall be made by an expression of intent to the superficiary.

Article 836-1	When the ownership of the land is transferred, the rental paid in advance shall not be effective against a third party unless it has been registered.
Article 836-2	The superficiary shall use the land and acquire profits therefrom according to the purpose of creating such superficies and the agreed method of use. If the method of use has not been agreed upon, the nature of the land shall be followed. However, the sustainable use for the land shall be maintained in following either one. The agreed method of use as specified in the preceding paragraph shall not be effective against a third party unless it has been registered.
Article 836-3	When the superficiary violates the provision of the first paragraph of the preceding article, the landowner is entitled to terminate the superficies if the superficiary ignores his inhibition. If a mortgage is created on the superficies, the mortgagee shall also be informed about such inhibition.
Article 837	The superficiary is not entitled to claim for a release or reduction of the rental even if he is hindered by force majeure from using the land.
Article 838	The superficiary is entitled to transfer his/her rights to another person or create a mortgage, unless otherwise provided by the agreement of contract or the custom. The agreement as specified in the preceding paragraph shall not be effective against a third person unless it has been registered. A building or other works and the superficies thereon cannot be separately transferred or created other rights.
Article 838-1	Where the land and a building on such land are owned by the same person, a superficies is deemed to have been created and to exist at the time when the land and the building are thereafter sold by auction of compulsory execution to different bidder, and the rental, term, and scope of the superficies shall be determined by agreement between the parties. If such an agreement cannot be reached, the parties can apply to a court for a judgment determining these. The same rule shall apply when either the land or the building is auctioned. The superficies as specified in the preceding paragraph is distinguished by the destruction of the building.
Article 839	When the superficies is extinguished, the superficiary is entitled to take his works back provided that the status quo ante of the land shall be restored. If the superficiary does not take his works back within a month after the superficies is extinguished, those works belong to the landowner, and if it obstructs the use of the land, the landowner is entitled to have the status quo ante restored. The superficiary shall inform the landowner before he takes his works back. If the landowner would like to purchase them at current market price, the superficiary can not refuse to sell without a good cause.
Article 840	Where the work of the superficiary is a building and the superficies is extinguished due to expiration, the superficiary is entitled to fix a period more than a month before the expiration, and request the landowner to compensate him according to the current market price of such building. However if it is otherwise provided by the agreement of contract, such agreement shall be followed. The landowner refuses the request for compensation as specified in the preceding paragraph or does not respond within the period fixed, the duration of superficies shall consider to be extended. If the superficiary refuses to extend, he is not entitled to request for compensation as specified in the preceding paragraph. If the current market price as specified in the first paragraph cannot be agreed upon, the superficiary or the landowner may apply to a court to determine it. The provision of the preceding paragraph shall be applied if the landowner refuses to compensate according to the current market price decided. Extending the duration according to the second paragraph, the duration shall be determined by agreement between the landowner and superficiary.

	If such an agreement cannot be reached, they can apply to a court for a judgment to determine it by taking the interest of using the building and the land into consideration. The provisions of the first and the second paragraph shall not apply after the expiration as specified in the preceding paragraph, expect there is an agreement between the land owner and the superficiary.
Article 841	A superficies is not extinguished by virtue of the loss or destruction of the building or other works.

Section 2 - Divided Superficies

Article 841-1	A Divided Superficies is a superficies created within a certain scope of space on or under other’s land.
Article 841-2	A divided superficiary may enter into an agreement regarding the limits on uses and profits with the person who has the rights to use and profit upon or under the land where a divided superficies is created. If the agreement is not consented to by the landowner, the landowner shall not be bound by it after rights to use and profit the land have extinguished. The agreement provided in the preceding paragraph shall not be effective against a third party unless it has been registered.
Article 841-3	The court shall consider a third party’s interests in determineing the duration of the Divided Superficies according to the fourth paragraph of Article 840 if the third party’s rights will be affected.
Article 841-4	Where a divided superficies has been compensated at current market price or extended the duration according to Article 840, and the rights of a third party could have been affected, the third party should be reasonably compensated. The sum of compensation shall be determined by an agreement, if such agreement cannot be reached, the parties can apply to a court to determine it.
Article 841-5	Where a divided superficies and the right in rem for the purpose of use both exist on the same land at the same time, the exercise of the later created right in rem cannot interfere with the right in rem created ahead.
Article 841-6	Unless otherwise provided in this section, the provisions of general superficies shall be mutatis mutandis applied to divided superficies.

Chapter 4 (Repealed)

Article 842	(Repealed)
Article 843	(Repealed)
Article 844	(Repealed)
Article 845	(Repealed)
Article 846	(Repealed)
Article 847	(Repealed)
Article 848	(Repealed)
Article 849	(Repealed)
Article 850	(Repealed)

Chapter 4-1 Agricultural Right

Article 850-1	An agricultural right is the right to cultivate, to forest, to farm, to plant bamboos and trees or to conserve on the land of another person.

	The duration of the agricultural right shall not exceed twenty years; where a period exceeding twenty years has been agreed upon, it shall be reduced to twenty years, except the agricultural right is created for the purpose of afforestation or conservation, or there is another statute.
Article 850-2	If the duration of the agricultural right is not fixed, the parties are at any time entitled to terminate unless the agricultural right is created for the purpose of afforestation or conservation. The termination as specified in the preceding paragraph shall be informed to the other party six months before the termination. The provision of Article 833-1 shall apply mutatis mutandis to the agricultural right which is created for the purpose of afforestation and conservation and of which the duration is not fixed.
Article 850-3	An agricultural right holder may transfer his right to another person or create a mortgage on it, unless otherwise provided by a contract or custom. The agreement as specified in the preceding paragraph shall not be effective against a third party unless it has been registered. Agricultural works and the agricultural right thereon shall not be separately transferred or created other rights.
Article 850-4	If an agricultural right has an agreed-upon rental, the agricultural right holder may request to reduce or relieve of the rental, or to change the originally agreed-upon purpose of land use, if he has reduced or no profits due to force majeure. In the case of the preceding paragraph, the party is entitled to terminate the right if the agricultural right holder can not use the land for the original purpose agreed upon. The provision regarding the landowner’s the right of termination as specified in the preceding paragraph shall apply mutatis mutandis to the agricultural right without agreed-upon rental.
Article 850-5	An agricultural right holder is not entitled to lease out the land or other agricultural works to another person. However if the lease upon agricultural works is otherwise provided by custom, such custom shall be followed. If the agricultural right holder violates the provision of the preceding paragraph, the landowner is entitled to terminate the agricultural right.
Article 850-6	The agricultural right holder shall use the land and acquire the profit therefrom according to the purpose of creating such right and the agreed method, if the method of use has not been agreed upon; the nature of the land shall be followed. However, the productivity or sustainable use for the land shall be maintained in following either one. If the agricultural right holder violates the provision of the preceding paragraph, the landowner is entitled to terminate the agricultural right if the agricultural right holder ignores his inhibition. If a mortgage is created on agricultural right, the mortgagee shall also been informed about such inhibition.
Article 850-7	When an agricultural right is extinguished, the agricultural right holder is entitled to retrieve his products on the land and the agricultural works. The provision of Article 839 is applied mutatis mutandis to the circumstance as specified in the preceding paragraph. Where the products as specified in the first paragraph are not yet able to be harvested, and the landowner does not want to purchase at current market price, the agricultural right holder is entitled to claim for extending the duration of agricultural right until the products are able to be harvested, and the landowner is not entitled to refuse. However the duration extended cannot exceed six months.
Article 850-8	The agricultural right holder is entitled to make special improvement for raising the production of the land or the convenience of using the land. Where the agricultural right holder notifies the entries of special improvement and the sum of expense as specified in the preceding paragraph to the landowner in writing, and the landowner fails to express a contrary intent immediately after he received the notification, the

agricultural right holder is entitled to demand the landowner to return the expense for the special improvement, in so far as the increased value presently existed thereby, when the agricultural right is extinguished. The claim as specified in the preceding paragraph is extinguished by prescription if it is not exercised within two years.

Article 850-9 The provisions of Article 834, the first and the second paragraphs of Article 835, Article 835-1 to Article 836-1, the second paragraph of Article 836-2 shall apply mutatis mutandis to the agricultural right.

Chapter 5 Servitude of real property

Article 851 A servitude of real property is the right to use the property of another person for accessing, drawing water, lightening, surveying, telecommunication or other specific convenience of one's own property.

Article 851-1 Where a servitude of real property and a right in rem for the purpose of benefiting from its use both exist on a real property at the same time, the exercise of the later created right in rem cannot interfere with the right in rem created ahead.

Article 852 A servitude of real property cannot be acquired by prescription except those which are continuous and apparent.
In the case of the preceding paragraph, if the dominant real property is held in division, the act of one of the co-owners or the act against one of the co-owners shall be effective for the interests of other co-owners. The act, which interrupts the prescription, against those co-owners, who will acquire servitude of real property by prescription, will be effective to all of the co-owners.

Article 853 A servitude of real property can not be separately transferred from the dominant real property or created other right.

Article 854 The owner of the dominant real property is entitled to perform such attached acts as are necessary for exercising or preserving his/her rights, provided that he shall choose the place and the method which will cause the least injury to the servient real property.

Article 855 The owner of a dominant real property, who makes constructions for the purpose of exercising his/her rights, is bound to maintain such constructions. The same rule is applied when the construction is provided by the owner of the servient real property.
The owner of the servient land may use the constructions as specified in the preceding paragraph to the extent the exercise of the servitude of real property has not been obstructed, and shall bear his share of the expenses for the maintenance of the constructions in proportion to the interests he is benefited therefrom.

Article 855-1 The owner of a servient real property or the owner of a dominant real property may, for the necessity to change the place or method of exercising servitude of real property which does not heavily hinder the owner of the dominant real property or the owner of the servient real property to exercise his rights, claim to change by paying on his own.

Article 856 Where a dominant real property is partitioned, its servitude of real property still continues for the interests of all its parts. However if according to its nature the exercise of the servitude of real property actually refers to only one part of the dominant real property, such servitude still continues only in respect to such part.

Article 857 Where a servient real property is partitioned, the servitude of real property still continues on all its parts. However, if according to its nature the exercise of the servitude of real property actually refers to only one part of the servient real property, such servitude still continues only as against such part.

Article 858 (Repealed)

Article 859 Where the continuance of all or part of the servitude of real property is

no longer necessary, the court may, on the application of the owner of the servient real property, declare such servitude of real property extinguished upon the part of which the continuance is no longer necessary.
A servitude of real property is extinguished by virtue of destruction or failure in use of the dominant real property.

Article 859-1 When a servitude of real property is extinguished, the provision of Article 839 shall apply mutatis mutandis to the construction made by the owner of a dominant real property.

Article 859-2 The provisions of Article 834 to Article 836-3 shall apply mutatis mutandis to a servitude of real property.

Article 859-3 When using the dominant real property is based on a right in rem for the purpose of benefiting from its use or a lease, a servitude of real property may be created for the said real property.
The servitude of real property as specified in the preceding paragraph is extinguished when the right in rem for the purpose of benefiting from its use or the lease is extinguished.

Article 859-4 A servitude of real property may be created on one's own real property.

Article 859-5 The provisions of Article 851 to 859-2 shall apply mutatis mutandis to the preceding two paragraphs.

Chapter 6 Mortgage

Section 1 - General Mortgages

Article 860 A general mortgage is a preferential right of a creditor to receive satisfaction of a claim from the proceeds from sale of real property that a debtor or a third party has provided, without transferring possession, as security for the claim.

Article 861 Unless otherwise provided by a covenant, a mortgage secures the principal claim, interest, default interest, default penalties, and the cost of enforcing the mortgage.
The preferential right to satisfaction of a claim over interest, default interest, and such default penalties as are paid at regular periods of one year or less shall be limited to interest and penalties incurred during the five years preceding a mortgagee's enforcement of the mortgage or application for compulsory execution, and interest and penalties incurred during the process of compulsory execution.

Article 862 The effect of a mortgage extends to the accessories and accessory rights of the property mortgaged.
Rights acquired by a third party over such accessories before the creation of a mortgage are not affected by the provisions of the preceding paragraph.
When a building is the subject of a mortgage, any part added to the building and not independent of it is also subject to the effect of the mortgage. The provisions of Article 877 apply mutatis mutandis, however, when a part added to the building is an independent thing added after creation of the mortgage.

Article 862-1 The remnants of a mortgaged property after its destruction remain subject to the effect of the mortgage. The same shall be true of any component of the mortgaged property that is separated from it into independent personal property otherwise than in accordance with the ordinary use of the thing.
Under the circumstances described in the preceding paragraph, a mortgagee may claim possession of such remnants or personal property and exercise his or her rights in accordance with the provisions governing pledges.

Article 863 The effect of a mortgage extends to natural profits that are separated from the mortgaged property after the attachment of such property and that the mortgage holder is entitled to collect.

Article 864	The effect of a mortgage extends to civil profits that the mortgagor is entitled to collect on the mortgaged property after the attachment of such property. The mortgagee, however, may not claim against the obligor who shall pay such civil profits until he has notified such obligor of the fact of attachment of the mortgaged property.
Article 865	If the owner of a real property creates multiple mortgages on the same property for the purpose of securing multiple claims, the ranks of these mortgages are determined according to the order of their registration.
Article 866	After the creation of a mortgage, the owner of a real property may, on the same real property, create superficies or other rights in rem for the purpose of benefiting from their use, or establish a lease relationship, but the mortgage will not be affected thereby. When a mortgagee's enforcement of a mortgage is affected by circumstances described in the preceding paragraph, a court may remove such rights or terminate such lease relationships and thereafter auction the property. The preceding paragraph applies mutatis mutandis when an owner of a real property, after creating a mortgage on the real property, creates rights other than the rights specified in paragraph 1 on the same real property.
Article 867	After the creation of a mortgage, the owner of the real property may transfer the real property to another person, but the mortgage will not be affected thereby.
Article 868	When a mortgaged real property is partitioned or partially transferred, or when one property among multiple real properties securing the same claim is transferred to another person, the mortgage is not affected thereby.
Article 869	If a claim secured by a mortgage is partitioned or partially transferred, the mortgage is not affected thereby. The provisions of the preceding paragraph apply when a debt is partitioned or partially assumed.
Article 870	A mortgage may neither be transferred nor furnished as security for any other claim by separating it from the claim that it secures.
Article 870-1	If there are multiple mortgages on the same mortgaged property, a mortgagee may adjust its proportional share of preferential right to satisfaction by the following means, provided that the interests of the other mortgagees are not thereby affected: 1. Assigning the priority ranking of its mortgage in favor of a specified mortgagee. 2. Waiving the priority ranking of its mortgage in favor of a specified mortgagee of lesser priority. 3. Waiving the priority ranking of its mortgage in favor of all mortgagees of lesser priority. No assignment or waiver of the priority ranking of a mortgage pursuant to the preceding paragraph will take effect without registration. Prior to such registration, the mortgagee shall notify the debtor, the mortgagor, and any joint mortgagors. A mortgagee who benefits from an adjustment in priority rankings under paragraph 1 also may enforce the mortgage with the higher pre-adjustment ranking. When an adjustment is made to the proportional share of preferential right to satisfaction, if the claim secured by the higher ranking mortgage is also secured by real property of a third party, the mortgage to which the third party's real property is subject will be extinguished to the extent of any increase in encumbrance on the property that results from the adjustment, unless the third party has otherwise given its consent.
Article 870-2	When an adjustment is made to the proportional share of preferential right to satisfaction, if the claim secured by the higher ranking mortgage is also secured by a guarantor, the guarantor shall be exempted from liability to the extent of any loss of the benefits of preferential satisfaction that results from the adjustment, unless the adjustment is made with the consent of the guarantor.

Article 871	If an act of a mortgagor is likely to cause a reduction in the value of the mortgaged property, the mortgagee may demand cessation of the act. Under urgent circumstances, the mortgagee himself may make a necessary disposition to safeguard the mortgage. Costs incurred for a demand or disposition specified in the preceding paragraph shall be borne by the mortgagor. Such costs shall have priority of satisfaction over claims secured by any mortgage on the property.
Article 872	If the value of a mortgaged property has been reduced for reasons attributable to the mortgagor, the mortgagee may set an appropriate time limit and demand that the mortgagor restore the status quo ante of the said property or that the mortgagor provide a security commensurate with the amount of the reduction in value. When a mortgagor fails to perform a demand made by a mortgagee within the time limit set under the preceding paragraph, the mortgagee may set an appropriate time limit and demand that the debtor provide security commensurate with the reduction in value. If the mortgagor fails to provide such security within the time limit, the mortgagee may demand full repayment of the claim. When the mortgagor is the debtor, the mortgagee may immediately proceed to demand full repayment of the claim without first making the demand referred to in the preceding paragraph. If the value of a mortgaged property has been reduced for reasons not attributable to the mortgagor, the mortgagee is entitled to demand the provision of security only to the extent of the benefit thereby received by the mortgagor.
Article 873	A mortgagee who has not been paid upon maturity of the claim may apply to a court to have the mortgaged property sold by auction and to receive payment out of the proceeds of the sale.
Article 873-1	A stipulation that ownership of mortgaged property will be transferred to the mortgagee upon failure to pay the claim at maturity shall not be effective against a third party unless it has been registered. When a mortgagee demands that the mortgagor transfer the ownership of a mortgaged property, any portion of the property's value in excess of the claim it secures shall be returned to the mortgagor; if the mortgaged property is insufficient to repay the claim it secures, the mortgagee may demand full repayment of the obligation by the debtor. Before the ownership of a mortgaged property has been transferred to the mortgagee, the mortgagor may extinguish the mortgage by repaying the claim secured by the mortgage.
Article 873-2	When a mortgagee enforces a mortgage, the mortgage on the real property is extinguished by the sale at auction of the mortgaged property. In the circumstances referred to in the preceding paragraph, any unexpired payment period on the claim secured by the mortgage will be deemed to have expired to the extent that payment may be effected from the proceeds from the sale at auction of the mortgaged property. If no payment period is specified for the claim secured by the mortgage or the payment period has not yet expired, and the auction winner or the creditor succeeding to the mortgaged property declares a willingness to pay the claim to the extent of the value of the mortgaged property as auctioned or received through succession, and the mortgagee has consented, the provisions of the preceding two paragraphs shall not apply.
Article 874	Except as otherwise provided by law, the proceeds from the sale of the mortgaged property shall be distributed to the mortgagees according to their priority ranking by order of the creation of the mortgages. For mortgages of the same rank, proceeds shall be distributed pro rata to the amounts of the claims secured by the mortgages.
Article 875	If a mortgage is created on multiple real properties for the purpose of securing the same claim but without specifying the amount to be apportioned against each of those real properties individually, the mortgagee may demand performance of the whole or a part of his claim from the proceeds from the sale of any and each of those real properties.

Article 875-1 If a mortgage is created on multiple real properties for the purpose of securing the same claim, when some or all of the properties are auctioned at the same time and any property or properties among those auctioned is owned by the debtor, the mortgagee shall receive satisfaction first from the proceeds from sale of the debtor's mortgaged property or properties.

Article 875-2 If a mortgage is created on multiple real properties for the purpose of securing the same claim, the amount to be apportioned toward the claim from each of the mortgaged properties shall be calculated as follows:
1. When the apportionment from each individual mortgaged property has not been specified, the apportionment shall be made pro-rata to the values of the properties.
2. When the apportionment from each individual mortgaged property has been specified, the apportionment shall be made pro-rata to the amounts specified for apportionment from the properties.
3. When the apportionment has been specified for only some of the mortgaged properties, the apportionment shall be made pro-rata to the amounts specified for apportionment from the properties and, for those properties for which no amount has been specified, to the values of the properties.
When calculating the amounts to be apportioned under subparagraphs 2 and 3 of the preceding paragraph, when the amount specified for apportionment from any individual mortgaged property is higher than the value of that mortgaged property, the value of the mortgaged property shall be used in the calculation.

Article 875-3 If a mortgage is created on multiple real properties for the purpose of securing the same claim, if some or all of the mortgaged properties are sold by auction simultaneously, and the proceeds from their sale exceed the amount of the claim secured by the mortgages, the provisions of the preceding article apply mutatis mutandis to the calculation of the amount to be apportioned from each of the auctioned mortgaged properties toward payment of the claim.

Article 875-4 If a mortgage is created on multiple real properties for the purpose of securing the same claim, if individual mortgaged properties are sold by auction separately, the following provisions apply:
1. When a mortgaged property sold by auction is owned by a third party other than the debtor and the amount of satisfaction received on the claim by the mortgagee from the auction proceeds exceeds the amount apportionable from that property, the owner of the mortgaged property, within the extent of that excess amount, may demand reimbursement from any other third party or parties whose properties provided as security for the mortgage have not been auctioned, and may also succeed to the rights of the mortgagee in the mortgaged property of such other third parties, to the extent of their apportionment, unless such succession would be prejudicial to the rights of the mortgagee.
2. When a mortgaged property sold by auction is owned by a given person and the amount of the mortgagee's claim satisfied out of the proceeds from auctioning that property exceeds the amount apportionable from that property, then a mortgagee with a junior mortgage on that same property, within the extent of that excess amount, succeeds to the rights of the enforcing mortgagee in any remaining mortgaged properties provided as security by the same given person that have not yet been auctioned, unless such succession would be prejudicial to the rights of the mortgagee.

Article 876 If the land and a building on such land are both owned by the same person at the time a mortgage is created, and either the land or the building only is mortgaged, a superficies is deemed to have been created and to exist at the time when the mortgaged property is sold by auction, and the land rental, term, and scope of the superficies shall be determined by agreement between the parties. If such an agreement cannot be reached, the parties may apply to a court for a judgment determining these.
If the land and a building on such land are both owned by the same person at the time a mortgage is created, and both the land and the building are mortgaged, if the land and the building are thereafter sold by auction to different bidders, the provision of the preceding paragraph shall apply.

Article 877 If, after the creation of a mortgage, the landowner constructs buildings on the mortgaged land, the mortgagee may when necessary apply to a court in the course of compulsory execution procedures to have the buildings sold by auction together with the land, but shall have no preferential right to satisfaction from the proceeds from the sale of such buildings.
The provisions of the preceding paragraph shall apply mutatis mutandis to any building of a rights holder, or used by a person with the rights holder's consent, on the mortgaged property under the circumstances set out in Article 866, paragraphs 2 and 3.

Article 877-1 When a mortgage is created on a building and the mortgaged property is subject to court auction, such assignable rights as necessarily inhere in the mortgaged property shall be auctioned together with it. The mortgagee, however, shall have no preferential right to satisfaction from the proceeds from the sale of those rights.

Article 878 A mortgagee who has not received payment by the maturity of a claim may enter into a contract to acquire the ownership of the mortgaged property, or dispose of it by any means other than an auction, unless so doing would be prejudicial to the interests of the other mortgagees.

Article 879 When a third party who creates a mortgage for a debtor pays the debt in full for such debtor, or loses the ownership in rem of the mortgaged property through the enforcement of the mortgage by the mortgagee, the third party succeeds to the claims of the creditor against the debtor to the extent required for repayment, unless such succession would be prejudicial to the rights of the creditor.
When the debtor has a guarantor, the portion of the debt for which the guarantor is obligated shall be determined pro rata by the guarantor's liability for performance relative to the value of, or the specified monetary amount of apportionment from, the mortgaged property. When the amount of the claim secured by the mortgaged property is less than the value of the property, the amount of the claim secured by the property shall be used in calculation.
Under the circumstances of the preceding paragraph, the mortgagor may demand reimbursement from the guarantor of the portion for which the guarantor is obligated, to the extent that the portion for which the mortgagor is obligated has been exceeded.

Article 879-1 When a third party creates a mortgage for a debtor, if the creditor waives the guarantor's liability for performance, a portion of the mortgage will be extinguished commensurate with the portion for which the guarantor is obligated pursuant to paragraph 2 of the preceding article.

Article 880 For a claim secured by a mortgage, if the right of claim is extinguished by prescription, the mortgage will be extinguished if not enforced by the mortgagee within five years after the completion of such prescription.

Article 881 Unless otherwise provided by law, a mortgage is extinguished by the destruction of the mortgaged property, unless the mortgagor is entitled to receive compensation or other benefits as a result of such destruction.
The mortgagee enjoys a pledge of rights over any right to compensation or other right of claim exercisable by the mortgagor as referred to in the preceding paragraph. The seniority of the pledge shall be the same as that of the original mortgage.
If a payment obligor, intentionally or through gross negligence, makes a payment to the mortgagor, the payment has no effect against the mortgagee.
The provisions of the preceding three paragraphs apply mutatis mutandis with respect to compensation or other benefits that may be received as a result of damage to a mortgaged property.

Section 2 - Line of Credit Mortgages

Article 881-1 A line of credit mortgage is a mortgage created for not more than a specified maximum amount on real property belonging to a debtor or a third party and provided thereby to secure a creditor's unspecified claim within a specific scope against the debtor.

	Claims secured by line of credit mortgages shall be limited to claims deriving from specific legal relationships or to rights deriving from negotiable instruments. For rights deriving from negotiable instruments, with the exception of those obtained on the basis of a specific legal relationship with a debtor as referred to in the preceding paragraph, if the mortgagee accepts any further transfers of negotiable instruments once the debtor has ceased payment and begun liquidation proceedings, or once there has been any composition agreement, application for bankruptcy, or application for company reorganization pursuant to the Bankruptcy Act, the rights under such negotiable instruments are not a claim secured by the line of credit mortgage. This restriction shall not apply, however, if the mortgagee has accepted transfer of a negotiable instrument without knowledge of those circumstances.
Article 881-2	The mortgagee of a line of credit mortgage may exercise rights with respect to the principal claim, once it has been determined, only within the stipulated maximum amount. The mortgagee of a line of credit mortgage may exercise rights with respect to interest, default interest, and default penalties on a claim under the preceding paragraph only insofar as the aggregate sum of those items and the claim under the preceding paragraph does not exceed the stipulated maximum amount.
Article 881-3	Prior to the determination of the principal claim, the mortgagee and the mortgagor may stipulate a change in the scope or in the debtor of a claim as set out in Article 881-1, paragraph 2. A change referred to in the preceding paragraph does not require the consent of mortgagees holding junior mortgages or other interested parties.
Article 881-4	A line of credit mortgage may stipulate a date on which the principal claim it secures shall be determined, and prior to the determination date, a change in that date may be stipulated. The determination date referred to in the preceding paragraph may not be more than 30 years from the time the mortgage is created. If a period of 30 years from that time is exceeded, the period will be reduced to 30 years. The time period referred to in the preceding paragraph may be renewed by the parties.
Article 881-5	If no date has been stipulated for determination of the principal claim secured by a line of credit mortgage, the mortgagor or the mortgagee may at any time demand determination of the principal claim secured by the mortgage. Under the circumstances referred to in the preceding paragraph, the day 15 days from the date of the demand will be the date for determination of the principal claim, unless otherwise stipulated between mortgagor and mortgagee.
Article 881-6	If the claim secured by a line of credit mortgage is assigned to another person prior to determination of the principal claim, the line of credit mortgage is not transferred along with the claim. The same shall be true when a third party satisfies the debt on behalf of the debtor. If, prior to determination of the principal claim, a third party assumes the claim secured by a line of credit mortgage, and the debtor is exempted from liability, the mortgagee may not exercise the line of credit mortgage with respect to the portion that has been assumed.
Article 881-7	If, prior to the determination of the principal claim, the mortgagee or the debtor of a line of credit mortgage is a juristic person and undergoes a merger, the mortgagor may, within 15 days from the date on which it learns of the merger, demand determination of the principal claim. This provision shall not apply, however, more than 30 days after the record date of the merger or when the mortgagor is a party to the merger. When a demand is made pursuant to the preceding paragraph, the principal claim shall be determined at the time of merger. The juristic person surviving or created by the merger shall notify the

mortgagor within 15 days from the date of the merger, and shall be liable for damages for any injury to the mortgager resulting from failure to make such notification.
The provisions of the preceding three paragraphs apply mutatis mutandis under the circumstances set out in Article 306 or to demerger by the juristic person.

Article 881-8 Prior to determination of the principal claim, the mortgagee may, with the consent of the mortgagor, assign the line of credit mortgage in whole or divide and assign it in part to a third person.
Prior to determination of the principal claim, the mortgagee may, with the consent of the mortgagor, cause another or others to become joint mortgage holders of the line of credit mortgage.

Article 881-9 If multiple persons are joint mortgage holders of a line of credit mortgage, the share of each joint mortgage holder in proceeds to which the holders are preferentially entitled is allotted pro-rata to the holder's proportional share in the claim, unless otherwise stipulated by the joint mortgage holders prior to determination of the principal claim.
The right of a joint mortgage holder to be allotted a share pro-rata to its proportional share in the claim pursuant to the preceding paragraph may not be disposed of without the consent of all of the joint mortgage holders, unless prior stipulations have been made concerning the shares to which the mortgage holders are entitled.

Article 881-10 If line of credit mortgages are created on multiple real properties for the purpose of securing the same claim, and if there occurs cause for determination of the principal claim with respect even to just one among the mortgaged real properties securing the principal claim, the principal claim secured by each of the line of credit mortgages will thereupon be determined.

Article 881-11 A line of credit mortgage is not affected by the death of the mortgagee, mortgagor, or debtor, unless such event has been stipulated as a cause for determination of the principal claim.

Article 881-12 Unless otherwise provided in this Section, any of the events below will be cause for determination of the principal claim secured by a line of credit mortgage:
1. The arrival of the stipulated date for determination of the principal claim.
2. A change in the scope of the secured claim, or any other event, that results in discontinuance of the principal claim.
3. The termination of the legal relationship under which the secured claim was incurred, or extinguishment of that relationship due to any other cause.
4. Refusal by the creditor to allow incurrence of further claims, and a demand by the debtor for determination.
5. An application by the mortgagee of a line of credit mortgage for a court ruling for auction of the mortgaged property; a demand for transfer of ownership of the mortgaged property pursuant to Article 873-1; or the establishment of a contract pursuant to Article 878.
6. Attachment of the mortgaged property by a court due to an application by another creditor for compulsory execution, where the mortgagee of the line of credit mortgage knows of the attachment, or where the executing court notifies the mortgagee of the same, provided that this will not apply if the attachment of the property has been cancelled.
7. A court ruling pronouncing bankruptcy of the debtor or mortgagor, provided that this will not apply if the bankruptcy ruling has been vacated by a final and unappealable court ruling.
The provisions of Article 881-5, paragraph 2, apply mutatis mutandis to subparagraph 4 of the preceding paragraph.
The provisos of paragraph 1, subparagraphs 6 and 7 do not apply if, after determination of the principal claim, a third party has taken assignment of the secured claim, or has created any right to which the claim is subject.

Article 881-13 After the occurrence of a cause for determination of the principal claim secured by a line of credit mortgage, the debtor or mortgagor may demand

that the mortgagee provide a final accounting of the actual amount of the claim incurred, and may demand registration of that amount as amended to a regular mortgage. The amount registered, however, may not exceed the originally stipulated maximum amount of the mortgage.

Article 881-14 Except as otherwise provided in this Section, once the principal claim secured by a line of credit mortgage has been determined, the effectiveness of the security does not extend to any claim further incurred or any right in a negotiable instrument obtained subsequent to such determination.

Article 881-15 Once the right of claim over the claim secured by a line of credit mortgage has been extinguished by prescription, if the mortgagee does not enforce its mortgage right during the five years following the completion of such prescription, that claim is thenceforth excluded from the scope secured by the line of credit mortgage.

Article 881-16 Following determination of the principal claim secured by a line of credit mortgage, if the actual amount of the claim exceeds the stipulated maximum amount of the mortgage, a third person who established the mortgage for the debtor, or any other person with a legal interest in the existence of the mortgage, may apply for its cancellation after repayment of an amount equivalent to the maximum amount.

Article 881-17 The provisions regarding regular mortgage apply mutatis mutandis to line of credit mortgages, with the exception of the provisions of Article 861, paragraph 2, Article 869, paragraph 1, Article 870, Article 870-1, Article 870-2, and Article 880.

Section 3 - Other Mortgage

Article 882 A superficies, an agricultural right and a dian may be the object of a mortgage.

Article 883 The provisions concerning regular mortgages and line of credit mortgages apply mutatis mutandis to the mortgages specified in the preceding article and other mortgages.

Chapter 7 Pledge

Section 1 - Pledge of Personal Property

Article 884 A pledge of personal property is a preferential right of a creditor to receive satisfaction of a claim from the proceeds from sale of personal property the possession of which has been transferred by a debtor or a third party as security for the claim.

Article 885 The creation of a pledge becomes effective by the transfer linto the possession of the creditor of the personal property provided as security. The pledgee may not cause the pledgor or the debtor to possess the pledged property in place of the pledgee.

Article 886 When a recipient of a pledge is in possession of the personal property and is protected by the provisions concerning possession, the recipient of the pledge acquires the pledge even if the pledgor has no right of disposal over the thing pledged.

Article 887 Unless otherwise provided by a covenant, a pledge secures the principal claim, interest, default interest, default penalties, cost of preserving the thing pledged, cost of executing the pledge, and damages for any injury arising from a concealed defect in the thing pledged.
The cost of preserving the thing pledged referred to in the preceding paragraph shall be limited to the cost necessary for preventing impairment of the value of the thing pledged.

Article 888 The pledgee shall keep custody of the thing pledged with the due care of a good administrator.
The pledgee may not use the thing pledged or lease it to others except with the consent of the pledgor, provided that use necessary for the

	preservation of the thing pledged is not subject to this restriction.
Article 889	The pledgee may collect profits produced from the thing pledged, unless otherwise provided by a covenant.
Article 890	A pledgee who has the right to collect profits from the thing pledged shall do so with the same care he would take for his own property and shall render an account of the profits. The profits as specified in the preceding paragraph shall first be applied to discharge the costs of collecting the profits, then to discharge the interest on the principal claim, and finally to discharge the principal claim. If appraisal at current value is required before discharge may be made from the profits, the provisions regarding enforcement of pledge rights shall apply mutatis mutandis to the method of appraisal.
Article 891	For the duration of the pledge, the pledgee may, on his responsibility, sub-pledge the thing pledged to a third party. The pledgee shall be also responsible for any loss caused by force majeure resulting from the sub-pledge.
Article 892	If the thing pledged is likely to be perishable or there is an obvious depreciation in its value sufficient to prejudice the rights of the pledgee, the pledgee may sell the thing pledged by auction and keep the proceeds from sale in place of the thing pledged. Under the circumstances referred to in the preceding paragraph, the pledgee shall lodge the proceeds from sale of the thing pledged with a court if the pledgor so requests. The pledgee may enforce its pledge rights against the thing lodged with the court if the pledgee has not received payment upon maturity of the claim.
Article 893	A pledgee who has not received payment upon maturity of the claim may sell the thing pledged by auction and receive payment from the proceeds of the sale. The provisions of Article 873-1 apply mutatis mutandis to any stipulation that ownership of the thing pledged will be transferred to the pledgee upon failure to pay the claim upon maturity.
Article 894	Under the circumstances referred to in the two preceding articles, the pledgee shall notify the pledgor before the sale by auction, unless such notification is impracticable.
Article 895	The provisions of Article 878 shall apply mutatis mutandis to pledges of personal property.
Article 896	Upon the extinction of the claim secured by a pledge of personal property, the pledgee shall return the thing pledged to the person entitled to receive it.
Article 897	A pledge on personal property is extinguished when the pledgee returns the thing pledged to the pledgor or delivers it to the debtor. Upon the return or delivery of the thing pledged, any reservation made in contemplation of continuance of the pledge is void.
Article 898	A pledge of personal property is extinguished when the pledgee loses possession of the thing pledged and does not within a period of two years thereafter demand its return.
Article 899	A pledge of personal property is extinguished by the destruction or loss of the thing pledged, unless the pledgor is entitled to receive compensation or other benefits as a result of such loss or destruction. The pledgee retains a pledge over any right to compensation or other right of claim exercisable by the pledgor as referred to in the preceding paragraph. The seniority of the pledge so retained is the same as that of the original pledge. If a payment obligor, intentionally or through gross negligence, makes a payment to the pledgor, the payment has no effect against the pledgee. Under the circumstances referred to in the preceding paragraph, the pledgee may demand that the pledgor deliver the thing given in payment or make a lodgment of the money paid.

	The provisions of the preceding four paragraphs apply mutatis mutandis with respect to compensation or other benefits that may be received as a result of damage to a thing pledged.
Article 899-1	A debtor or a third party may provide personal property belonging thereto to create a line of credit pledge, for not more than a specified maximum amount, to secure a creditor's unspecified claim within a specific scope against the debtor. The creation of a pledge referred to in the preceding paragraph shall be done in writing, in addition to transferring the possession of the personal property. The provisions regarding line of credit mortgages, and of Article 884 through the preceding article, apply mutatis mutandis to line of credit pledges.
Article 899-2	A pledgee that has received approval to engage in the business of taking pledges may exercise its rights only against the things pledged. If a pledgor does not redeem the thing pledged within five days after the expiration of the period for redemption, the pledgee obtains ownership of the thing pledged, and the claim that it secures is thereupon extinguished. The provisions of Articles 889 to 895, Article 899, and Article 899-1 do not apply to pledges referred to in the preceding paragraph.

Section 2 - Pledge of Rights

Article 900	A pledge of rights is a pledge the subject of which is a transferable claim or other transferable right.
Article 901	Unless otherwise provided in this section, the provisions concerning pledges of personal property shall apply mutatis mutandis to pledges of rights.
Article 902	The creation of a pledge of rights shall be made in accordance with the provisions concerning the transfer of such rights, as well as with the provisions of this section.
Article 903	A pledgor may not, by means of a juristic act, cause a right that is the subject of a pledge to be extinguished or modified without the consent of the pledgee.
Article 904	If the subject of a pledge is a claim, the pledge shall be created in writing. If there is any document evidencing a claim referred to in the preceding paragraph, the pledgor is obligated to deliver it.
Article 905	If a claim that is the subject of a pledge is a pecuniary claim with a maturity earlier than the maturity of the claim it secures, the pledgee may demand that the debtor lodge the payment for the pecuniary claim, and may exercise its pledge against the thing lodged. If a claim that is the subject of a pledge is a pecuniary claim with a maturity later than the maturity of the claim it secures, then at the maturity of the claim secured by the pledge, the pledgee may demand payment of the amount of the claim secured by the pledge.
Article 906	If a claim that is the subject of a pledge is a claim for payment by delivery of personal property other than money, then at the maturity of that claim, the pledgee may demand that the debtor deliver the personal property, and the pledgee will hold a pledge over the thing delivered.
Article 906-1	If a claim that is the subject of a pledge is a claim for payment by the creation or transfer of rights in rem in real property, then at the maturity of that claim, the pledgee may demand that the debtor create or transfer such rights in rem in the real property in favor of the pledgor, and the pledgee will hold a mortgage on the rights in rem in the real property. At the time of the creation or transfer of the rights in rem in the property in favor of the pledgor, the mortgage referred to in the preceding paragraph shall be registered together therewith.

Article 906-2 When a pledgee has not received payment upon maturity of the claim secured by a pledge, in addition to taking measures under the preceding three articles, the pledgee also may enforce its pledge in accordance with the provisions of Article 893, paragraph 1, or Article 895.

Article 906-3 When a claim that is the subject of a pledge may be caused to reach maturity by the exercise of a certain right, the pledgee also may exercise that right when the pledgee has not received satisfaction upon maturity of the claim secured by the pledge.

Article 906-4 When a debtor makes a lodgment or a payment in accordance with Article 905, paragraph 1, Article 906, or Article 906-1, the pledgee shall notify the pledgor but need not obtain the consent of the pledgor.

Article 907 If the subject of a pledge is a claim, and its debtor has been notified of the creation of the pledge, that debtor, when making any payment either to the pledgor or the pledgee, shall first obtain the consent of the other of those parties. In the absence of such consent the debtor shall lodge the thing given as payment.

Article 907-1 If the subject of a pledge is a claim, and its debtor, after having been notified of the creation of the pledge, obtains any claim against the pledgor, that debtor may not assert offset of that claim against the claim that is the subject of the pledge.

Article 908 If the subject of a pledge is securities for which no rights holder is named, the creation of the pledge becomes effective by the delivery of the securities to the pledgee. If the subject is any other type of securities, endorsement is also required to be made.
The endorsement referred to in the preceding paragraph may include a notation as to the purpose for which the pledge is created.

Article 909 If the subject of a pledge is securities for which no rights holder is named, a negotiable instrument, or any other securities transferred by endorsement, the pledgee may collect payments receivable on such securities even if the claim secured thereby has not matured. If to do so it is necessary to cause the securities to reach maturity, the pledgee shall also have the right to bring about the maturity by giving notice or by other means. And the debtor may make payments only to the pledgee.
The provisions of Article 905, paragraph 1, or Article 906 apply to payments collected pursuant to the preceding paragraph.
The provisions of Article 906-2 and Article 906-3 apply mutatis mutandis to pledges the subject of which is securities.

Article 910 If the subject of a pledge is securities, the effect of the pledge further extends to attached interest coupons, fixed-payment securities, or any other attached securities, provided they have been delivered to the pledgee.
Unless otherwise stipulated, if attached securities are issued after the creation of the pledge, the pledgee may demand their delivery from the issuer or the pledgor.

Chapter 8 Dian

Article 911 Dian is, by delivering a price, the right to use and collect profits on a real property of another person, and the ownership of such real property is acquired if the said person refuses to redeem.

Article 912 The period of dian cannot exceed thirty years. If a period exceeding thirty years has been agreed upon, such period is to be reduced to thirty years.

Article 913 If a period of a dian less than fifteen years has been agreed upon, a clause, which provides that the property not redeemed on the date of expiration will be considered sold without a right of redemption, cannot be included in the contract.
If a clause, which provides that the property not redeemed on the date of expiration will be considered sold without a right of redemption, has been agreed upon, the dian-holder acquires the ownership of the property

	dianed if the dian-maker refuses to redeem at the original dian price on the date of expiration. A clause, which provides that the property not redeemed on the date of expiration will be considered sold without a right of redemption, shall not be effective against a third party unless it has been registered.
Article 914	(Repealed)
Article 915	For the duration of the dian, the dian-holder may sub-dian or lease the property dianed to another person. Unless it is otherwise provided by agreement or by customs, such agreement or custom shall apply. If the dian's duration has been fixed, the duration of the sub-dian or lease cannot exceed that of the original dian. In the absence of such fixed duration, the sub-dian or lease shall not have a fixed duration. The price for the sub-dian cannot exceed the price of the original dian. If the land and the buildings thereon belong to the same person, and a dian is created for one person, the dian-holder shall not separately sub-dian or dispose of the property dianed.
Article 916	The dian-holder is liable to compensate for any injury caused to the property dianed resulting from the sub-dian or lease.
Article 917	The dian-holder may transfer the dian to another person or create a mortgage. If the property dianed is a land, and the dian-holder has a building thereon, the dian and such building cannot be separately transferred or disposed of.
Article 917-1	The dian-holder shall use the property dianed and acquire the profit therefrom according to the nature of the property dianed, and shall maintain sustainable use for the property dianed maintained. If the dian-holder violates the provision of the preceding paragraph, the dian-maker is entitled to redeem the property dianed if the dian-holder ignores his inhibition. If a mortgage is created on the dian, the mortgagee shall also been informed about such inhibition.
Article 918	The dian-maker may after the creation of the dian transfer the property dianed to another person. However, the dian remains un-affected.
Article 919	When the dian-maker sells the property dianed to another person, the dian-holder has the right of first purchasing under the same terms and conditions. In the case of the preceding paragraph, the dian-maker shall notify the dian-holder in writing accordingly. If the dian-holder fails to express his intent of purchasing in writing under the same terms and conditions within ten days after receiving the notice of sell, his right of first purchasing is deemed waived. If the dian-maker violates the provision of notice of the preceding paragraph and transfers the ownership of the property dianed, such transfer shall not be effective against the dian-holder.
Article 920	If, for the duration of the dian, the property dianed has been wholly or partially destroyed by force majeure, both the dian and the right of redemption are extinguished in respect to the part destroyed. In the case of the preceding paragraph, if the dian-maker redeems the part remaining, he may deduct from original price received for the dian the price for the dian of the destroyed part. The price for the dian of the destroyed part is calculated according to the proportion of the value which the part destroyed had at the time of such destruction and the value which the property dianed had at the time of such destruction.
Article 921	If, for the duration of the dian, the property dianed is wholly or partially destroyed by force majeure, the dian-holder may reconstruct or repair the property dianed within the value which the part destroyed had at the time of such destruction, unless otherwise agreed by the dian-maker. Original dian is deemed continually existing on the reconstruction.
Article 922	If, for the duration of the dian, the property dianed is wholly or

	partially destroyed due to the dian-holder's fault, he is liable for such destruction to the extent of the amount of the price given for the dian. However, if the destruction is caused by his intentional actions or gross negligence, he shall compensate for further injury, in addition to that covered by the price given for the dian.
Article 922-1	A reconstruction is financed by the compensation received from the loss of the property dianed, the original dian shall be deemed as continuously existing upon the reconstructed property.
Article 923	If a period has been fixed for the duration of the dian, the dian-maker may redeem the property dianed at the original price received for the dian after the end of such period. If the dian-maker does not redeem the property dianed at the original price received for the dian within two years from the end of the said period, the dian-holder acquires the ownership of the property dianed.
Article 924	If no period has been fixed for the duration of the dian, the dian-maker may redeem the property dianed at any time at the original price received for the dian. However, if it is not redeemed within thirty years from the creation of the dian, the dian-holder acquires the ownership of the property dianed.
Article 924-1	When the dian-maker makes an expression of redeeming the property sub-dianed to the dian-holder, if the dian-holder does not redeem from the sub-dian-holder and cancel the recordation of dian within a reasonable period, the dian-maker is entitled to redeem, within the price of original claim, the property dianed from the last sub-dain holder at the price of the last sub-dianed. In the case of the preceding paragraph, if the price for sub-dian is lower than the price for the original dian, the dian-holder or the sub-dian-holder is entitled to claim the difference of the price between the original dian and the sub-dian. The dian-maker can also lodge the difference in amount for every person who is entitled to claim. The provision of the preceding two paragraphs shall also apply to the following circumstances: 1. The dian-holder has previously declared that he refuses to cancel the recordation of the dian. 2. The dian-maker cannot make the expression of redemption because the dian-holder is missing or other circumstances.
Article 924-2	Where the land and the building thereon are owned by the same person, and the dian is only created on the land, a lease relationship is presumed to exist between the dian-holder and the owner of the building during the existence of the dian or the building. If the dian is only created on the building, a lease relationship is presumed to exist between dian-holder and the landowner within the duration of the dian. If the dian is created on the land and the building respectively, a lease relationship is presumed to exist between the dian-holders within the duration of both dian. In the case of the preceding paragraph, if the sum of the rental cannot be agreed upon by the parties, they can apply to a court for a judgment to determine it. Where the dian is created according to the first paragraph, and the dian-holder acquiring the ownership of the property dianed according to the provisions of the second paragraph of Article 913, the second paragraph of Article 923 and Article 924 results in the land and the building owned by different person, the provision of Article 838-1 shall be applied.
Article 925	The redemption made by the dian-maker shall be informed to the dian-holder six months beforehand.
Article 926	If, for the duration of the dian, the dian-maker expresses to transfer to the dian-holder the ownership of the property dianed, the dian-holder may acquire such ownership by paying the difference between the current value

of the property dianed and the price given for such dian.
The payment of the difference specified in the preceding paragraph shall be made once only.

Article 927 If beneficial outlays have been incurred by the dian-holder, whereby the value of the property dianed is increased or where reconstruction or repairs have been made in accordance with the provisions of Article 921, the dian-holder may demand return to the extent of the benefits existing at the time of the redemption of the said property.
The provision of Article 839 shall apply mutatis mutandis to the redemption of the said property.
If the property dianed is a land, and the dian-maker agrees the dian-holder to construct buildings on it, the dian-maker shall reimburse the dian-holder according to the current market price of such building at the time of the redemption of the said property, except there is another agreement. If the dian-maker refuses to reimburse, a superficies is deemed to be created at the time of the redemption.
If the dian-maker is willing to reimburse according to the preceding paragraph, but the parties cannot agree upon the current market price, the parties can apply to a court to determine the price. If the dian-maker refuses to reimburse according to the price decided by the court, a superficies is also deemed to be created at the time of the redemption.
In the circumstance that a superficies is deemed to be created as specified in the preceding two paragraphs, if the parties cannot agree upon the rental, duration and scope, the parties can apply to a court to determine it.

Chapter 9 Right Of Retention

Article 928 The right of retention is the right of a creditor who is in possession of the personal property of another to retain that personal property if there is a nexus between the occurrence of the creditor's claim and that property and the creditor has not received payment upon maturity of the claim.
The provisions of the preceding paragraph do not apply if the creditor possesses the personal property as the result of a tort or other unlawful cause, or if at the time the creditor took possession the creditor knew, or due to gross negligence failed to know, that the personal property is not owned by the debtor.

Article 929 The nexus specified in the preceding article is deemed to exist where the personal property is taken into possession due to a business relationship existing between traders and the claim arises from that business relationship.

Article 930 Personal property may not be retained if retention is contrary to public order or good morals. The same shall be true if retention conflicts with a duty that shall be borne by the creditor or with a stipulation between creditor and debtor.

Article 931 Upon the insolvency of the debtor, the creditor has the right of retention, even before the claim has matured.
If the debtor becomes insolvent after the delivery of the personal property or if his insolvency becomes known to the creditor only after such delivery, the creditor may exercise his right of retention, even if there exists a conflict referred to in the preceding article.

Article 932 When a creditor has not yet received full payment of its claim, the creditor may exercise its right of retention against the whole of the thing retained, provided that if the thing retained is divisible, the creditor may exercise its right only pro rata by the ratio of its claim to the value of the thing retained.

Article 932-1 When rights in rem other than ownership rights exist in a thing retained, the holder of those rights in rem may not assert them against a bona fide holder of the right of retention.

Article 933 The provisions of Articles 888 to 890 and of Article 892 apply mutatis mutandis to the right of retention.

Article 934	The creditor may demand reimbursement from the owner of the thing retained for any necessary outlays incurred for maintaining custody of the thing retained.
Article 935	(Repealed)
Article 936	A creditor who has not received payment upon maturity of a claim may set an appropriate time limit of at least one month, notify the debtor, and declare that if the claim is not paid within the time limit, payment will be taken out of the thing retained. If the thing retained is owned by a third party or other rights in rem exist in the thing, and the creditor knows this, the creditor shall also notify the third party or rights holder at the same time. If the debtor or the owner of the thing retained does not pay the claim within the time limit specified in the preceding paragraph, the creditor may apply mutatis mutandis the provisions regarding the enforcement of pledge rights and receive preferential payment out of the proceeds from the sale of the retained thing or obtain ownership of the thing. If notification under paragraph one is impossible, the creditor may also exercise the rights specified in the preceding paragraph if it has not yet received payment of the claim six months after maturity of the claim.
Article 937	If the debtor or the owner of the thing retained has furnished commensurate security for the payment of the claim, the creditor's right of retention is extinguished. The provisions of Articles 897 to 899 apply mutatis mutandis to the right of retention.
Article 938	(Repealed)
Article 939	The provisions of this Chapter regarding right of retention apply mutatis mutandis to any other rights of retention, provided that if there are separate provisions regarding such other rights of retention, those provisions shall govern.

Chapter 10 Possession

Article 940	A possessor is a person who has a controlling power de facto over a thing.
Article 941	If a person possesses a thing of another as a superficiary, agricultural right holder, dian-holder, lien creditor, lessee, or depositary, or by virtue of some other similar legal relationship, such other person is an indirect possessor.
Article 942	If, by following the instructions of another person, a person has the controlling power over a thing as an employee, apprentice, or family member or by virtue of some other similar relation he is entitled to the said power, then only such other person is the possessor.
Article 943	A possessor is presumed to have legally the right which he exercises in rem of thing possessed. The presumption provided in the preceding paragraph shall not apply to the following circumstances: 1. Possess the registered real property and exercise its rights in rem. 2. Exercise the rights other than ownership to the person who has put it in his possession.
Article 944	It is presumed that the possessor possesses a thing with the intent of being its owner, in good faith, peacefully, openly and not negligently. If it is proved that possession existed at the beginning and at the end of a period, it is presumed that the possessor has been in continuous possession during the intermediate time.
Article 945	When, according to the nature of the facts from which the possession of a thing originates, the possessor has no intent of being its owner, he takes the possession with the intention of being its owner from the time when he expresses such intent to the person who has put it in his

possession. The same rules shall apply when the possession becomes one with the intent of being its owner through a new fact.
Where the person who has put it in his possession is not the owner, and the possessor already knows the exact owner of the thing possessed when he made the expression as specified in the preceding paragraph, the possessor shall also express his intent to the said owner.
The preceding two paragraphs shall apply mutatis mutandis to where the possessor with the intent of being its owner changes his intent of possession to that other than the intent of being an owner, and the possessor with one intent of possession changes his intent to another intent of possession.

Article 946 The transfer of possession becomes effective by the delivery of the thing possessed.
The provisions of Article 761 shall apply mutatis mutandis to the transfer as specified in the preceding paragraph.

Article 947 The successor or transferee in a possession may assert either his own possession or his possession together with that of his predecessor.
In case the possessor asserts the possession of the predecessor together with that of his own, he succeeds also to its defects.

Article 948 If, with the purpose of transferring the ownership of, or creating other rights to a personal property, a person in good faith takes the possession of such personal property, such possession shall be protected by law, even though the transferor had no right to transfer it. Provided, however, this provision shall not apply, if the transferee knows, or does not know with gross negligence, that the transferor has no right to transfer it.
If a personal property's possession is transferred according to the provisions of Paragraph Two, Article 761, the transferee shall only be protected by the preceding paragraph, if he receives delivery and is in good faith at the time of delivery.

Article 949 If the thing possessed is a steal, lost property, or its original possessor has lost possession unintentionally, the original possessor is entitled to demand from the current possessor, who in a good faith takes the possession of such property, the restoration of the thing within two years from the time when he lost possession.
Once the thing is restored in accordance with the preceding paragraph, the rights on it have also been restored from the time the possession was lost.

Article 950 If the steal or the lost property, or other thing which its original possessor unintentionally lost possession, is bought in good faith by the current possessor in an open trade market, or from traders selling things similar to the one possessed, the thing cannot be restored without returning the buyer with the price he paid for it.

Article 951 In case the steal or the lost property or other thing which its original possessor unintentionally lost possession consists of moneys or securities for which no right holder is named, restoration of the same cannot be demanded from its bona fide current possessor.

Article 951-1 The provisions of Article 949 and Article 950 shall not apply to the original possessor who is a mala fide possessor.

Article 952 A bona fide possessor may use the thing possessed and collect the profits therefrom within the scope of his legally presumed right.

Article 953 If, in consequence of circumstances for which the bona fide possessor is responsible the thing possessed is lost or destroyed, he is liable for the injury to the person demanding the restoration only to the extent of the interests which he, the said possessor, has received by reason of the destruction or damaged.

Article 954 A bona fide possessor may demand from the person demanding restoration return of any necessary outlays incurred for the preservation of the thing possessed. However, he cannot demand to return the general necessary outlays, if he has collected the profits of the said thing.

Article 955	A bona fide possessor may demand from the person demanding restoration return for any beneficial outlays incurred for the improvement of the thing possessed in so far as the existing value of the thing is increased thereby.
Article 956	If, owing to circumstances for which a mala fide possessor or anyone possessing the thing without the intent of being its owner is responsible, the thing possessed is lost or destroyed, he is liable to the person demanding restoration for any injury arising therefrom.
Article 957	A mala fide possessor may demand from the person demanding restoration return for any necessary outlays incurred for the preservation of the thing possessed in accordance with the provisions concerning management of affairs without mandate.
Article 958	A mala fide possessor is liable for the return of profits. If the profits have been consumed, or have been destroyed through his negligence, or have not been collected through his neglect, he is bound to compensate for the value of such profits.
Article 959	A bona fide possessor becomes a mala fide possessor since he is sure that he has no right to possess the thing. A bona fide possessor, who loses in an action concerning his right which the possession originates, is deemed to be as a mala fide possessor from the date the notice of complaint is served.
Article 960	A possessor may defend himself with his own force against any act which deprives him of or interferes with his possession. If the thing possessed has been seized, the possessor may, if it is a real property, retrieve the same by expelling the tortfeasor immediately after the seizure; or, if it is a personal property, retrieve it from the tortfeasor in the very act or in a pursuit.
Article 961	The person entitled to the controlling power as specified in Article 942 may also exercise the right of the possessor provided by the preceding article.
Article 962	If possession has been deprived from a possessor, he may demand the return of the thing possessed; if it is interfered with, he may demand the removal of the interference; and if it is in danger of being interfered with, he may demand the prevention of such interference.
Article 963	The claim as specified in the preceding article is extinguished by prescription, if it is not exercised within one year from the time of the deprivation or interference or from the existence of the danger of being interfered with.
Article 963-1	If several persons possess a thing in common, each possessor may exercise the rights provided by Article 960 or Article 962 over the thing possessed as a whole. The thing retrieved or returned in accordance with the preceding paragraph shall be possessed for all the possessors.
Article 964	The possession of a thing is extinguished by the loss of the controlling power de facto, which the possessor exercises in rem of said thing, unless the loss of such controlling power is only temporary.
Article 965	If several persons possess a thing in common, each possessor cannot demand for the protection of possession against other possessor in so far as the extent of using the said thing is concerned.
Article 966	A quasi-possessor is a person who exercises such property rights over a thing as are established without having taken possession of the said thing. The provisions of the present chapter concerning possession shall apply mutatis mutandis to the quasi-possession as specified in the preceding paragraph.

Part Ⅳ Family

Chapter I General Provisions

Article 967 The lineal relative by blood is the relative by blood of a person from whom that person is descended or he who is descended from that person. The collateral relative by blood is the nonlineal relative of a person who is descended from the same common ancestor as that person himself is.

Article 968 The degree of relationship by blood between a person and his lineal relative by blood shall be determined by counting the number of generations upwards or downwards from himself [as the case may be], one generation being taken as one degree. As between the person and his collateral relative, the degree of relationship shall be determined by the total number of generations counting upwards from himself to the common lineal ancestor and then from such common ancestor downwards to the relative by blood with whom the degree of relationship is to be determined.

Article 969 The relative by marriage of a person includes the spouse of his relative by blood, the relative by blood of his spouse and the person who is married to the relative by blood of his spouse.

Article 970 The line and degree of relationship between relatives by marriage shall be determined as follows:
(1) In regard to the spouse of a relative by blood, by the line and degree of relationship of the person who is married to the said spouse;
(2) In regard to a relative by blood of a spouse, by the line and the degree of relationship between such relative by blood and the said spouse;
(3) In regard to the person who is married to the relative by blood of his spouse, by the line and the degree of relationship between such person and the said spouse.

Article 971 Divorce terminates the relationship between relatives by marriage. The same rule is applicable to the annulment of marriage.

Chapter II Marriage

Section 1 Betrothal

Article 972 An agreement to marry shall be made by the male and the female parties in their own [con]cord.

Article 973 A male or female who has not reached his or her seventeenth year of age may not make an agreement to marry.

Article 974 Where a minor makes an agreement to marry, he shall obtain the consent of his statutory agent in advance.

Article 975 No demand shall be made to force the performance of an agreement to marry.

Article 976 Where one of the betrothed parties is found in one of the following conditions, the other party may dissolve the agreement to marry:
(1) Where, having made an agreement to marry, the party made another agreement to marry or concluded a marriage with another person;
(2) Where the party willfully fails to observe the appointed date of marriage;
(3) Where the party's life has been uncertain for over a year;
(4) Where the party gets a serious and incurable disease;
(5) Where, having made the agreement to marry, the party had consensual sexual intercourse with another person ;
(6) Where, having made the agreement to marry, the party was sentenced to imprisonment;
(7) Where other grave reasons exist.
In the case where a party intends to dissolve an agreement to marry according to the provisions of the preceding paragraph, and if the circumstances do not allow such party to declare such intention to the other party, it is not necessary for such party to do so, and such party

	is no longer bound by the agreement since the conditions described in the preceding paragraph have occurred.
Article 977	Where an agreement to marry has been dissolved in accordance with the provisions of the preceding article, the innocent party may claim compensation from the other party who is at fault for damage thus sustained. In the case provided in the preceding paragraph, the injured party may still claim an equitable compensation in money for a non-pecuniary loss. The right to claim in the preceding paragraph shall not be assigned to others or be passed to heirs, unless it has been acknowledged by a contract or unless an action has been commenced.
Article 978	One party to an agreement to marry, who breaks it without any of the grounds provided in Article 976, shall be liable to compensate the other party for any damage thus sustained.
Article 979	In the case provided in the preceding article, the injured party may still claim an equitable compensation in money for a non-pecuniary loss, provide that he is not at fault. The claim in the preceding paragraph shall not be assigned to others or be passed to heirs, unless it has been acknowledged by a contract or unless an action has been commenced.
Article 979-1	One party may claim the other party for returning gift presented for betrothal when the agreement to marry is null and void, or dissolved, or annulled.
Article 979-2	The claim pursuant to the provisions in Article 977 through Article 979-1 shall be extinguished if it is not exercised within two years.

Section 2 Conclusion of Marriage

Article 980	A male or female who has not reached his or her eighteenth year of age may not conclude a marriage.
Article 981	(Deleted)
Article 982	A marriage shall be effected in writing, which requires the signatures of at least two witnesses, and by the registration at the Household Administration Bureau.
Article 983	A person may not marry any of the following relatives: (1) A lineal relative by blood or by marriage; (2) A collateral relative by blood is within the sixth degree of relationship. The limit to marriage shall not be applicable to persons of lineal relative within the fourth degree of relationship and collateral relative within the sixth degree of relationship by adoption. (3) A collateral relative by marriage is within the fifth degree of relationship of a different rank. The marriage prohibitions between relatives by marriage provided in the preceding paragraph shall continue to apply even after the dissolution of the marriage which has created the relationship. The limit to marriage with the lineal relative by blood or by marriage set forth in the first paragraph hereof shall be applicable to persons of lineal relative by adoption after ending of the adoption relationship.
Article 984	A guardian may not marry his ward during the continuance of guardianship, unless consent of the ward's parents has been obtained.
Article 985	A person who has a spouse may not contract another marriage. A person shall not marry with two or more persons simultaneously.
Article 986	(Repealed)
Article 987	(Repealed)
Article 988	A marriage is void if any one of the following conditions are met: (1) Where it does not conform to the formalities provided by Article 982,

	(2) Where it violates the marriage prohibition as provided in Article 983, or (3) Where it violates the marriage prohibition as provided in Article 985. Except where bigamous parties get married in good faith and without negligence by relying on the dissolution of a prior marriage resulting from an agreement or an irrevocable judgment.
Article 988-1	In the circumstance pursuant to the third paragraph of the preceding provision, the previous marriage is dissolved on the date that the later marriage is formed. The effect that the previous marriage is deemed as dissolved applies mutatis mutandis to the effect of divorce, unless otherwise provided for by law. However the remainder of the property is disposed of as distributed or agreed. No claim shall arise otherwise. Where the previous marriage is deemed as dissolved pursuant to the first paragraph, the right to claim for distribution of the remainder [of the property] shall be extinguished if it is not exercised within two years from the time when the claimant has known that there is such a remainder [of the property], or if five years has elapsed from the revocation of divorce agreement or the reverse of the divorce judgment being finalized. Where the previous marriage is deemed as dissolved pursuant to the first paragraph, the non-fault spouse in the previous marriage has the right to compensation against the other spouse. Under the condition provided in the preceding paragraph, the spouse in the previous marriage may claim equitable compensation for a non-pecuniary loss. The claim provided in the preceding paragraph shall not be assigned to others or passed to heirs, except if it has been acknowledged by a contract or an action has been commenced.
Article 989	Where a marriage is concluded contrary to the provision of Article 980, the party concerned or his statutory agent may apply to the court for its annulment; but such application may not be made, where the party concerned has attained the age specified in the said article or where the woman has become pregnant.
Article 990	(Deleted)
Article 991	Where a marriage is concluded contrary to the provision of Article 984, the ward or his nearest relative may apply to the court for its annulment; but such application may not be made where one year has elapsed after the conclusion of the marriage.
Article 992	(Repealed)
Article 993	(Repealed)
Article 994	(Repealed)
Article 995	Where one spouse is sexually impotent at the time of marriage and such incapacity is incurable, the other party may apply to the court for the annulment of the marriage; but the applicant may not make such application after three years from the time of awareness of such incurability.
Article 996	Where, at the time of marriage, one spouse is in a condition of absence of discernment or mental disorder, such spouse may within six months after he is restored to normal condition apply to the court for the annulment of such marriage.
Article 997	A person who has concluded a marriage by fraud or by duress may apply to the court for its annulment within six months after awareness of the fraud or after the cessation of the duress.
Article 998	The effect of an annulment of marriage is not retroactive.
Article 999	A party to a marriage who has sustained damage through nullity or annulment of the marriage may claim compensation from the other party.

This, however, does not apply where the other party is not at fault.
In the case mentioned in the preceding paragraph, the injured party who is not at fault may also claim an equitable compensation in money though there is no pecuniary loss.
The claim mentioned in the preceding paragraph is not transferable and does not pass to heirs, unless it has been acknowledged by contract or has involved litigation.

Article 999-1 The provisions in Article 1057 and Article 1058 shall be applicable mutatis mutandis to invalid marriage.
The provisions in Article 1055, Article 1055-1, Article 1055-2, Article 1057 and Article 1058 shall be applicable mutatis mutandis to annulled marriage.

Section 3 Efficacy of Marriage

Article 1000 The husband and the wife should keep his or her own surname. Unless one party shall prefix to his or her surname that of the spouse in writing at the household administration authority.
The party who prefixed to his or her surname that of the spouse shall return to his or her own surname. But only one time for change during the continuance of the marriage relationship.

Article 1001 The husband and the wife are under mutual obligation to cohabit, unless for a good cause they cannot live together.

Article 1002 The domicile of the husband and the wife shall be agreed by mutual agreement; if it has not been agreed or can not be agreed, it may depend on the court by application.
Before the ruling of the court, it will be presumed the common household domicile as the domicile of the husband and the wife.

Article 1003 In daily household matters, the husband and the wife act as agents for each other.
Where one of the parties abuses the aforesaid right of agency, the other party may restrict it, but such restriction cannot be set up against any bona fide third party.

Article 1003-1 The payment for living expenses of the household will be shared by the husband and the wife according to each party's economical ability, household labor or other conditions unless otherwise provided for by law or mutual agreement.
The husband and the wife will be jointly liable for debts incurred by the expenses of the preceding paragraph.

Section 4 Matrimonial Property Regimes

Subsection 1 GENERAL PROVISIONS

Article 1004 The husband and the wife may, before or after getting married, adopt by contract one of the contractual regimes provided by this Code as their matrimonial property regime.

Article 1005 Where the husband and the wife have not contracted the holding of matrimonial property, unless otherwise provided by this Code, the statutory regime shall be applied.

Article 1006 (Repealed)

Article 1007 The conclusion, modification or termination of a contract for the holding of matrimonial property must be done in writing.

Article 1008 The conclusion, modification or termination of a contract for the holding of matrimonial property may not be a valid defense against any third party unless it has been registered.
Registration provided in the preceding paragraph will not affect any other registration of the property right according to the other law.
Registration provided in the first paragraph shall be regulated by a

	particular law.
Article 1008-1	The provisions in the preceding two articles shall be applicable mutatis mutandis to other agreements pertaining to matrimonial property.
Article 1009	(Repealed)
Article 1010	Either the husband or the wife is in any of the following circumstances, the court may, at the instance of the other party, order the application of the separation of property regime: (1) Where liable for the living expenses of the household but failed to provide such; (2) Where either the husband or the wife is in a state of insolvent; (3) Where according to the law, the disposition of property requires the consent of the other party, but such consent is refused without a good cause; (4) Where one party who is entitled to manage has obviously managed the common property improperly, and failed to make any improvement thereon by request of the other; (5) Where one party improperly reduced his own property acquired in marriage and this may endanger the other's right to claim for distribution of the remainder [of the property]; (6) Where any other gross event has occurred. Where the husband and the wife are both in a state of insolvent, or where they could hardly maintained their common living, and have not lived together for more than six months, provisions in the preceding paragraph will be applicable to both of them.
Article 1011	(Repealed)
Article 1012	During the continuance of the marriage, the husband and the wife may, by contract, terminate their contract for the holding of property, or adopt any other contractual regime.
Article 1013	(Repealed)
Article 1014	(Repealed)
Article 1015	(Repealed)
	Subsection 2 Statutory Regimes
Article 1016	(Repealed)
Article 1017	The property of either the husband or the wife shall be divided into the property acquired before marriage and the property acquired in marriage, and shall be owned respectively. If the property could not be proven to be the property acquired before marriage or in marriage, it shall be presumed as the property acquired in marriage; if the property could not be proven to be owned by the husband or the wife, it shall be presumed as owned by the husband and the wife jointly. The remains of fruits gained from the property acquired either by the husband or the wife before marriage during the continuance of the marriage relationship shall be deemed as the property acquired in marriage. If the husband and the wife have contracted the holding of matrimonial property, and then adopted the statutory regime, the property before the adoption shall be deemed as the property acquired before marriage.
Article 1018	The husband or the wife would manage, use, collect fruits from, and dispose his or her own property respectively.
Article 1018-1	With the exception of the living expenses of the household, the husband and the wife may contract a certain amount of money paid by one for the other's free disposition.
Article 1019	(Repealed)

Article 1020	(Repealed)
Article 1020-1	Where the husband or the wife's gratuitous act on his or her property acquired in marriage during the continuance of the marriage relationship endangers the other's right to claim for distribution of the remainder [of the property] upon the termination of the relationship over the statutory regime, the other may apply to the court for its annulment, except it was a proper gift for performing a moral obligation. Where the husband or the wife's non-gratuitous act on his or her property acquired in marriage during the continuance of the marriage relationship endangers the other's right to claim for distribution of the remainder [of the property] upon the termination of the relationship over the statutory regime, the other may apply to the court for its annulment only if it was done with knowledge of the endangerment and the beneficiary knew this upon the receipt of the benefit as well.
Article 1020-2	The claim for annulment provided in the preceding paragraph shall be extinguished if it is not exercised within six months from the time when the husband or the wife has known the reason for annulment, or if one year has elapsed from the time when the act has been committed.
Article 1021	(Repealed)
Article 1022	The husband or the wife is under an mutual obligation to inform the other of the condition of his or her property acquired in marriage.
Article 1023	The husband or the wife is respectively liable for his or her own debts. When the husband or the wife discharges the other's debts with his or her own property, even if it is during the continuance of the marriage relationship, he or she may claim for payback.
Article 1024	(Repealed)
Article 1025	(Repealed)
Article 1026	(Repealed)
Article 1027	(Repealed)
Article 1028	(Repealed)
Article 1029	(Repealed)
Article 1030	(Repealed)
Article 1030-1	Upon dissolution of the statutory marital property regime, the remainder of the property acquired by the husband or wife in marriage, after deducting the debts incurred during the continuance of the marriage relationship, if any, shall be equally distributed to the husband and the wife, except property listed as follows: (1) Property acquired from succession or as a gift; (2) Solatium. The court may adjust or waive the share of distribution provided that equal distribution is unfair when one party of the husband and the wife offers no contribution nor collaboration to the marital life or when other conditions are met. When making the decision of the preceding paragraph, the court shall consider synthetically the factors such as household labor, caring and nurturing of the child, the collaboration of contribution to the family, the length of time of living together or separately, the time of receiving the property acquired in marriage or each party’s economic ability. The claim in the first paragraph shall not be assigned to others or be passed to heirs, unless it has been acknowledged by a contract or unless a legal action has been commenced.

The right to claim for distribution of the remainder of the property in the first paragraph shall be extinguished if not exercised within two years from the time where the claimant has known that there is such a remainder; or if five years have elapsed since the dissolution of the statutory marital property regime.

Article 1030-2 If the husband or the wife discharged his or her debts incurred before marriage with his or her property acquired in marriage, or if discharged his or her debts incurred during the continuance of the marriage relationship with his or her property acquired before marriage, unless this property has been made up, it shall be counted into the remainder of the property acquired in marriage or the debts incurred during the continuance of the marriage relationship upon the termination of the relationship over the statutory regime.
If the husband or the wife discharged his or her debts with his or her property described as the exception in the first paragraph of the preceding article, the provisions provided in the preceding paragraph shall be applied.

Article 1030-3 If the husband or the wife, in order to reduce the other's share of distribution of the remainder [of the property], disposed his or her property acquired in marriage within five years before the termination of the relationship over the statutory regime, this property shall be counted into, and deemed as the remainder of the property acquired in marriage, except the disposition was a proper gift for performing a moral obligation.
In the preceding paragraph, where one who is obligated to pay the share of distribution [of the remainder of the property] could not pay off those the other is entitled to receive, the one who is entitled to receive may claim to the third party for restituting the shortness of the share to the extent that the third party is benefited; however if the third party is not gratuitously benefited, the claim for restituting [the shortness of the share] may be made only if the third party is benefited from an obviously uneven payment.
The claim to the third party provided in the preceding paragraph shall be extinguished if it is not exercised within two years from the time when the claimant has known the infringement of distribution right [of the remainder of the property], or if it has elapsed five years from the termination of the relationship over the statutory regime.

Article 1030-4 The value of the remainder of the property by the husband or the wife acquired in marriage shall be counted at the termination of the relationship over the statutory regime; however if the relationship is terminated by a juridical decree of divorce, it shall be count at the commencement of the action.
The value of the property counted into the remainder of the property acquired in marriage referred to in the preceding article shall be counted at the time of the disposition.

Subsection 3 Contractual Regimes

Item 1 Community of Property

Article 1031 With the exception of separate property, all the property and income of the husband and the wife constitute common property to be owned by them in common.

Article 1031-1 The following constitutes the separate property:
(1) Articles which are exclusively intended for the personal use of the husband or the wife;
(2) Articles which are essential to the occupation of the husband or the wife;
(3) Gifts acquired by the husband or the wife which the donor has designated in writing to be the separate property.
The separate property provided in the preceding paragraph is governed by the provisions concerning the separation of property regime.

Article 1032 The husband and the wife manage the common property jointly except it has been agreed by the party who is entitled to manage.

	The cost of management is borne out of the common property.
Article 1033	Either the husband or the wife must have the consent of the other for disposing of the common property. The absence of such consent cannot be set up against a third party, unless he knew or had the means of knowing its absence, or unless the property in question could have, under the circumstances, been regarded as part of the common property.
Article 1034	Debts incurred by the husband or the wife before or during the continuance of the marriage relationship, should be chargeable to the common property and should be respectively liable to the extent of the separate property.
Article 1035	(Repealed)
Article 1036	(Repealed)
Article 1037	(Repealed)
Article 1038	Debts payable out of the common property, where have been paid out of the common property, no claim for compensation will arise. Debts payable out of the common property, where have been paid out of the separate property, or debts payable out of the separate property, where have been paid out of the common property, the claim for compensation shall arise and can be made even during the continuance of the marriage relationship.
Article 1039	Upon the death of one of the husband and the wife, half the common property shall pass to the heir of the deceased and the other half shall devolve on the surviving party. In the case of the division of property mentioned in the preceding paragraph, where some other agreement exists as to the amounts, such agreement shall be followed. In the case provided in the first paragraph, where the surviving party is by law unable to inherit, he may not claim a greater portion of the common property than he would get in the case of divorce.
Article 1040	On the dissolution of the community of property regime, each of the husband and the wife gets back the property of contracting for the holding of matrimonial property, unless otherwise provided for by law. The common property was caused during the continuance of the community of property regime, each of the husband and the wife acquires a half of the property, unless otherwise provided for by contract.
Article 1041	The husband and the wife may agree by contract that the common property shall consist only of labor income. Labor income as specified in the first paragraph comprises earnings from salary, wage, shares, bonus and the other related income acquired by the husband and the wife during the continuance of marriage relationship, as well as the interests and substitute profits of the labor income. The property could not be proven as the labor income or the other property rather than labor income, will be presumed as labor income. The property rather than the earnings of the husband or the wife is governed by the provisions concerning the separation of property regime. The provisions in Article 1034, Article 1038 and Article 1040 shall be applicable mutatis mutandis to the first paragraph.
	Item 2 (Repealed)
Article 1042	(Repealed)
Article 1043	(Repealed)
	Item 3 Separation of Property Regime
Article 1044	In the separation of property regime, the husband and the wife each

	retains the ownership, and each party manages, uses, collects fruits from and disposes his or her own property respectively.
Article 1045	(Repealed)
Article 1046	The liability of debts incurred by the husband or the wife in the separation of property regime shall apply the provisions in Article 1023.
Article 1047	(Repealed)
Article 1048	(Repealed)
	Section 5 Divorce
Article 1049	The husband and the wife may effect a divorce by themselves with their mutual consent.
Article 1050	Divorce by mutual consent shall be effected in writing which requires the signatures of at least two witnesses, and by the divorce registration at the household administration authority.
Article 1051	(Repealed)
Article 1052	Where either the husband or the wife meets one of the following conditions, the other party may petition the court for a juridical decree of divorce: (1) Where he or she has committed bigamy; (2) Where he or she has consensual sexual intercourse with another person; (3) Where he or she abuses the other party as to render common living intolerable; (4) Where he or she abuses the lineal relative of the other party, or his or her lineal relative abuses the other party as to render common living intolerable; (5) Where the other party has deserted him or her in bad faith and such desertion still continues; (6) Where he or she is intent on murdering the other party; (7) Where he or she has a loathsome disease which is incurable; (8) Where he or she has a serious mental disease which is incurable; (9) Where it has been uncertain for over three years whether he or she is alive or dead; or (10) Where he or she has been sentenced to more than six months imprisonment for an intentional crime. Either the husband or the wife may petition for a juridical decree of divorce upon the occurrence of any gross event other than that set forth in the preceding paragraph that renders it difficult to maintain the marriage, except if either the husband or the wife is responsible for the event, only the other party may petition for the divorce.
Article 1052-1	When a divorce through court mediation or court settlement is sustained, the marriage relationship is dissolved; and the court is required to notify the couple’s household registration office.
Article 1053	In the cases specified in Subparagraphs 1 and 2 of the preceding article, the party who has the right to claim may not apply for a [juridical decree of] divorce, where he or she has previously consented to the event or has condoned it afterward or has known of it for over six months, or where two years have elapsed after the occurrence of the event.
Article 1054	In the cases specified in Subparagraphs 6 and 10 of Article 1052, the party who has the right to claim may not apply for a [juridical decree of] divorce, where one year has elapsed after he or she has known of the event or where five years have elapsed after the occurrence of the event.
Article 1055	After the husband and the wife effect a divorce, one party or both parties of the parents will exercise the rights or assume the duties in regard to the minor child by mutual agreement. If the mutual agreement did not or could not be done, the court may decide by the applications of

	the husband or the wife, the authorities concerned, the social welfare institution or any other interested person, or may decide by its authority. If the mutual agreement is unfavorable to the child, the court may change the agreement upon the applications of the authority concerned , the social welfare institution or any other interested person or by its authority in regard to the interests of the minor child. When the party who should but could not exercise the rights and assume the duties in regard to the minor child or did not protect the interests of the minor child, the other party of the husband and the wife, the minor child, the authorities concerned, the social welfare institution or any other interested person may apply the court to change the mutual agreement in regard to the interests of the minor child. The provisions in the preceding three paragraphs, the court may decide the contents and methods of exercising rights and assuming duties for the interests of the minor child on the application or by its authority. The court may decide the way and period of meeting or communication with the minor child by the application of the party who could exercise the rights and assume the duties in regard to the minor child, or by its authority. When the meeting or communication affects the interests of the minor child, the court may change it on the applications or by its authority..
Article 1055-1	When the court makes the jurisdiction in the Article of 1055, it should be decide in accordance with the best interests of the minor child, consider all the conditions and the visiting reports of the social workers, especially check the following contents: (1) The age, gender, numbers and healthy condition of the minor child. (2) The willing of the minor child and the need of personality development. (3) The age, occupation, character, health condition, economical ability and the life style of the parents. (4) The parent's willing and attitude of protecting and educating the minor child. (5) The emotional feelings between the parents and the minor child or between the other persons living together and the minor child. (6)Whether one parent takes actions to hinder the other of exercising rights and assuming duties of the minor child. (7)The tradition, culture, and values of different ethnic groups. When the court makes the preceding decision in accordance with the best interests of the minor child, besides social workers' visiting reports or family matters investigation officers' investigation reports, the court may also make decision based on investigation outcomes of specific matters made by police authorities, tax authorities, financial institutions, schools, and other related authorities, groups, or proper members with related professional knowledge.
Article 1055-2	In the case of the parents, both parties not suitable for exercising are the rights of parents, the Court should appoint a guardian in the best interest of the minor child in accordance with the preceding articles, and appoint the methods of guardianship, order the parents to assume the duties for raising the minor child and the methods.
Article 1056	Where one of the husband and the wife has suffered damage from a judicial decree of divorce, he or she may claim compensation from the other party at fault. In the case provided in the preceding paragraph, the injured party may still claim an equitable compensation in money for a non-pecuniary loss, provided that he or she is not at fault. The claim mentioned in the preceding paragraph shall not be assigned to others or be passed to heirs, unless it has been acknowledged by a contract or unless an action has been commenced.
Article 1057	Where the innocent party of the husband and the wife is reduced to difficulties in livelihood on account of a judicial decree of divorce, the other party, even if he or she is also innocent, shall pay an equitable alimony.
Article 1058	On divorce each of the husband and the wife recovers his or her own

property whatever was at the time of getting married or changing the property regime, except when the separate property regime was applied. If there is any remainder [of the property], it shall be allocated according to the provisions of their property regime.

CHAPTER III Parents and Children

Article 1059	Parents should agree in writing before filing the child's birth registration regarding if the child assumes the father's or mother's surname. Without such an agreement or when the agreement cannot be made, the surname should be determined by drawing lots at the Household Registration Office. After filing the child's birth registration and prior to the child reaching maturity, the parents may in writing change the child's surname to either the father's or mother's. Where the child reached his/her maturity, he/she may change his/her surname to either the father's or mother's surname. Changing the surname pursuant to preceding two Paragraphs can be done only once. Where one of the following conditions is met, either the parents or the child can petition in the interest of the child for a judicial declaration to change the child's surname to either the father's or mother's surname: (1) Where the parents divorce; (2) Where one or both of parents are deceased; (3) Where one or both of parents' lives have been uncertain for three years; or (4) One of parents has obviously not fulfilled his/her obligation of care-giving.
Article 1059-1	A child born out of wedlock shall assume mother's surname. Paragraph two through four of the preceding Article should be applicable to a child born out of wedlock who is acknowledged by the biological father. Where a child born out of wedlock who is acknowledged by the biological father meets one of the following conditions, one of the parents or the child may petition in the interest of the child for a judicial declaration to change the child's surname to either the father's and mother's surname: (1) Where one or both of parents are deceased; (2) Where one or both of parents' lives have been uncertain for three years; (3) Where the child's surname is not the same as the parent who performs the rights and duties of the child; or (4) One of parents has obviously not fulfilled his/her e obligation of care-giving.
Article 1060	The domicile of a minor child is that of the father and mother.
Article 1061	A legitimate child is the child who is born with the conception during the marriage relationship.
Article 1062	The period of conception is the period determined from the one hundred and eighty-first day to the three hundred and second day, both inclusive, traced back from the day of the birth of a child. Where it can be proved that conception took place within a period traced back within the one hundred and eighty-first day under the preceding paragraph or prior to the aforementioned three hundred and second day, such period is deemed to be the period of conception.
Article 1063	Where the wife conceives during the continuance of a marriage relationship, a child so born is presumed to be legitimate. In regard to presumption of legitimacy provided in the preceding paragraph, either the husband, the wife, or the child may bring an action for disavowal if he or she can prove that the child was born out of wedlock. A disavowal pursuant to preceding paragraph shall be effected within two years after one of spouses has the knowledge that the child was born out of wedlock or after the child has the knowledge that he/she was born out of wedlock, except that the child, who has the knowledge that he/she was

	born out of wedlock when he/she was a minor, can still file the disavowal within two years after he/she reaches maturity.
Article 1064	A child born out of wedlock whose natural father and mother have concluded a marriage to each other is deemed to be legitimate.
Article 1065	A child born out of wedlock who has been acknowledge by the natural father is deemed to be legitimate; where he has been maintained by the natural father, acknowledgment is deemed to have been established. In the relation to his mother, a child born out of wedlock is deemed to be legitimate and no acknowledgment is necessary.
Article 1066	A child born out of wedlock or his mother may repudiate the acknowledgment by his natural father.
Article 1067	Where there is a fact sufficient to prove that the person is the natural father of the child born out of wedlock, the child born out of wedlock, or the mother, or other statutory agent, may claim acknowledgement from the natural father. The claim provided in the preceding paragraph can be filed after the death of the natural father against the father’s successors or the social welfare authority if the natural father does not have successors
Article 1068	(Repealed)
Article 1069	The effect of legitimation of a child born out of wedlock is retroactive as from the time of birth, but the existing rights of the third parties will not be affected thereby.
Article 1069-1	The child born out of wedlock have been claimed acknowledgement from his natural father, the provisions in Article 1055, Article 1055-1, and Article 1055-2 shall be applicable mutatis mutandis to the rights and duties of the minor child.
Article 1070	When the natural father has acknowledged a child born out of wedlock, such acknowledgment shall not be revoked, except where the facts prove that the person is not the natural father.
Article 1071	（Repealed）
Article 1072	Where a person adopts the child of another as his own child, the adopter is called the adoptive father or adoptive mother and the person adopted is called the adopted son or adopted daughter.
Article 1073	The adopter shall be at least twenty years older than the person to be adopted; except when the husband and wife co-adopt and either of the husband or wife is twenty years older than the person to be adopted and the other sixteen years or older than the person to be adopted, the person can be adopted. When either the husband or wife adopts the child of the other spouse, the adopter shall be at least sixteen years older than the person to be adopted.
Article 1073-1	None of the following relatives may be adopted as an adopted child: (1) Lineal relatives by blood; (2) Lineal relatives by marriage, except adoption of the other party's child by either the husband or the wife; or (3) Collateral relatives by blood or marriage of a different rank, except where the former is within the sixth degree of relationship and the latter is within the fifth degree of relationship.
Article 1074	When the husband and the wife are to adopt a child, they shall do so jointly, except where one of the following conditions is met: (1) Where he or she adopts the other party’s child; or (2) One of the parties cannot make and accept the declaration of intention or his/her life has been uncertain for three years.
Article 1075	Except when being adopted by a husband and wife, a person shall not be simultaneously adopted by two persons.

Article 1076	Where either the husband or the wife is adopting a child, the consent of the other party shall be obtained; except when the party cannot make and accept the declaration of intention or his/her life has been uncertain for three years.
Article 1076-1	When the child is adopted, the consent of the parents shall be obtained; except when one of the following conditions is met: (1) Where one or both of the parents, who shall but can not exercise the rights and assume the duties in regard to the child or did not protect the interests of the child, refuses to consent; or (2) Where one or both of the parents in fact cannot make the declaration of intention and accept the declaration of intention. The consent provided in the preceding paragraph shall be in writing and notarized, except where the person who petitions for the judicial declaration of the adoption can orally express the consent to the court and the consent shall be recorded in the court record. The consent provided in paragraph one cannot attach with a condition or duration.
Article 1076-2	A minor of younger than seven years of age shall make the declaration of intention and accept the declaration of intention through his/her statutory agent when he/she is to be adopted. A minor older than seven years of age shall obtain the consent of his/her statutory agent when he is to be adopted. The parents of the child to be adopted who have made and accepted the declaration of intention, or consent pursuant to the preceding two paragraphs on behalf of the child as a statutory agent, are able to waive the formality of providing consent pursuant to the preceding provision.
Article 1077	The relationship between an adopted child and his adoptive parents and their relatives is the same as that between a legitimate child with his parents, unless otherwise provided by law. The rights and duties between an adopted child and his or her natural parents and their relatives is suspended during the period of adoption, except where one party of the husband and the wife adopts the other party's child, the other party's rights and duties to the child is not affected by the adoption. After adopting the child, if the adopter marries the adoptee's natural father or mother, the adoptive child resumes his or her rights and duties to natural parents; except the right obtained by the third party is not affected. Where the adopted child has lineal relatives by blood at the time of adoption, the effect of the adoption is limited to his or her minor lineal relatives by blood; except where before the adoption, the adult lineal relatives by blood consents. Consent provided by the preceding paragraph applies mutatis mutandis to the second and third paragraphs of Article 1076-1.
Article 1078	An adopted child assumes the surname of the adopter or will maintain original surname. Where the husband and the wife co-adopt a child, before the registration of the adoption, both parties shall agree in writing regarding if the adopted child should assume the adoptive father or adoptive mother's surname or maintain the original surname. The second and fifth paragraphs of Article 1059 apply mutatis mutandis to the adoption.
Article 1079	Adoption shall be effected in writing and petitioned for the court's approval. The court shall not approve the adoption where the adoption is based on a ground that it is void, may be annulled, or violates other laws.
Article 1079-1	The court shall approve the adoption of the minor based upon the best interest of the adoptive child.
Article 1079-2	Where an adult is to be adopted, the court shall not approve the adoption if one of the following conditions is met: (1) By performing the adoption there is an intent to waive legal duties; (2) The adoption is proved to be unfavorable to the child's natural

	parents; or (3) Other grave reasons that are against the purpose of the adoption.
Article 1079-3	The effect of the adoption is retroactive as from the time that the court’s admission was finalized to the time when the contract of adoption was formed. Except, where the rights obtained by the third party are not affected.
Article 1079-4	The adoption is void if it violates Article 1073, Article 1073-1, Article 1075, Article 1076-1, paragraph one of Article 1076-2, or paragraph one of Article 1079.
Article 1079-5	If the adoption of a child violates the provisions in Article 1074, the spouse of the adopter may apply to the court for annulment of the adoption; however such application shall not be made after six months from the time of knowing the fact or one year from the time of admission given by the court. If the adoption of a child violates the provisions in Article 1076 or the second paragraph of Article1076-2, the spouse of the adopted person, or the child's statutory agent may petition the court for annulment of the adoption; but such petition shall not be made after six months from the time of knowing the fact or one year from the time of admission given by the court. The provisions in Articles 1082 and 1083 shall be applied mutatis mutandis to the adoption annulled by the judgment of the court pursuant to the provisions in the preceding two paragraphs.
Article 1080	The relationship between an adopted child and his adoptive parents may be terminated by mutual agreement of the parties. The termination provided in the preceding paragraph shall be made in writing. Where the adoptive child is a minor, the termination shall be petitioned to the court. The court’s approval of the adoption under the preceding paragraph must be based on the best interest of the child. Where the adoptive child is a minor, termination of the adoption is effective at the time when the court’s approval of the termination is finalized. If the adopted child is younger than seven years old, the intention to terminate the adoptive relationship shall be declared on his behalf by the person who will be his statutory agent after the termination of the adoption. If the adopted child is a minor of more than seven years old, the termination of the adoptive relationship shall be subject to consent of the person who will be the child’s statutory agent after the termination of the adoption. Where the husband and wife co-adopt a child, termination of adoption shall be done jointly. However the termination can be done independently if one of the following conditions is met: (1) Either party, the husband or the wife, cannot make and accept the declaration of intention or his/her life has been uncertain for three years; (2) Either party, the husband or the wife, is deceased after the adoption; or (3) The husband and wife are divorced. Where one party, either the husband or wife, terminates the adoption pursuant to the preceding paragraph, the effect of the termination does not extend to the other party.
Article 1080-1	After the death of the adopted parents, the adopted child may petition the court for approval to terminate the adoption. If the adopted child is younger than seven years old, the petition to terminate the adoption shall be declared on his behalf by the person who will be his statutory agent after the termination of adoption. If the adopted child is a minor older than seven years old, the petition for termination of adoption shall be subject to the consent of the person who will be the child’s statutory agent after the termination of adoption. The court shall not approve the termination of adoption if the court determines that the termination is obviously unfair.

Article 1080-2	The termination of adoption is void, if it violates the second and the fifth paragraphs of Article 1080-2, or the second paragraph of Article1080-1.
Article 1080-3	If the termination of the adoption violates the seventh paragraph of Article 1080, the spouse of the person who terminate the adoption may petition the court for annulment of the termination of the adoption; but such petition shall not be made after six months from the time of knowing the fact or one year from the time of admission given by the court. If the termination of the adoption violates the provisions in the sixth paragraph of Article 1080 or the third paragraph of Article 1080-1, the person who is the child's statutory agent after the termination of the adoption may petition the court for annulment of the termination of the adoption; but such petition shall not be made after six months from the time of knowing the fact or one year from the time of admission given by the court.
Article 1081	Where either party, the adoptive parents or the adoptive child, meets one of the following conditions, the court can terminate the adoption based on the petition of the other party, administrative authority or interested person: (1) Where the party has abused and grossly insulted the other party; (2) Where the party abandoned the other party; (3) Where the party committed a crime intentionally and is sentenced to more than two years imprisonment without probation; or (4) Where there is other grave reason that makes it hard to maintain the adoption relationship. Where the adoptive child is a minor, the court shall terminate the adoption based upon the best interest of the adoptive child.
Article 1082	Where the adoptive relationship has been terminated by the judgment, and the innocent party is thereby reduced to difficulties in livelihood, he may demand payment of an equitable sum of money from the other party.
Article 1083	From the time of the termination of the adoption, the adoptive child and his or her lineal relative by blood who is affected by the adoption shall resume use of his or her surname, and the rights and duties to his or her natural parents and relatives. However, the rights obtained by the third party are not affected.
Article 1083-1	The court may apply mutatis mutandis to the Article 1055-1 when the court rules pursuant to the fifth paragraph of Article 1059, the second paragraph of Article 1059-1, the third paragraph of Article 1078, the Article 1079-1, the third paragraph of Article 1080 or the second paragraph of Article 1081.
Article 1084	Children shall be filial to and respect their parents. Parents have the rights and the duties to protect, educate and maintain their minor children.
Article 1085	Parents may, within the limit of necessity, inflict punishment upon their children.
Article 1086	Parents are the statutory agents of their minor children. Where the parents have a conflict of interest with their minor children and therefore cannot be the statutory agents to the children under the law, the court can appoint a special agent based upon its discretion or the petition of parents, minor children, administrative authority, social welfare institution, or other interested person.
Article 1087	Property which accrues to the minor children by inheritance, gift or other gratuitous title constitutes their separate property.
Article 1088	The separate property of a minor child shall be managed by the parents jointly. The parents have the right to use, and to collect fruits from the separate property of the minor child, but they may not dispose of it except for the interests of the child.

Article 1089 The parents shall jointly exercise their rights and assume their duties in regard to their minor child, unless otherwise provided by law. If one of them can not exercise such rights, the rights shall be exercised by the other party. If the parents can not assume the duties jointly, the duties shall be assumed by the parent who has the ability to do so.
If there is inconsistency between the parents in the exercise of the rights in regard to the grave events of the minor child, they may apply to the court for the decision in accordance with the best interests of the child.
Before the decision of the preceding paragraph, the court shall give the minor child, the authorities concerned, or the social welfare institution a hearing.

Article 1089-1 Where the parents do not continue their cohabitation for more than six months, exercise of the rights or assumption of duties to the minor applies mutatis mutandis to the Article 1055, Article 1055-1 and Article 1055-2.

Article 1090 Where one of the parents has abused his or her rights over their children, the court can suspend all or part of his or her rights to the children based upon its discretion or petition of the other party, minor children, administrative authority, social welfare institution or other interested person.

CHAPTER IV Guardianship

Section 1 Guardianship over Minors

Article 1091 A guardian shall be appointed for a minor when he or she has no parent or when both the parents cannot exercise the rights nor assume the duties in regard to the minor child.

Article 1092 In regard to a minor child, parents may authorize, in a written form, another person to perform the function of a guardian for specific matters and within a fixed period.

Article 1093 The parent who exercises and takes rights and responsibilities to the minor may appoint a guardian by will.
The guardian, appointed by the preceding paragraph, within 15 days after knowing being appointed as a guardian, shall report his/her name and residence to the court; he/she shall also apply for members, appointed by local government, in order to draw up an inventory of the ward’s property with those members.
If the guardian does not report to the court within the said periods, he/she is deemed to waive his/her rights.

Article 1094 Where both parents cannot exercise the rights nor assume the duties in regard to a minor child, or where the parents die without appointing any guardian by a will, or the appointed guardian refuses to be sworn in, the following shall be determined as the guardian in order
(1) Grandparents living in the same household with the minor;
(2) Elder brothers or sisters living in the same household with the minor;
(3) Grandparents not living in the same household with the minor;
Guardian, within 15 days after knowing being appointed as a guardian, shall report his/her name and residence to the court; he/she shall also apply for members, appointed by local government, in order to draw up an inventory of the ward’s property with those members.
If the guardian could not be determined under paragraph 1, the court may, upon the application of the minor child, any relative within the fourth degree of kinship, the public prosecutor, competent authority, or the other interested person, for the best interests of the minor child, appoint or replace the child's elder collateral relative by blood within the third degree of relationship, competent authority, the social welfare institution, or any other proper person as the guardian, and order the way and manner of guardianship.
The court shall also appoint members for drawing up an inventory of the ward’s property when appointing guardians under preceding paragraph or

	appointing/changing guardians under provisions of Article 1106 and Article 1106-1. In the absence of the guardian provided in the first paragraph, and before the appointment according to paragraph 3 of the provision being decided by the court, the local authorities of social welfare concerned shall be the guardian of the minor.
Article 1094-1	When electing or changing guardians, for the best interest of the ward, the court shall take everything into consideration; the following things shall be paid attention to (1) the ward’s age, gender, willingness, health, and the need of developing the ward’s personality. (2) the guardian’s age, employment, personality, willingness, attitude, health, finance, and criminal records. (3) relations between the guardian and the ward or relations between the ward and others living in the same household. (4) when a juristic person is the guardian, the category and content of its business; and relations between the juristic person and its representative and the ward.
Article 1095	If the guardian has good causes, with the court’s permission, he/she may dismiss his/her duty.
Article 1096	The following persons shall not act as guardians (1) minors. (2) persons who are subjects to the commencement of guardianship or assistantship and have not yet revoked those orders. (3) persons who declare bankrupt and have not yet resume their rights. (4) absent persons.
Article 1097	Unless it is otherwise provided, a guardian shall, within the limits required for the protection and advancement of the ward's interests, exercise the rights and assume the duties of the parents in regard to a minor child. Where the guardianship is only provisionally authorized by the parents, the function of the guardian shall be limited to those so authorized. When there are disagreements, regarding the ward’s serious rights, among several guardians, the court may designate one guardian to enforce rights. The court may take opinions from the ward, competent authority or organization of social welfare when making preceding decision.
Article 1098	A guardian within the scope of his/her delegated power is the statutory agent of his ward. Where the guardian has a conflict of interest with his/her ward or he/she cannot be the statutory agent to the ward under the law, the court can appoint a special agent based upon its discretion or the petition of the guardian, the ward, competent authority, organization of social welfare, or other interested persons.
Article 1099	On the commencement of guardianship, the guardian shall, in collaboration with the person designated by the will, local government, or the court, draw up an inventory of the ward's property within two months and shall also report to the court. The court may extend periods when the guardian applies for extension.
Article 1099-1	The guardian may only do what is necessary for the management of the property being guarded before the completion of the inventory of the ward's property and also before reporting to the court.
Article 1100	The guardian shall exercise guardianship with the care of a good administrator.
Article 1101	The guardian shall not use or dispose of the ward's property except for the interests of the ward. When the guardian does the following act, he/she shall acquire permission from the court; otherwise the act will not be effective. (1) purchasing or disposing real property for the ward. (2) renting out or providing others to use the ward’s living building or

	its base, or terminating lease of the ward's living building or its base. The guardian shall not take the ward's property for investment with the exception of purchasing state bond, treasury bills (TB), Central Bank's saving fund, financial debt, negotiable certificates of deposit (NCD), banker's acceptances (BA), or guaranteed-commercial paper (CP).
Article 1102	A guardian shall not acquire the property from his ward.
Article 1103	The ward's property is managed by the guardian. All necessary payment for enforcing guardianship is paid by the ward's assets. The court, if necessary, may ask the guardian provide reports regarding guardianship, inventory of properties, in order to check guardianship or the ward's assets.
Article 1103-1	(Deleted)
Article 1104	A guardian may claim for compensation; the court determines the amount of compensation based on the labor involved and the assets of the ward.
Article 1105	(Deleted)
Article 1106	When the guardian has any of the following circumstances and the ward has no guardian under paragraph 1 of Article 1094, the court may elects other proper guardian for the ward by its authority or upon the application of the ward or at the request of the applicant set forth in paragraph 3 of Article 1094 (1) death. (2) with the court's permission. (3) any of the circumstances set forth in Article 1096. Before the court elects a guardian, competent authority of local social welfare is the guardian of the ward.
Article 1106-1	If there is enough fact which indicates that the guardian does not act for the best interest of the ward, or other reasons indicate that the guardian should not be the guardian, the court may order guardianship to other proper person based on application made by applicant of paragraph 1 of preceding Article; and limitations set in paragraph 1 of Article 1094 do not apply. Prior to the certainty of changing guardian, the court may cease guardianship of the former guardian and have the competent authority of local social welfare as the guardian.
Article 1107	When guardianship has changed, the guardian shall hand over the ward's property to the new guardian. When the cause of guardianship ceases to exist, the guardian shall return the ward's property to the ward; where the ward has deceased, the guardian shall hand over the ward's property to his/her heirs. Under preceding two paragraphs, the guardian shall make statement of account for the ward's property within two months from the termination of the guardianship and deliver the statement to the new guardian, the ward, or the ward's heirs. The guardian may not be discharged from his/her duties until the new guardian, the ward, or the ward's heirs approve his/her statement of account.
Article 1108	On the death of the guardian, the aforesaid account in the preceding article shall be rendered b his/ her heirs; if no heirs or heirs are unknown, the new guardian takes over the work, he shall report to the court along with an inventory of the ward's property.
Article 1109	If the guardian, intentionally or negligently, has caused damage to the ward when performing his duties, the guardian shall compensate the ward any injury arising therefrom. A claim for damages, based on preceding paragraph, shall be extinguished if not exercised within five years from the date the guardianship is revoked; if there is a new guardian, the period begins from the date the new guardian starts his/her guardianship.

Article 1109-1	The court shall inform the Household Administration Bureau for registration when electing guardians, allowing guardians' dismiss, and re-electing or changing guardians.
Article 1109-2	If a minor is the subject to the commencement of guardianship based on Article 14, rules set forth in section 2 of this Chapter regarding adult guardianship apply to the minor as well.

Section 2 Guardianship and Assistantship over Adults

Article 1110	A person who has become subject to the order of commencement of guardianship shall be appointed to a guardian.
Article 1111	When ordering commencement of guardianship, the court shall elect one or more guardians among spouse, any relative within the fourth degree of kinship, relative resides together in recent year, competent authority, organization of social welfare or other proper person; and the court shall also appoint persons for drawing up an inventory of the ward's property. When selecting guardians based on preceding paragraph, the court may ask competent authority or organization of social welfare provide visiting report and suggestion. Applicants of guardianship or interested persons may also provide the court related information or evidence.
Article 1111-1	When electing guardians, for the best interest of the ward, the court shall first take the ward's opinion and every other things into consideration; the following things shall be paid attention to (1) the ward's physical and spiritual health, his/her life and finance. (2) relations between the ward and his/her spouse, children, and others living in the same household. (3) occupation, experience, opinion of the guardian and relations between the guardian and the ward. (4) when a juristic person is the guardian, the category and content of its business; and relations between the juristic person and its representative and the ward.
Article 1111-2	Juristic person or organization who provides care services to the ward, or the representative of, responsible person of, or any person who has a contract of hire of services, mandate or other similar relations with the juristic person or organization, shall not be the guardian of the ward. The spouse, any relative by blood within the fourth degree of kinship, and any relative within the second degree of kinship of the ward are not subject to the above restriction.
Article 1112	When enforcing guardianship relating the ward's life, treatment, and financial management, the guardian shall respect the ward's intent.
Article 1112-1	When selecting several persons as guardians, the court may designate guardians enforce their rights jointly or separately. The court may revoke or change designation when guardians, the ward, applicants under paragraph 1 of Article 14 apply for a change.
Article 1112-2	The court shall inform the Household Administration Bureau for registration when ordering the commencement of guardianship, revoking guardianship, selecting guardians, allowing guardians' dismiss, and re-electing or changing guardians.
Article 1113	Unless otherwise provided by the provisions of this Section, the provisions concerning the guardianship over minors shall apply mutatis mutandis to the guardianship over adults.
Article 1113-1	An assistant shall be appointed to a person who has become subject to the order of commencement of assistance. Assistant and his/her related duties shall apply mutatis mutandis to Articles 1095, 1096, 1098(2), 1100, 1102, 1103(2), 1104, 1106, 1106-1, 1109, 1111, 1111-1, 1111-2, 1112-1, and 1112-2.

Section 3 Adult Guardianship by agreement

Article 1113-2 A guardianship over adults by agreement is an agreement whereby parties agree that one of them appoint the other party as his/her guardian when he/she has become subject to the order of commencement of guardianship, and the latter agrees to do so.
The parties, as specified in the preceding paragraph, may agree one or several agents; if there is more than one guardian, unless otherwise agreed upon by the parties, the guardianship shall be jointly managed by all the guardians.

Article 1113-3 The conclusion, modification of an adult guardianship agreement shall be made in the notarization made by the notary public. The notary public shall give a written notice to the court for the place of the domicile of the ward within seven days after the agreement notarized.
The notarization, as specified in the preceding paragraph, shall be performed by a notary public in the presence of both parties with their intentions.
An adult guardianship agreement becomes effective from the date of the declaration of commencement of guardianship.

Article 1113-4 Upon making a ruling pronouncing a declaration of commencement of guardianship, the court shall designate a guardian agreed in the guardianship agreement and simultaneously appoint a person who shall provide consultation and assistance to draw up an inventory of property together with the designated guardian; the court shall, if there is any, appoint a property consultant agreed in the guardianship agreement who shall provide consultation and assistance to draw up an inventory of the ward's property; however, the court may change the consultation to other proper person by its authority if there is no property consultant agreed in the guardian agreement or the property consultant does not act for the interest of the ward.
Before the declaration of the preceding paragraph, if there is enough fact which indicates that the guardian does not act for the interest of the ward, or other reasons indicate that the guardian should not be the guardian, the court may order guardianship to other proper person provided in paragraph 1 of Article 1111.

Article 1113-5 Before the declaration of the commencement of guardianship, both parties may at any time withdraw from the guardianship agreement.
The withdrawal of the guardianship agreement shall be made with a written notice by one party to the other; this withdrawal takes effect after the written notice notarized by the notary public. The notary public shall give a written notice to the court for the place of the domicile of the ward within seven days after the agreement notarized. To withdraw a part of the guardianship agreement is deemed to have been withdrawn as regards the whole agreement.
After the declaration of the commencement of guardianship, if the ward has good causes, with the court's permission, the ward may terminate the guardianship agreement; if the guardian has good causes, with the court's permission, he/she may dismiss his/her duty.
When the court approves the agreement termination under preceding paragraph, the court may order guardianship to other proper person provided in paragraph 1 of Article 1111.

Article 1113-6 After the declaration of the commencement of guardianship, where guardians manage their guardianship jointly, all of them in cases provided by paragraph 1 of Article 1106, or paragraph 1 of Article 1106-1, the court may order guardianship to other proper person provided in paragraph 1 of Article 1111 or change guardian at the request of the applicant provided in paragraph 1 of Article 14 or by its authority.
After the declaration of the commencement of guardianship, where guardians by agreement manage their guardianship separately, if guardians who manage the same guardianship in cases by paragraph 1 of Article 1106 or paragraph 1 of Article 1106-1, the court may order guardianship to other proper person under preceding paragraph or change all guardians in the same guardianship. However, the court shall first elect the one or change the guardianship to the one who manages other guardianship, if there is no other reasons indicate that the one should not be the guardian.

After the declaration of the commencement of guardianship, one or several guardians set forth in preceding two paragraphs in cases provided by paragraph 1 of Article 1106, the guardianship shall be changed to other guardian.
After the declaration of the commencement of guardianship, one or several guardians set forth in paragraph 1 and paragraph 2 in cases provided by paragraph 1 of Article 1106-1, the court may dismiss his/her guardianship at the request of the applicant provided in paragraph 1 of Article 14 or by its authority, the guardianship shall be changed to other guardian.

Article 1113-7 The ward shall pay or not pay the remuneration to guardian as agreed in the guardianship agreement; the court, in the absence of agreement, may determine the amount of his/her remuneration by the request of the guardian, taking into account the efforts paid into carrying out the guardianship and the assets of the ward.

Article 1113-8 If a guardianship agreement of an earlier date and a guardianship agreement of a later date conflict, the former is deemed to have been withdrawn in whole by the person in question.

Article 1113-9 The parties in the guardianship agreement may agree to eliminate the limitation to an agent in paragraph 2、3 of Article 1101.

Article 1113-10 Unless otherwise provided by the provisions of this Section, the provisions concerning guardianship over adults shall apply mutatis mutandis to adult guardianship by agreement.

CHAPTER V Maintenance

Article 1114 The following relatives are under a mutual obligation to maintain one another:
(1) Lineal relatives by blood;
(2) One of the husband and the wife and the parents of the other party living in the same household;
(3) Brothers and sisters;
(4) The head and the members of a house.

Article 1115 In case there are several persons bound to furnish maintenance, the order in which they are to perform such obligation is as follows:
(1) Younger lineal relatives by blood;
(2) Elder lineal relatives by blood;
(3) Head of the house;
(4) Brothers and sisters;
(5) Members of the house;
(6) Daughter-in-law and son-in-law;
(7) Parents of either the husband or the wife.
Among the elder lineal relatives by blood or younger lineal relatives by blood, the person nearest in degree of relationship will be the first.
If there are several persons bound to furnish maintenance and of the same degree of relationship, such obligation shall be borne by them according to their respective economic ability.

Article 1116 In case there are several persons entitled to maintenance, and the economic ability of the person bound to furnish maintenance is not sufficient to maintain all of them, the person to receive maintenance shall be determined in the following order:
(1) Elder lineal relatives by blood;
(2) Younger lineal relatives by blood;
(3) Members of the house;
(4) Brothers and sisters;
(5) Head of the house;
(6) Parents of either the husband or the wife;
(7) Daughter-in-law and son-in-law.
Among elder lineal relatives by blood or younger lineal relatives by blood, the person nearest in degree of relationship will be the first.
Where there are several persons entitled to maintenance and of the same degree of relationship, each shall receive maintenance according to their respective needs.

Article 1116-1	The husband and the wife are under a mutual obligation to maintain each other, the order in which they are to perform such obligation is the same with the younger lineal relatives by blood, and the order in which they are entitled to receive maintenance is the same with the elder lineal relatives by blood.
Article 1116-2	The obligation of the parents to maintain their minor child shall not be affected by the annulment of the marriage or the divorce.
Article 1117	Persons entitled to maintenance shall be limited to those who can not support the living and are unable to earn the living. The limitation in respect of inability to earn a living in the preceding paragraph shall not apply to the case of the elder lineal relatives by blood.
Article 1118	If a person who can no longer support his own living if he assumes the obligation of furnishing maintenance to another, he may be exempted from such an obligation, but his obligation could only be relieved if the person entitled to receive maintenance is the elder lineal relatives by blood or the spouse.
Article 1118-1	If it would be grossly inequitable for a person liable for maintenance, he may ask the Court to mitigate such an obligation when the person who is entitled to maintenance has one of the following acts: (1) If the person entitled to maintenance has intentionally maltreated, insulted or committed severe misconduct, physically and spiritually, against the person liable for maintenance, his/her spouse,or the lineal relative by blood of the person liable for maintenance. (2)Without justifiable reason, the person entitled to maintenance did not fulfill his/her obligation to the person liable for maintenance. When the person entitled to maintenance has one of the acts resulted from the subparagraph of the preceding paragraph against the person liable for maintenance, and in a severe way, the court may exempt his/her obligation of furnishing maintenance. The provisions of the preceding two paragraphs do not apply to the person entitled to maintenance who is lineal descendants by blood of the person liable for maintenance.
Article 1119	The extent of furnishing maintenance shall be determined according to the needs of the person entitled to maintenance, and the economic ability and social status of the person bound to furnish it.
Article 1120	The manner of furnishing maintenance shall be determined by mutual agreement between the parties, or if they can not come to agreement, by the family council. Except if the parties do not mutually agree upon the amount of the maintenance payment, the court shall determine the amount.
Article 1121	Either party may demand an alteration in the extent and the manner of furnishing maintenance on the ground of change of circumstances.

CHAPTER VI House

Article 1122	A house is a community of relatives who live in the same household with the object of maintaining the common living permanently.
Article 1123	Each house shall institute a head. Persons belong to the same house are, except the head of the house, the members of the house. Persons who are not relatives but who live in the same household with the object of maintaining the common living permanently are deemed to be the members of the house.
Article 1124	The head of a house shall be elected from among the community of the relatives. If there is no such election, the headship shall fall on the person who is the highest in rank [of relationship]; or where the ranks are equal, on the person who is senior in age. Where the person who is the highest in rank [of relationship] or senior in age is unable or unwilling to manage the house affairs, he shall designate a member of the house to act for him.

Article 1125	The affairs of a house shall be managed by the head of the house, but he may entrust a part of its affairs to be looked after by the members of the house.
Article 1126	In the management of house affairs, the head of the house shall take care of the interests of all the members of the house.
Article 1127	A member of a house who has reached majority may demand to be separated from the house.
Article 1128	The head of a house may order a member of the house who has reached majority to be separated from the house, provided that he or she has a good cause for doing so.

CHAPTER VII Family Council

Article 1129	Where a meeting of the family council shall be held in accordance with the provisions of this Code, it shall be convened by the party concerned or his statutory agent or other interested persons.
Article 1130	A family council shall be composed of five members.
Article 1131	Members of a family council shall be selected from among the following relatives of the minor, or of a person who is subject to the order of the commencement of guardianship, or of the deceased person, and in the following order: (1) Elder lineal relatives by blood; (2) Elder collateral relatives by blood within the third degree of relationship; (3) Relatives by blood of the equal rank within the fourth degree of relationship. Among the persons who are in the same order of the preceding paragraph, the person nearest in degree of relationship will be the first; and among those of the same degree of relationship, the person living in the same household will be the first, or the person senior in age will be the first in the absence of relative living in the same household. A member of family council as determined according to the preceding two paragraphs who can not or has difficulty to be present at the meeting shall be substituted by the relative of the next order.
Article 1132	Matters which shall be dealt by the family council in conformity with law and have the following condition, the matter may be dealt by the court on the application of the person who has the right to convene a meeting of the family council or any interested person. (1) In case there are no such relatives as provided in the preceding article, or where such relatives are not enough to constitute the statutory number; (2) In the event that it is impossible or there is difficulty to convene the meeting of family council; (3) Where no resolution has been adopted or the holding of such meeting failed though the meeting of family council has convened.
Article 1133	Guardians, minors and persons who are subject to the order of the commencement of guardianship shall not act as members of a family council.
Article 1134	Persons who are called upon to act as members of a family council in conformity with law, shall not decline or resign the office without a good cause.
Article 1135	A family council shall not hold a session without at least three members being present and shall not pass a resolution without the consent of the majority of those present.
Article 1136	Where a member of the family council has personal interests in the matter discussed, he shall not participate in passing the resolution.
Article 1137	Where the person who has the right under Article 1129 to convene a

meeting of the family council refuses to obey any of its resolutions, he may complain to the court within three months.

Part V Succession

CHAPTER I HEIRS TO PROPERTY

Article 1138 Heirs to property other than the spouse come in the following order:
(1) Lineal descendants by blood;
(2) Parents;
(3) Brothers and sisters;
(4) Grandparents.

Article 1139 Among persons of the first order provided in the preceding Article, the person nearest in degree of relationship comes first as the heir.

Article 1140 Where an heir of the first order provided in Article 1138 has died or lost the right to inheritance before the opening of the succession, his lineal descendants shall inherit his entitled portion in his place.

Article 1141 Where there are several heirs of the same order, they inherit is equal shares as per capita, unless it is otherwise provided by law.

Article 1142 (Repealed)

Article 1143 (Repealed)

Article 1144 Each spouse has the right to inherit the property of the other, and his or her entitled portion is determined according to the following Subparagraphs:
(1) Where the spouse inherits concurrently with heirs of the first order, as provided in Article 1138, his or her entitled portion is equal to the other heirs;
(2) Where the spouse inherits concurrently with heirs of the second or third order as provided in Article 1138, his or her entitled portion is one-half of the inheritance;
(3) Where the spouse inherits concurrently with heirs of the fourth order as provided in Article 1138, his or her entitled portion is two-thirds of the inheritance;
(4) Where there is no heir of any of the four orders provided in Article 1138, his or her entitled portion is the entirety of the inheritance.

Article 1145 A person shall forfeit his right to inherit in any of the following events:
(1) Where he has been sentenced to criminal penalty for having intentionally caused or attempted the death of the deceased or of a person entitled to inherit;
(2) Where he has, by fraud or by duress, induced the deceased to make, withdraw or alter a will relating to inheritance;
(3) Where he has, by fraud or by duress, prevented the deceased from making, withdrawing or altering a will relating to inheritance;
(4) Where he has forged, altered, concealed or destroyed the deceased's will relating to inheritance;
(5) Where he seriously ill-treated or insulted the deceased and has been forbidden to inherit by the deceased.
If, in the cases provided by Subparagraphs 2 to 4 of the preceding Paragraph, the deceased has forgiven the offender, his right to inherit is reassumed.

Article 1146 Where the right to inherit has been infringed upon, the injured party or his statutory agent may claim its restitution.
The right to claim as provided in the preceding Paragraph is extinguished if not exercised within two years from the date of knowing such infringement. The same rule applies where ten years have elapsed from the time of the opening of the succession.

CHAPTER II SUCCESSION TO PROPERTY

Section 1 EFFECTS

Article 1147	Succession opens with the death of the deceased.
Article 1148	Unless it is otherwise provided for in this Code, an heir assumes all the rights and obligations pertaining to the estate of the decedent at the time of the commencement of the succession, except those rights and obligations which exclusively belong to the decedent. An heir's obligations to the debts of the decedent are limited to the extent of the property acquired from the estate.
Article 1148-1	If an heir receives gifts in property (assets) from the decedent within two years prior to the opening of succession, the assets shall be deemed as estate. If property mentioned in the preceding paragraph is transferred or lose, the value of the property in question shall be calculated as when it was given.
Article 1149	A person who had been financially provided by the deceased before the latter's death shall be allocated a certain portion of the deceased's property by the family council, taking into consideration the extent of maintenance he used to receive and other relationships with the deceased.
Article 1150	Expenses relating to the management and partition of the deceased's property and the execution of the will are to be paid out of that property except those that have been incurred by the faults of the heir.
Article 1151	Where there are several heirs, the whole of the deceased's property is, before its partition, owned in common by the heirs.
Article 1152	In regard to the property in common provided by the preceding Article, the heirs may elect a person among themselves for its management.
Article 1153	Heirs shall be jointly liable for the debts of the decedent but liabilities are limited to the extent of the property acquired from the estate. Among the heirs, each heir is liable for the decedent's debts based upon their relative share of the total estate, unless otherwise provided by law or agreed upon by the heirs.

Setcion 2 (Repealed)

Article 1154	Heirs' rights and obligations towards the decedent shall not be extinguished by virtue of the succession.
Article 1155	(Repealed)
Article 1156	An heir shall report to the court along with an inventory of the property of the decedent within three months after becoming aware of his or her right to the inheritance. In regard to the three-month period in the preceding Paragraph, the court, if necessary, may extend the duration for filing an inventory report upon a petition of the heir. If one of the heirs, based on Paragraph 1, has submitted an inventory of the property to the court, all other heirs are considered as if they have submitted an inventory of the property to the court.
Article 1156-1	A creditor may request the court to order the heirs to submit within three months an inventory of the property. When a court is aware of creditors taking proceedings or other actions against heirs to request for payment of debt resulting from succession, the court may order heirs of the decedent submit within three months an inventory of the property. The provisions of the preceding article paragraph 2 and 3 apply mutatis mutandis to the case provided in the preceding paragraph 1 and 2.
Article 1157	Where the heir submits an inventory report to the court in accordance with the preceding two Articles, the court shall give public notice

	according to the procedure of public summons, calling upon the creditors of the decedent to present their claims within a specified period of time. The specified period of time provided by the preceding Paragraph shall not be less than three months.
Article 1158	An heir shall not, within the specified period of time provided by the preceding Article, make repayment to any of the deceased's creditors.
Article 1159	Upon the expiration of the specified period of time provided in Article 1157, an heir shall make repayment out of the deceased's property to such creditors as have presented their claims within the said period of time and to other creditors who are known to him in proportion to the amounts of their respective claims, but the rights of the preferential creditors must not be injured. An heir shall, from the opening of the succession, make payments according to paragraph 1, even the debts are not yet due. The debts that are not yet due in the preceding paragraph shall be deemed to have matured when the succession begins. If there is no interest, the amount of the debt shall be deducted the legal interest from the expiration of a certain period stipulated in Article 1157 to the maturity.
Article 1160	Until an heir has performed his obligations in accordance with the preceding Article, he shall not hand over any legacy to a legatee.
Article 1161	An heir who has caused damages to the creditors of the deceased by acting contrary to Article 1158 to Article 1160 is liable to make compensation. A person who has suffered damages as provided in the preceding Paragraph may claim reimbursement from such a creditor or a legatee who has improperly received repayments of the amount one has received improperly. An heir shall not claim from the creditors or legatees the amount which they have received improperly.
Article 1162	Any creditor of the deceased who has failed to present one's claims within the specified period of time provided in Article 1157, and were also unknown to the heir, may exercise his right only upon such part of the deceased's property as remains after all other legal repayments.
Article 1162-1	An heir, who does not report to the court an inventory of the property of the decedent according to Articles 1156 and 1156-1, shall make repayment out of the decedent's property to the decedent’s creditors’ all rights in proportion to the amounts of their respective claims, but the rights of the preferential creditors must not be injured. Until the preceding heir has performed his obligations in accordance with the preceding paragraph he shall not hand over any legacy to a legatee. An heir shall, from the opening of the succession, make payments according to paragraph 1, even the debts are not yet due. The debts that are not yet due in the preceding paragraph shall be deemed to have matured when the succession begins. If there is no interest, the legal interest from the time of repayment to the time of maturity shall be deducted from the amount of the debt.
Article 1162-2	For a violation of Article 1162-1 by an heir, the creditors of the decedent may exercise their rights upon the part which shall be performed but not yet performed. The heir’s obligations to the preceding creditors’ debts which shall be performed but not yet performed are not limited to the extent of the property acquired from the estate. This shall not apply to heirs who are persons of no or limited in capacity. An heir who has caused damages to the creditors of the deceased by acting contrary to Article 1162-1 is liable to make compensation. A person who has suffered damages as provided in the preceding Paragraph may claim reimbursement from such a creditor or a legatee who has improperly received repayments of the amount one has received improperly. An heir shall not claim from the creditors or legatees the amount which they have received improperly.
Article 1163	In any of the following cases, an heir shall be disqualified to claim the

benefit provided by Article 1148, Paragraph 2:
(1) Where the heir has grossly concealed the decedent’s property;
(2) Where the heir grossly falsifies entries in the inventory report of the decedent’s property;
(3) Where the heir has disposed of the decedent’s property with the intention of fraudulently infringing upon the rights of the deceased's creditors; or

Setcion 3 PARTITION OF INHERITANCE

Article 1164	An heir may at any time demand the partition of the inheritance unless it is otherwise provided by law or agreed upon by contract.
Article 1165	Where the will of the deceased has determined, or asked a third person to determine the method of partition of the inheritance, the method so determined shall be followed. Where a will prohibits the partition of the deceased's property, the effect of such prohibition is limited to ten years.
Article 1166	Where one of the heirs is an unborn child, partition of the deceased's property by the other heirs shall not take place unless the entitled portion of such child has been reserved. In regard to such partition of inheritance, the mother acts as agent of the unborn child.
Article 1167	(Repealed)
Article 1168	After the partition of the inheritance each heir bears, in proportion to the share he has acquired, the same obligation of warranty as that of a seller in regard to the property that the other heirs have acquired by the partition.
Article 1169	After the partition of the inheritance each heir is, in regard to claims acquired by other heirs consequent upon the partition, bound to warrant, in proportion to the share he has acquired, the solvency of the debtor at the time of the partition. Where a claim provided by the preceding Paragraph is subject to a condition precedent or where the time of performance of the obligation is not yet due, each heir is bound to warrant the solvency of the debtor at the time when the obligation is to be performed.
Article 1170	Where one of the heirs bound for warranty under the two preceding Articles is insolvent and cannot make reimbursement for the amount he undertakes, the part which he is unable to reimburse is borne by the heir, who has the claim for reimbursement, and the other heirs respectively in proportion to the shares they have acquired. But if the inability to reimburse was caused by the fault of the claimant, he is barred to demand the others to divide up such burden.
Article 1171	If after the partition of the deceased's property, the creditors have consented to the assignment of the deceased's repayment liability to one heir or to its division among the heirs, each heir is thus released from their joint liability. The heirs are released from their joint liability at the expiration of five years from the time of the partition of the inheritance, or, if the date of performance comes after the partition, from that date.
Article 1172	If one of the heirs is in debts with the deceased, the amount of the debt shall at the time of partition of the inheritance, be deducted from that heir's entitled portion.
Article 1173	If one of the heirs has, before the opening of succession, received gifts in property from the deceased for the purpose of concluding a marriage, separation from home, or carrying on trade, the value of such gifts shall be added to the inheritable property at the opening of the succession, thus constituting together the property of the succession. But this does not apply where the deceased has made a contrary declaration of intention at the time of giving. The value of such gifts as provided in the preceding Paragraph shall, at

the time of the partition of inheritance, be deducted from the entitled portion of the heir in question.
The value of a gift in question shall be calculated as when it was given.

Section 4 WAIVER OF INHERITANCE

Article 1174 An heir may waive his or her right to an inheritance.
Such waiver provided by the preceding Paragraph must be asserted by a written declaration to the court within three months after becoming aware of his or her right to the inheritance.
After the waiver of inheritance, he or she shall notify in writing the person who is entitled to succeed the inheritance due to his or her waiver unless such a notification is impractical.

Article 1175 Waiver of inheritance takes effect retroactively at the opening of the succession.

Article 1176 Where one of the first priority heirs as provided in Article 1138 waives his or her right to the inheritance, his or her entitled portion shall accrue to those other heirs whose rights to the inheritance accrued concurrently with him or her.
Where one of the second, third or forth priority heirs waives his or her right to the inheritance, his or her entitled portion shall accrue to the other heirs of the same priority.
Where all the heirs in the same priority as the decedent’s spouse waive their rights to the inheritance and there is no heir in the subsequent priority, their entitled portions shall accrue to the spouse.
Where the spouse waives his or her right to the inheritance, the entitled portion shall accrue to those other heirs whose rights to the inheritance accrued concurrently with him or her.
For heirs of first priority, if all those closest in degree of relationship to the decedent waive their right to the inheritance, the lineal descendants by blood to heirs of first priority in the next degree of relationship shall inherit.
Where all preceding order of priority waive their right to the inheritance, the heirs who are next in order shall inherit their entitled portions. If it is not certain whether or not there is an heir in the next order of priority or all the heirs in the fourth order waive their right to the inheritance, the relevant provisions in this law regulating unacknowledged succession shall apply.
Where a person, who becomes an heir due to the waiver of other heirs, waives his or her right to the inheritance, such waiver must be conducted within three months after becoming aware of his or her right to the inheritance

Article 1176-1 A heir who has waived the right to inheritance shall continue to manage the property of the deceased with the same degree of caution as managing his own property before other heir(s) or manager(s) begin to take over the management.

Section 5 UNACKNOWLEDGED SUCCESSION

Article 1177 Where, upon the opening of the succession, it is not clear whether or not there is an heir, the family council shall appoint a manager for the property of the deceased within one month, and report to the court the opening of the succession and the appointment of the manager.

Article 1178 Upon report of the family council pursuant to the preceding Article, the court shall give public notice in accordance with the procedures of public summons, calling upon the heirs to acknowledge the succession within a period of not less than six months.
In the absence of a family council, or where the family council fails to appoint a manager for the property of the deceased within the time specified in the preceding Article, any interested party or public prosecutor may apply to the court for appointment of a manager for the property of the deceased, and then the court shall give public summons pursuant to the preceding Paragraph.

Article 1178-1 The court may, where it is not clear whether there is an heir upon the

opening of the succession, and prior to the appointment of a manager for the property of the deceased, adopt necessary measures to preserve the property upon application of an interested party or a public prosecutor.

Article 1179 The functions of a manager for the property of the deceased are as follows:
(1) To draw up an inventory of the property of the deceased;
(2) To take such measures as are necessary for the preservation of the property of the deceased;
(3) To request the court to give public notice in accordance with the procedure of public summons, fixing a period of time not less than one year and ordering the creditors and legatees of the deceased to make within such period a statement of their claims or a declaration as to whether they are willing to accept the legacies. Where the creditors and legatees of the deceased are already known to the manager, they shall be notified respectively;
(4) To settle claims, and to deliver legacies;
(5) To hand over the property in cases where the succession has been acknowledged by an heir or the property accrues to the Treasury.
The manager shall draw up the inventory of the deceased's property provided in Subparagraph 1 of the preceding Paragraph within three months after coming into office. The settlement of claims under Subparagraph 4 shall precede the delivery of legacies. Where it is necessary for settling claims or delivering legacies, the manager may sell the deceased's property with the consent of the family council.

Article 1180 The manager shall, at the request of the family council, the creditors or legatees of the deceased, make a report on or given an explanation for the deceased's property.

Article 1181 The manager for the property of the deceased shall not settle any obligation with creditor(s) of the deceased nor deliver any legacy to legatee(s) of the deceased before expiration of the period provided in Subparagraph 3 of Paragraph 1 of Article 1179.

Article 1182 Creditors or legatees of the deceased who fail to make such statement or declaration as provided in Subparagraph 3 of Paragraph 1 of Article 1179 may exercise their right only upon such part of the deceased's property as remains over.

Article 1183 A manager for the property is entitled to remuneration, the amount of which shall be determined by the court in consideration of his or her relation with the deceased, management challenges and any other relevant circumstances. The court may order the applicant to pay in advance if necessary.

Article 1184 Where an heir acknowledges the succession within the period provided in Article 1178, the manager, in regard to acts done by him in the course of performing his functions before such acknowledgement by the heir, is legally deemed to have been the agent of the heir.

Article 1185 Where no heir acknowledges the succession, on the expiration of the period provided in Article 1178, such part of the property of the deceased as remains over after the settlement of claims and the delivery of legacies accrues to the Treasury.

CHAPTER III WILLS

Section 1 - GENERAL PROVISIONS

Article 1186 A person without disposing capacity may not make a will.
A person limited in disposing capacity may make a will without first obtaining the approval of his statutory agent. But a person who has not completed his sixteen years of age may not make a will.

Article 1187 A testator may freely dispose of his property by a will so far as it does not contravene the provisions in regard to compulsory portions.

Article 1188 The provisions of Article 1145 concerning the forfeiture of the right to

inheritance apply to legatees mutatis mutandis.

Section 2 FORMALITIES

Article 1189 A will shall be made in one of the following forms:
(1) A holograph will;
(2) A notarized will;
(3) A sealed will;
(4) A "dictated" will;
(5) An oral will.

Article 1190 For making a holograph will, the testator must himself write the whole text, stating the year, month and day and sign it. In case of any insertion, cancellation, erasure or alteration, he must make and sign an additional note stating the place in the text where words have been inserted, erased or altered, and the number of such words.

Article 1191 For making a notarized will, the testator must designate at least two witnesses and make an oral statement of his testamentary wishes before a public notary. The statement must be written down, read over and explained by the public notary, and, after the testator has given approval, signed by him together with the witnesses and the testator, stating the year, month and day. In case the testator is not able to sign his name, the public notary must state the circumstances and make him affix his fingerprint in lieu of signature.
The functions of a public notary as provided in the preceding Paragraph may be exercised by a court clerk in a place where there is no public notary, or by an R.O.C. (Taiwan) consul when an R.O.C. (Taiwan) national residing overseas makes a will in the place where such consul resides.

Article 1192 For making a sealed will, the testator must, after signing it, have it securely enveloped, affix a signature across the seam of the envelope, designate at least two witnesses, and declare before a public notary that it is his will, and, if not written by himself, also declare the name and domicile of its draftsman; the public notary must state on the envelope the date on which the will is brought and the declaration of the testator, and sign together with the testator and the witnesses.
The provisions of Paragraph 2 of the preceding Article apply mutatis mutandis to the situation provided in the preceding Paragraph.

Article 1193 A sealed will which may be defective as regards the formalities provided in the preceding Article but is otherwise in compliance with the formalities of a holograph will provided in Article 1190 has the effect of a holograph will.

Article 1194 For making a "dictated" will, the testator must designate at least three witnesses, make an oral statement of his testamentary wishes, have it written down. read over and explained by one of the witnesses; after the testator has given his approval, the statement bearing the year, month and day, and the name of the draftsman, must be signed by all the witnesses and the testator together. Where the testator is not able to sign his name, he must affix his fingerprint in lieu of signature.

Article 1195 Where a testator by reason of imminent danger of death or other exceptional circumstances is unable to make a will in any other form, he may make it orally in one of the following forms:
(1) For making an oral will, the testator must designate two or more witnesses, state orally his testamentary wishes; one of the witnesses must set down these wishes correctly in writing, state the year, month and day, and sign together with the witnesses.
(2) The testator must designate two or more witnesses, state orally his testamentary wishes, his name, the year, month and day; all the witnesses must make an oral statement as to the genuineness of such will and their names, have it and the oral will of the testator all tape recorded, make the recording tape securely enveloped on the spot, bear the year, month and day on the envelop, and affix the signatures of all the witnesses across the seam of the envelop.

Article 1196 In case, the testator is able to make a will in another way, an oral will

shall be invalid after three months accordingly.

Article 1197 An oral will must be brought up by one of the witnesses or an interested person, within three months after the death of the testator, for decision by the family council as to its genuineness. Where objections arise regarding the decision of the family council, application may be made to the court for a judgment.

Article 1198 The following persons may not act as witness of will:
(1) A minor;
(2) A person who is subject to the order of the commencement of guardianship or assistantship;
(3) An heir, his spouse or his lineal relatives by blood;
(4) A legatee, his spouse or his lineal relatives by blood;
(5) Persons who are assistants to, or employed by, or living together with, the public notary or the person that exercises the functions of a public notary.

Section 3 - EFFECTS

Article 1199 A will takes effect from the time of the death of the testator.

Article 1200 When a legacy provided in a will is subject to a condition precedent, it takes effect from the time when such condition is fulfilled.

Article 1201 If the legatee dies before the will becomes effective, the legacy does not take effect.

Article 1202 If certain property is made the subject of legacy by the testator and, at the time of the opening of the succession, part of the property does not belong to the property of the deceased, such part of the legacy is invalid. If the whole property does not belong to the property of the deceased, the whole legacy is invalid. If however, a special intention is expressed in the will, such intention is to be followed.

Article 1203 Where the testator has acquired a right against a third person on account of the lose, destruction, damage or artificial alteration of the substance which forms the subject of the legacy, or the loss of its possession, such right is presumed to have been made the subject of the legacy. The same applies where, because the substance that forms the subject of a legacy is joined to or mixed with another thing, the testator has acquired a right over the composite or mixed thing.

Article 1204 Where the right to use and to collect fruits from the property of the deceased is made the subject of a legacy, and the time limit for the restitution [of such property] is not provided in the will nor can it be determined by the nature of the legacy, the time limit is the lifetime of the legatee.

Article 1205 Where the legacy is burdened with an obligation, the legatee is responsible for the performance only to the extent of the benefit received from the legacy.

Article 1206 A legatee may waive a legacy after the death of the testator.
The waiver of a legacy takes effect retroactively as from the time of the death of the testator.

Article 1207 An heir or other interested person may fix a reasonable period of time and call upon the legatee to declare within such period whether or not he accepts the legacy. If no declaration has yet taken place upon the expiration of the period, the legacy is legally deemed to have been accepted.

Article 1208 Where a legacy is invalid or waived, the property of the legacy remains part of the property of the deceased.

Section 4 EXECUTION

Article 1209 A testator may by will designate an executor or entrust a third person to

do so.
A person so entrusted must, without delay, designate an executor and notify the heir thereof.

Article 1210 A minor or a person who is subject to the order of the commencement of guardianship or assistantship may not act as executor of a will.

Article 1211 Where a will has not designated an executor or entrusted another person to make the designation, the family council may elect an executor. Where cannot be elected by the family council has failed to elect an executor, an interested party may apply to the court to designate one.

Article 1211-1 An executor of a will is entitle to equitable remuneration for his or her performance of duty, the amount of which shall be determined by agreement between the heir(s) and the executor, unless the testator instructs otherwise. The court shall determine the amount of remuneration when the parties fail to reach an agreement.

Article 1212 The custodian of a will must, as soon as he has knowledge of the opening of the succession, shall deliver the will to the will executor; and use proper method to inform those known heirs. For those who have no will executors shall inform known heirs, debtors, legatees, and any other interested persons. The same applies in case an heir discovers the will of which there is no custodian.

Article 1213 A sealed will may not be opened unless in the presence of the family council or the office of public notary in the Court.
Upon opening of the will pursuant to the preceding Subparagraph, record for whether or not the sealed will is damaged or whether or-not there is any particular matter shall be made and signed by persons present.

Article 1214 After an executor comes into office, if it is necessary to draw up an inventory of the property related to the will, he must without delay draw up such an inventory and deliver it to the heir.

Article 1215 An executor is under an obligation to manage the property of the deceased and to do all acts necessary for the execution of his duty.
The executor is deemed to be the agent of the heir in regard to acts done by him in the course of performing his duty as provided in the preceding Paragraph.

Article 1216 While an executor is executing his duty, an heir may not dispose of any property related to the will, or obstruct the executor in the execution of his duty.

Article 1217 Where there are several executors, their duties are performed in accordance with a majority vote; but if a special intention is declared in the will, such intention has to be followed.

Article 1218 If an executor neglects his duty, or if there be other grave causes, an interested person may apply to the family council for the election of another executor. If the executor in question was designated by a court, an application may be made to the court for the designation of another.

Section 5 WITHDRAWAL

Article 1219 A testator may at any time withdraw the whole or a part of his will in one of the forms prescribed for making a will.

Article 1220 If a will of an earlier date and a will of a later date conflict, the former is deemed to have been withdrawn as regards the conflicting parts.

Article 1221 Where acts done by the testator after having made a will conflict with such will, the will is deemed to have been withdrew as regards the conflicting parts.

Article 1222 Where the testator has intentionally destroyed or Repealed a will, or stated in the will his intention of annulling it, the will is deemed to have been withdrew.

Section 6 COMPULSORY PORTIONS

Article 1223	The compulsory portion of an heir is determined as follows: (1) For a lineal descendant by blood, the compulsory portion is one half of his entitled portion; (2) For a parent, the compulsory portion is one half of his entitled portion; (3) For a spouse, the compulsory portion is one half of his entitled portion; (4) For a brother or a sister, the compulsory portion is one-third of his or her entitled portion; (5) For a grandparent, the compulsory portion is one-third of his entitled portion.
Article 1224	A compulsory portion is determined by deducting the amount of debts from the property of the succession as reckoned according to Article 1173.
Article 1225	A person entitled to a compulsory portion may have the amount of the deficit deducted from the property of a legacy, if the amount of his compulsory portion becomes deficient on account of the legacy made by the testator. If there are several legatees, deductions must be made in proportion to the value of the legacies they severally receive.

Data Source：Laws and Regulations Retrieving System