

天 11
DRAFT CODE ON OBLIGATIONS

VOIITE XX/II

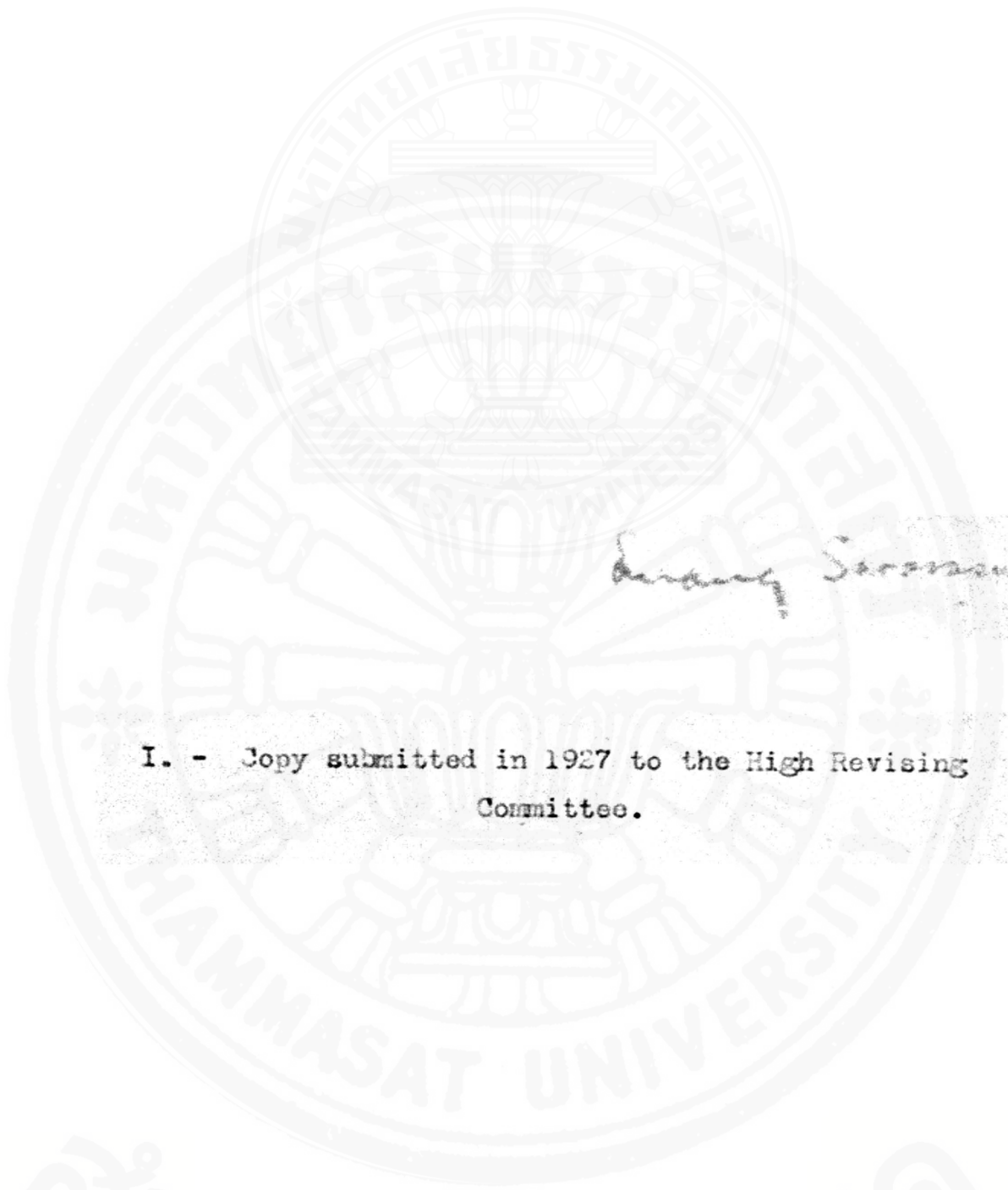
REVISION OF BOOK III

(1925 - 1928)

- I. - Copy submitted in 1927 to the High Revising Committee.
- II. - Reference to the sections of the Code.

สำนักหอสมุด

54/2



Shiori Tamura

I. - Copy submitted in 1927 to the High Revising
Committee.

สำนักหอสมุด



No. 15/213.

Dept. of Legislative Redaction,
Bangkok, 7th. March 1927.

Dear sir,

I beg to enclose herewith a copy of Revision made to Book III of the Civil and Commercial Code for your verification and correction before sending to the High Committee.

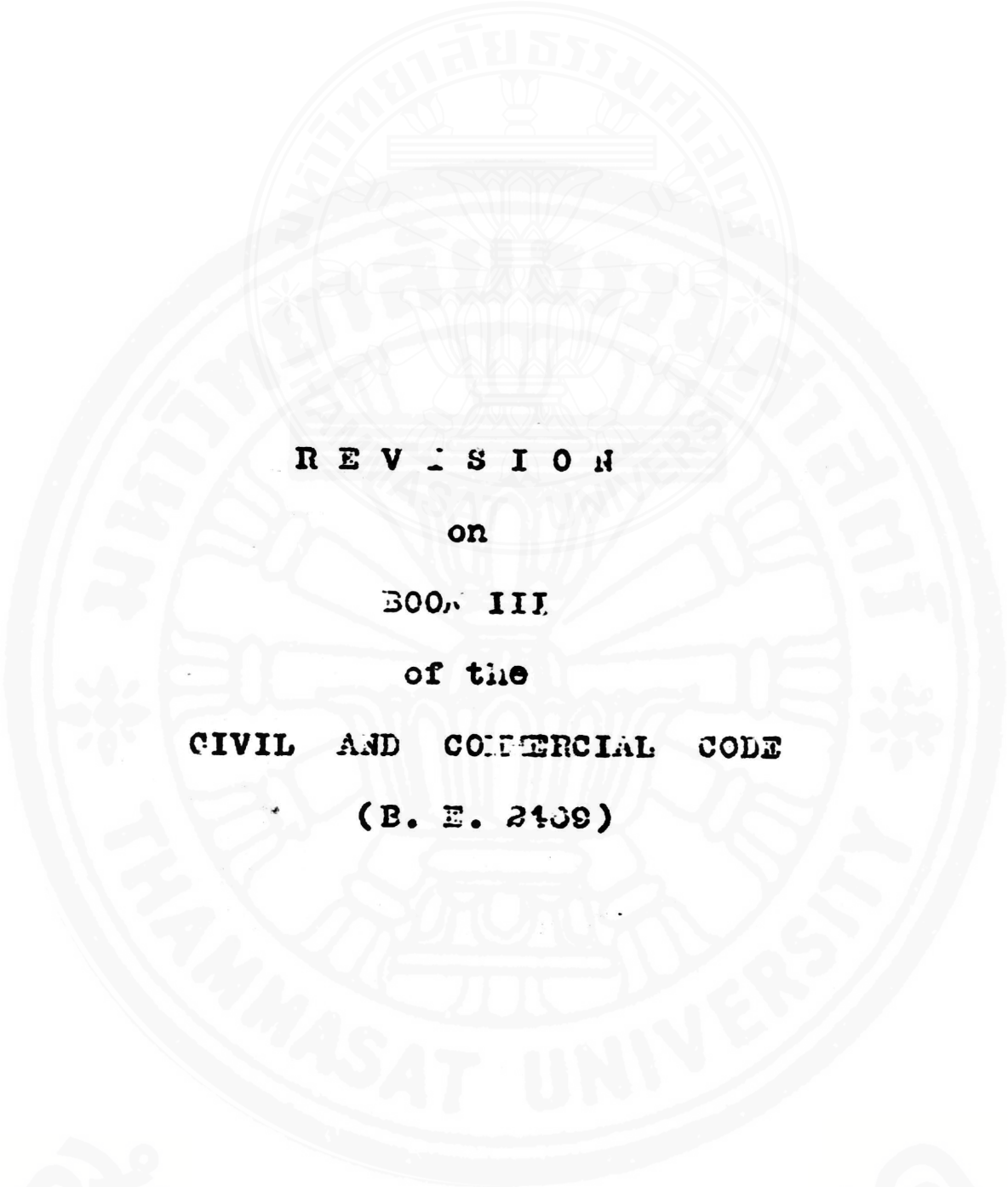
Yours sincerely,

Duang Savasana

Monsieur R. Guyon,
Legislative Adviser.

K. V.
Chow

สำนักหอสมุด



REVISION
on
BOOK III
of the
CIVIL AND COMMERCIAL CODE
(B. E. 2439)

สำนักหอสมุด

453. - Sale is a contract whereby a person, called the seller, transfers to another person, called the buyer, the ownership of property, and the buyer agrees to pay to the seller a price for it.

THE SALE OF PROPERTY IS A CONTRACT

456. - A sale of immovable property is void unless it is made in writing and registered by the competent official. The same rule applies to ships or vessels of six tons and over, to steam launches or motor boats of five tons and over, to floating houses and to beasts of burden.

An agreement to sell or to buy any of the aforesaid property, or a promise of sale of such property, is not enforceable by action unless there be some written evidence signed by the party liable or unless earnest money is paid given, or there is part performance.

The provisions of the foregoing paragraph shall apply to a contract of sale of movable property where the agreed price is five hundred baht or upwards.

453. - The ownership of the property sold is transferred from the seller to the buyer from the moment when the contract of sale is entered into.

460. - In case of sale of unascertained property, the ownership is

In case of sale of specific property, if the seller is bound to count, weigh, measure or do some other act or thing with reference to the property for the purpose of ascertaining the price, the ownership is not transferred to the buyer until such act or thing be done.

not transferred until the property has been numbered, counted, weighed, measured or selected, or its identity has been otherwise rendered certain.

464. - (Deleted and substituted by the following).

The costs of transportation of the property sold to a place other than the place of performance are to be borne by the buyer.

466. - In a sale of immovable property where the total area is specified and the seller delivers the property less or more than he contracted for, the buyer has the option either to reject or accept it and pay the proportionate price.

If the deficiency or excess does not exceed five per cent of the total area so specified, the buyer is bound to accept it and pay the proportionate price, provided that the buyer can rescind the contract if the deficiency or excess is such that had he known of it he would not have entered into the contract.

470. - When the buyer is in default, the seller who retains the property under

the foregoing sections can, instead of using the ordinary remedies for non-performance, notify the buyer in writing to pay the price and ~~and~~ incidental charges, if any, within a reasonable time to be fixed in the notice.

If the buyer fails to comply with the notice, the seller can sell the property by public auction.

471. - The seller shall deduct from the nett proceeds of the public auction what is due to him for the price and ~~and~~ incidental charges and deliver forthwith ~~the~~ any surplus to the buyer.

PART II. - LIABILITY FOR DEFECT .

472. - In case of any defect in the property sold which impairs either its value or its fitness for ordinary purposes, or for the purposes of the contract, the ~~buyer has~~ ~~the~~ ~~responsibility~~ ~~therein~~ ~~in~~ ~~this~~ ~~case~~ ~~wherein~~ ~~the~~ ~~non-responsible~~ seller is liable.

The foregoing provision applies whether the seller knew or did not know of the existence of the defect.

479. - II. In case of a claim of a third person, The seller is liable if, by reason of eviction, the buyer is deprived of the whole or part of the property sold, he is said to suffer total eviction -----
 ----- If the buyer is deprived of part of the property sold, or if the property is subject to a right, the existence of which impairs its value, fitness, use or benefit, the buyer is said to suffer partial eviction, and of which the buyer had no knowledge at the time of sale.

In such cases the buyer has ^{the} responsibility in this case concerning non-fulfillment.

483. - The buyer is bound to take delivery of the property sold and to pay the price according to the provisions of this case concerning fulfillment, in accordance with the terms of the contract of sale.

483. - The buyer is entitled to withhold the price wholly or partly, if the seller is liable for defects in the property sold. If the buyer has discovered defects in the property sold, he is entitled to withhold the price or part of it still unpaid, unless the seller gives proper security.

494. - The right of redemption cannot be exercised later than:

(1) Ten years after the time of the sale in case of immovable property.

(2) ~~one~~ three years after the time of the sale in case of movable property.

495. - If a longer period is provided in the contract, it shall be reduced to ten years and ~~six~~ three years respectively.

496. - If a shorter period than ten years or ~~one~~ three years is provided in the contract, the time cannot be afterwards extended.

502. - The person who redeems the property recovers it free from any rights created by the original buyer or his heirs or transferees before redemption.

If a hire of property held subject to a right of redemption is registered by the proper competent official it shall be valid for not more than one year of its remaining duration, provided that ~~it is~~ it is not made for the purpose of injuring the seller.

507. - If the property is to be examined by the buyer before delivery and the buyer does not examine and accept it within the time fixed by the contract, usage or ~~by a~~ notification from the seller, the ~~contract is binding~~ latter is no longer bound.

508. - When the property has been delivered to the buyer in order that he may examine it, the sale is complete in the following cases :

(1) if the buyer does not notify his refusal within the time fixed by the contract, usage or ~~by a~~ notification, or

(2) if the buyer does not return the property within that time, or

(3) if the buyer pays the price or part of it, or

(4) if the buyer disposes of the property or does any other act from which acceptance may be implied.

513. - Exchange is a contract by which whereby the parties give transfer to one another respectively & the ownership of property. In order to have another.

523. - A gift is complete valid only on delivery of the property given.

524. - If a right represented by a written instrument is given, the gift is not complete valid unless such instrument is delivered to the donee and the gift is notified in writing to the debtor of the right.

525. - A The gift of a property the sale of which is subject to the execution of an official document must be made in writing and registered by the competent official is valid only when any so made and registered before by the proper competent official. In such case it is complete valid without delivery.

526. - If a gift or a promise for a gift has been made by a document executed before in writing and registered by the proper competent official and the donor does not deliver to the donee the property given, the donee is entitled to claim the

delivery of it or its value, but he is not entitled to any additional compensation.

527. - (Deleted and substituted by the following).

If a donor binds himself to make periodical performances the obligation is extinguished on the death either of the donor or of the donee unless a contrary intention appears from the obligation.

528. - If the gift is encumbered with a charge and the donee fails to perform the charge, the donor ~~is entitled to demand rescission of the gift~~ may, under the conditions specified for the right of rescission in the case of reciprocal contracts, demand the return of the gift under the provisions relating to the return of undue enrichment in so far as the gift ought to have been applied to the performance of the charge.

This claim is barred if a third party is entitled to require the performance of the charge.

530. - If the gift is ~~encumbered with~~ encumbered with a charge, the donor is liable for defects or eviction in the same manner as a seller but only to the extent of the charge.

533. - A hire of immovable property is void not enforceable by action unless made in writing there be some written evidence signed by the party liable. If the hire is for more than three years or for the life of the letter or hirer, it is valid only for three years unless it is made in writing also and registered by the proper competent official.

544. - Unless otherwise provided by the contract of hire, a hirer cannot sublet or transfer his rights in the whole or part of the property hired to a third person.

If a hirer acts contrary to this provision, the letter may at any time terminate the contract.

548. - In case of delivery of the property hired in any manner a condition not suitable for the purpose for which it is let, the hirer may at any time terminate the contract. .

551. - If the defect is not such as would deprive the hirer of the use and benefit of the property hired, and can be remedied by the letter, the hirer must first notify the letter to make it good. If the defect is not made good within a reasonable time, the

hirer may determine terminate the contract, provided the defect is serious enough to justify this course.

554. - If the hirer acts contrary to the provisions of Sections 552, 553 or contrary to the terms of the contract, the letter may notify the hirer to comply with such provisions or terms, and if the hirer fails to comply with such notice, the letter may determine terminate the contract.

556. - If the property hired requires urgent repairs during the continuance of the contract, and if the letter desires to do an act necessary for such repairs, the hirer must allow them to be done by the letter, cannot refuse permission to have such act done, though that it may cause him inconvenience, and deprive him of a part of the property. If the repairs, however, last for more than forty days, the rent shall be reduced proportionately. However, if the repairs are of such a nature as would take the property unreasonably, take unreasonable length of time and thereby cause the property unsuitable for the purpose for which it is let, the hirer may determine terminate the contract.

560. - In case of non-payment of rent, the letter may ~~determine~~ terminate the contract.

But, if the rent is payable at monthly or longer intervals, the letter must first notify the hirer that payment is required within a period of not less than fifteen days.

561. - If no written description of the condition of the property hired has been made and signed by both parties, the hirer is presumed to have received the property in a good state of repair and he must return the property in such condition at the ~~deter~~mination or extinction of the contract, unless he can prove that it was out of repair at the time of delivery.

566. - If no period is agreed upon or presumed, either party may ~~determine~~ terminate the contract of hire at the end of each period for the payment of rent, provided that notice of at least one rent period is given. But no more than two months notice need be given.

568. - If part only of the property hired is lost without the fault of the hirer, he may claim that the rent be reduced in proportion to the part lost.

If in such case the hirer cannot with the remaining part accomplish the purpose for which he entered into the contract of hire he may ~~decide~~ terminate it.

571. - If a contract of hire of paddy land is extinguished, ~~terminated or dissolved~~ or terminated after the hirer has planted the paddy, the hirer is entitled to remain in possession till the harvest is finished, but he must pay the rent.

572. - A hire-purchase is a contract ~~under which~~ whereby ~~the~~ an owner of a property lets it out on hire and promises to sell it to, or that it shall become the property of, the hirer, conditionally on his making a certain number of payments.

The contract of hire-purchase is void unless made in writing.

573. - The hirer may at any time ~~decide~~ terminate the contract by redelivering the property at his own expense to the owner.

~~Upon such delivery, the owner shall retain the title of the sum paid by the hirer or any other sum as agreed by the parties being not less than the title.~~

574. - The owner may also ~~expressly~~ terminate the contract in case of default of two successive payments, or breach of any material part of the contract; in which case all previous payments are forfeited to the owner who is entitled to resume possession of the property.

In case of breach of contract by default of the last payment, ~~such right~~ the owner is entitled to forfeit previous payments and to resume possession of the property can be exercised only after one month from the date the expiration of one instalment period.

577. - The employer ~~can~~ may transfer his right to a third person ~~only~~ with the consent of the employee.

The employee ~~can~~ may have a third person render the services in his place ~~only~~ with the consent of the employer.

If either party acts contrary to this provision, the other party may ~~expressly~~ terminate the contract.

578. - If the employee either expressly or impliedly warrants special skill on his part, the absence of such skill entitles the employer to ~~expressly~~ terminate the contract.

579. - Absence of the employee from service for a reasonable cause and during a reasonably short period does not entitle the employer to ~~discontinue~~ terminate the contract.

581. - If after the end of the agreed period the employee continues to render services and the employer knowing thereof does not object, the parties are presumed to have made a new contract of hire on the same terms, but either party can ~~discontinue~~ terminate the contract by giving notice in accordance with the following section.

582. - If the parties have not fixed the duration of the contract, either party can ~~discontinue~~ terminate it by giving notice at or before any time of payment to take effect at the following time of payment. But no more than three months notice need be given.

The employer can, on giving such notice, immediately discontinue with the services of the employee by paying him his remuneration up to the expiration of the notice.

386. - If the employee has been brought from elsewhere at the expense of the employer, the employer is bound, when the hire of service comes to an end, unless otherwise provided in the contract, to pay the cost of the return journey, provided that:

(1) the contract has not been ~~as explained~~ terminated or extinguished by reason of the act or fault of the employee, and

(2) the employee returns within a reasonable time to the place from which he has been brought.

538. - Tools or instruments which are necessary for the execution of the work ~~shall~~ are to be supplied by the contractor.

593. - If the contractor does not begin to work in a proper time or delays in proceeding with it contrary to the terms of the contract, or if, without the fault of the employer, he delays to proceed with it in such a manner that it can be foreseen that the work will not be finished within the agreed period, the employer is entitled to ~~as explained~~ rescind the contract without waiting for the time agreed upon for delivery.

596. - If the work is delivered after the time fixed in the contract, or, if no time was fixed, after an unreasonable delay, time has elapsed, the employer is entitled to a reduction of remuneration or when time is of the essence of the contract to rescission.

603. - If the materials have been supplied by the contractor, and the work is destroyed or damaged by fire or other cause before due delivery, the contractor bears the loss and no remuneration is to be paid provided that such loss is not caused by any act of the employer.

In such case no remuneration is payable.

604. - If the materials have been supplied by the employer, and the work is destroyed or damaged before due delivery, the employer bears the loss provided that such loss is not caused by any act of the contractor.

In such case no remuneration is to be paid unless the loss originates from the nature of the materials is caused by any act of the employer.

605. - As long as the work is not finished, the employer can ~~determine~~ terminate the contract on making compensation to the contractor for any injury resulting from the ~~de-~~ termination of the contract.

606. - If the personal qualification of the contractor is of the essence of the contract and the contractor dies, or without his fault becomes incapable to carry on the work, the contract comes to an end.

If a part of the work already done is ~~of~~ some useful to the employer, he is bound to accept it and pay a reasonable remuneration therefor.

615. - If a consignment note has been made, delivery can be obtained only on its surrender/ or on proper security being given by the consignee.

*If the consignment note has been lost/
the delivery can be obtained only on giving
proper security/*

631. - If the consignee cannot be found, or if he refuses to take delivery, the carrier must immediately notify the sender thereof and obtain his directions.

If circumstances render this impracticable, or if the sender fails to send in his directions at the proper time or sends directions which cannot be carried out, the carrier has power to deposit the goods in a Deposit Office.

If the goods are perishable, and delay involves risks, or if the value of the goods appears likely not to cover the freight and accessories, he may ~~also~~ have the goods sold by public auction.

The carrier must, unless it is impracticable, notify the sender or consignee of such deposit or sale without delay; failure to do so renders him liable to pay damages.

645. - In any of the cases provided in Section 643, or if the borrower acts contrary to Section 644, the lender may ~~also~~ terminate the contract.

653. - ~~No~~ A loan of money for a sum exceeding fifty baht in capital ~~may be enforced~~ is not enforceable by action unless there be some written evidence of the loan signed by the borrower.

No repayment of a loan of money evidenced by writing may be proved unless there be some written evidence signed by the lender, or the document evidencing the loan has been surrendered to the borrower or cancelled.

355. - Interest shall not bear interest. The parties to a loan of money may, however, ~~may~~ ~~at~~ ~~the~~ ~~end~~ ~~of~~ ~~each~~ ~~year~~ agree that the interest due for not less than one year shall be added to the capital, and that the whole shall bear interest, but ~~any~~ such agreement must be made in writing.

Commercial usage for the calculation of compound interest in current accounts, as well as in other similar commercial transaction, are not governed by the foregoing paragraph.

356. - If a loan is made for a sum of money, and the borrower accepts goods or other property instead of such sum, the amount of the debt due shall be considered as equal to the market value of the goods or property at the time and place of delivery.

If a loan is made for a sum of money, and the lender accepts goods or other property for the repayment of the loan, the amount of the debt extinguished thereby shall be considered as equal to the market value of the goods or property at the time and place of delivery.

Any agreement to the contrary is void.

362. - If a time for the return of the property deposited has been fixed, the depositary ~~shall~~ has no right to return the property before such time, except in case of unavoidable necessity.

675. - The proprietor is liable for loss or damage to the property of the traveller or guest, even caused by strangers going to and fro in the inn, hotel or other such place.

His liability is limited to the sum of five hundred baht if the property be specie, currency notes, bills, bonds, shares, debentures, warrants, jewels or other valuables, unless it has been deposited with him and its value clearly stated.

But he is not liable for loss or damage caused by ~~armed robbery or any other act of force majeure~~ force majeure or by the nature of the property or by the fault of the traveller or guest or of his attendant or of a person whom he had received.

679. - The proprietor is entitled to retain the luggage or other property of the traveller or guest which is in the inn, hotel or other such place until he has been paid all that is due to him for lodging and other services afforded to the traveller or guest in satisfaction of his needs, including disbursements.

He may sell by public auction properties so retained and pay himself out of the proceeds of such sale the amount which is due to him, together with the costs and expenses of such sale. But he cannot exercise such right

unless (1) the properties have been left for six weeks without the debt being paid, and (2) at least one month before such sale he has caused to be inserted in one local newspaper, an advertisement containing notice of the intended sale, together with a short description of the properties to be sold and the name of the owner, if known.

The surplus (if any) remaining after such payment must be paid to the owner of such properties or deposited at a Deposit Office according to the provisions of Sections 331 and 333.

581. - Suretyship is a contract whereby a third person, called surety, binds himself to a creditor to satisfy an obligation in the event that the debtor fails to perform it.

A contract of suretyship is not enforceable by action unless there be some written evidence signed by the surety.

582. - A person may agree to be surety for another surety.

If several persons make themselves sureties for the same obligation they are liable as joint debtors, even though they do not assume the suretyship in common.

637. - The surety is not bound to perform the obligation before the time fixed for performance, although the debtor may have lost the benefit of the time clause, can no longer take advantage of a time of commencement or ending.

696. - The surety has no right of recourse against the debtor/1 -----

---- 1) if he does not inform the debtor that he has performed the obligation and performs the obligation without informing the debtor/ who, in ignorance of the fact, performs it/

2) if he performs it without having been asked upon while the debtor has good defenses to be pleaded/

In either such case, the surety may have only an action for undue enrichment against the creditor.

697. - If, the surety should be subrogated to the rights of the creditor/ because the latter has renounced or released the surety owing to the creditor's own acts, the surety cannot be subrogated wholly or partially into the creditor's rights, mortgages, pledges and preferential rights which have been given before or at the time of suretyship for the performance of the obligation, the surety is discharged to the extent of the injury suffered by him thereby.

699. - The suretyship for a series of transactions without limit of time in favour of the creditor can be ~~extended~~ terminated by the surety for the future by giving notice to the creditor to that effect.

In such case, the surety is not liable for transactions done by the debtor after the notice has reached the creditor.

700. - If suretyship has been given for an obligation which is to be performed at a definite time, and the creditor grants to the debtor an extension of time, the surety is discharged.

The surety is not discharged if he agreed to the extension of time, ~~or if the extension is granted by the court.~~

702. - A ~~contract~~ contract of mortgage is a contract whereby a person, called the mortgagor, ~~assigns to~~ assigns a property to another person, called the mortgagee, as security for the performance of an obligation, without delivering the property to the mortgagee.

The mortgagee is entitled to be paid out of the mortgaged property in preference to ordinary creditors regardless as to whether or not the ownership of the property has been transferred to a third person.

706. - No property can be mortgaged except by ~~the presence~~ the owner for the time being.

703. - (Deleted and substituted by the following).

A contract of mortgage must contain, in Siamese currency, either a sum certain or a maximum amount for which the mortgaged property is assigned as security.

714. - A contract of mortgage must be made in writing ~~in the presence of~~ and registered by the competent official, ~~in accordance with the laws and regulations relating thereto.~~

732. - No servitude or other real right created by ~~agreement of~~ with a juristic act upon a mortgaged property by which the value of the property is depreciated and which is registered after the registration of the mortgage may be set up against the mortgagee unless he has agreed to it.

724. - A mortgagor, who has mortgaged his property as security for the performance of an obligation by another person and performs the obligation on behalf of the debtor to prevent the enforcement of the mortgage, is entitled to recover from the debtor the amount of the performance.

If the mortgage is enforced, the mortgagor is entitled to recover from the debtor the amount by which the mortgage had been satisfied by such enforcement.

727. - If a person has mortgaged his property as security for the performance of an obligation by another person, the provisions of Sections 697, 700 and 701 concerning Suretyship apply mutatis mutandis.

728. - ~~On~~ For enforcement of mortgage the mortgagee must notify the debtor in writing to perform his obligation within a reasonable time to be fixed in the notice. If the debtor fails to comply with such notice, the mortgagee may enter an action in Court for a judgment ordering the mortgaged property to be seized and sold by public auction.

734. - When several properties have been mortgaged to secure one and the same obligation and no order has been specified, the mortgagee may enforce his right against all or any of the properties; provided that he does not do so upon more properties than is necessary for the satisfaction of his right.

If the mortgagee enforces his right against all the properties at the same time, the burden of the obligation is divided according to the respective value of ~~such~~ the properties, except where the amounts of the mortgages have been specified for each property, in which case the division is made according to the respective amounts of the mortgages on such properties.

If, however, the mortgagee enforces his right against one of the properties, the mortgagee may receive performance of his entire obligation from such property. In that case the mortgagee who is next in rank shall be considered as being subrogated to the prior mortgagee and may enforce the mortgage in his stead to the extent of the amount which the prior mortgagee would have received from the other properties according to the provision of the foregoing paragraph.

735. - When the mortgagor ~~who~~ intends to enforce the mortgage against the transferee of a mortgaged property, the latter must ~~notify the transferee in writing of his intention~~ be served with a written notice one month before ~~enforcing~~ the enforcement of the mortgage.

742. - (Deleted and substituted by the following).

When, by the enforcement or the removal of the mortgage, a person who has previously acquired the mortgaged property is deprived of the property, such deprivation has no retrospective effect, and the preferential rights registered by his own creditors over the property rank after the preferential rights registered by the creditors of the mortgagor or other former owner.

In such case, if any rights over the mortgaged property existing in favour of or against the person who has so previously acquired the mortgaged property have been extinguished by merger at the time of his acquisition, they shall revive in his favour or against him after he has been deprived of the mortgaged property.

743. - The transferee is liable to ~~an~~ ~~action for~~ damages if the property has been made less valuable by his act or negligence, and loss has thereby been suffered by the creditors having mortgages or preferential rights over the same. The transferee cannot, however, claim any sum spent by him, or ~~of~~ reimbursement of his expenses for improvements, except so far as he has increased the value of the property, and only up to the amount of the increase of value at the time of auction.

744. - A mortgage is extinguished:

~~(A)~~ ~~by the total loss of appropriation of the mortgaged property.~~

~~(A)~~ (1) By the extinction of the obligation secured, otherwise than by prescription.

~~(A)~~ (2) By the release of the mortgage granted in writing to the mortgagor.

~~(A)~~ (3) By the discharge of the mortgagor being discharged.

~~(A)~~ (4) By the removal of the mortgage being removed.

~~(A)~~ (5) By the auction sale of the mortgaged property by order of the Court as a result of enforcement or removal of mortgage.

~~(A)~~ (6) By the foreclosure of the mortgage.

745. - The mortgagee may enforce the mortgage even after the obligation secured has been ~~extinguished~~ barred by prescription, but arrears of interest on the mortgage cannot be enforced for more than five years.

754. - If the pledged right becomes due before the obligation for which it is security is due, the debtor of such right must deliver to the pledgee the property which is the subject of the right and it becomes pledged in lieu of the pledged right.

If the pledged right is an obligation to pay a sum of money and becomes due before the obligation secured, the payment must be made ~~by~~ jointly to the pledgee and the pledgor; if they cannot come to an agreement, each of them is entitled to demand that such sum be deposited in Deposit Office for their common benefit.

763. - The pledgee of a bill shall, without previous notification being necessary, collect it on the day of its maturity.

~~without previous notification~~

774. - (Deleted and substituted by the following).

The warehouseman cannot demand the removal of the goods by the depositor before the expiration of the period agreed upon. If no time for the return of the goods was fixed, the warehouseman may return them only on giving one month's previous notice to the depositor, provided that the latter shall not be compelled to remove the goods before two months have elapsed since the delivery.

798. - If a transaction is by law required to be made in writing, the appointment of an agent for such transaction must also be made in writing.

If the transaction is required to be evidenced by writing, the appointment of an agent for such transaction must also be evidenced by writing.

805. - (Deleted and substituted by the following).

An agent may not without his principal's consent enter into a juristic act in the name of his principal with himself in his own name, or as agent of a third party, unless the juristic act consists exclusively in the performance of an obligation.

825. - A principal is not bound by a contract entered into by his agent with a third person, if the contract was entered into by the agent in consideration of any property or other advantage privately given or promised to him by such third person, unless the principal has given his consent.

826. - Agency is extinguished :

- (1) By the principal revoking the agency.
- (2) By the agent renouncing the agency.
- (3) By the death of the principal or of the agent.
- (4) By the principal becoming incapacitated.
- (5) By the principal becoming bankrupt, in so far as the agency was made for the only benefit of the principal.

829. - When agency is extinguished by ~~the~~ death of the agent, the heirs ~~of the agent~~ or the person having lawful charge of the agent's estate must notify the principal and take ~~all~~ all steps to protect the interests of the principal as may be reasonable under the circumstances ~~attributable to the agent~~ until the principal can protect such interests.

847. - A broker is presumed to have no authority to receive on behalf of the parties the payments or other ~~provisions~~ in performance of due under the contract.

851. - A contract of compromise is ~~void~~ not enforceable by action unless there be some written evidence signed by the party liable or his agent.

855. - Subject to the provisions of Sections 312 and 313, every bill or other document given in whole or in part for any money won by gambling or by betting, or for repaying any money lent for such gambling or betting, ~~of that or the kind or place of such play to any person as trustee or agent~~ shall be invalid.

For the purpose of this provision, any money lent to a person while gambling or betting at the time or place of such play shall be presumed to have been lent for such gambling or betting.

856. - A contract of current account is ~~void~~ one in which two persons agree that henceforth or for a determinate period the amount of all or some only of the obligations arising from transactions between them shall be set off and that the balance only shall be paid.

859. - In the absence of anything appearing to the contrary, either party may at any time ~~at any time~~ terminate the contract of current account and have the balance struck.

861. - A contract of insurance is ~~defined~~ one in which a person agrees to make compensation or to pay a sum of money in case of contingent loss or any other future event specified in the contract, and another person agrees to pay therefor a sum of money, called premium.

865. - If at the time of making the contract, the assured, or, in case of insurance on life, the person upon whose life or death the payment of the sum payable depends, knowingly omits to disclose facts which would have induced the insurer to raise the premium or to refuse to enter into the contract, or knowingly makes false statements in regard to such facts, the contract is voidable.

If such right of avoidance is not exercised within one month from the time when the insurer has knowledge of the ground of avoidance, or within five years from the date of the contract, such right is extinguished.

387. - A contract of insurance is ~~not~~ not enforceable by action unless there be some written evidence signed by the party liable or his agent.

A policy of insurance conforming to the contract shall be ~~delivered to the assured.~~ delivered to the assured.

The policy must be signed by the insurer and contain:

- (1) The subject of the insurance.
- (2) The risk taken by the insurer.
- (3) The value of the insurable interest, if that has been fixed.

~~(4)~~ (4) The sum insured.

~~(5)~~ (5) The amount of the premium and manner of its payment.

~~(6)~~ (6) The time of the if the duration of the insurance has been fixed, its commencement and of the ending. ~~of the insurance.~~

~~(7)~~ (7) The name or trade name of the insurer.

~~(8)~~ (8) The name or trade name of the assured.

~~(9)~~ (9) The name of the beneficiary, if any.

~~(10)~~ (10) The date of the contract of insurance.

~~(11)~~ (11) The place where, and the date when, the policy was made.

870. - If two or more contracts of insurance are made simultaneously for the same loss and the total amount of the sum insured exceeds the actual amount of the loss, the beneficiary is entitled to receive compensation up to such amount only. Each insurer must pay a part of the actual loss in proportion to the sum insured by him.

Contracts of insurance are deemed to have been made simultaneously if their dates are the same.

If two or more contracts of insurance are made successively, the first insurer is first liable for the loss. If the amount paid by him is not sufficient to cover the loss, the next insurer is liable for the difference and so on, till the loss is covered.

871. - (Deleted and substituted by the following).

If two or more contracts of insurance are made simultaneously or successively, a renunciation of the right against one of the insurers does not affect the rights and duties of the others.

372. - Before the risk begins, the assured may ~~cancel~~ terminate the contract, but the insurer is entitled to one half of the premium.

374. - ~~THE INSURER SHALL BE ENTITLED TO A REDUCTION OF THE AMOUNT OF THE COMPENSATION TO BE PAID BY HIM, UNLESS HE PROVES THAT THE INSURABLE INTEREST HAS BEEN AS VALUED BY THE PARTIES~~ If the parties have valued the insurable interest, the insurer is entitled to a reduction of the amount of compensation only if he proves that the agreed valuation is substantially too high and returns a proportionate amount of the premiums with interest.

375. - ~~IF THE ASSURED TRANSFERS THE SUBJECT OF INSURANCE BY WILL OR OPERATION OF LAW, THE RIGHTS UNDER THE CONTRACT OF INSURANCE ARE TRANSFERRED WITH IT.~~ If the subject of insurance pass from the assured by will or operation of law, the rights under the contract of insurance are transferred with it.

Unless otherwise provided by the contract, if the assured transfers the subject of insurance and notifies the transfer to the insurer, the rights under the contract of insurance are transferred with it. If, by such transfer, the risk is substantially altered or increased, the contract of insurance becomes void.

876. - If the insurer has been adjudged bankrupt, the assured may require proper security to be given to him, ~~which he or may otherwise~~ terminate the contract.

If the assured is adjudged bankrupt, the same rules shall apply correspondingly; however when ~~the~~ the whole amount of the premium has been ~~already~~ paid, ~~under which insurance is running~~ for a certain period of time, the insurer cannot ~~otherwise~~ terminate the contract before such period expires.

879. - The insurer is not liable if the loss or other event specified in the contract is caused by the bad faith or the gross negligence of the assured or the beneficiary.

The insurer is not liable for loss resulting directly from the inherent vice of the subject of insurance unless otherwise provided.

880. - If the loss is caused by the ~~act~~ act of a third person, the insurer who pays compensation is subrogated, up to the amount paid by him, to the rights of the assured and of the beneficiary against such third person.

If the insurer has paid part only of the compensation, he cannot exercise his right to the prejudice of the right of the assured or of the beneficiary to claim from the third person for the remainder of the loss.

331. - (Deleted and substituted by the following).

When a loss occurs from the happening of the risk assumed by the insurer, the assured or the beneficiary must after he had knowledge of such loss, without delay give notice thereof to the insurer.

If the provision of the foregoing paragraph is not complied with, the insurer can claim compensation for any damage suffered thereby unless the other party can prove that it is impracticable for him to comply with.

332. - No action for payment of compensation can be entered later than two years after the date of the loss.

No action for payment or refund of a premium can be entered later than two years after the date when the right to payment or refund of premium became due.

333. - A contract of insurance on carriage covers every loss which the goods carried may sustain from the time when they are received by the carrier until they are delivered to the consignee, and the amount of compensation ~~will be~~ is fixed according to the value which the goods carried would have had on arrival at the place of destination.

891. - Even in the case where if the assured is not himself the beneficiary, he has the right to transfer the benefit of the contract to any other person unless he has delivered the policy to the beneficiary and the beneficiary has notified in writing the insurer his intention to take the benefit of the contract.

If the policy is made payable to order the provisions of Section 309 shall apply.

892. - In case of ~~avoidance~~ avoidance of the contract under Section 365, the insurer has to return to the assured or to his heirs the redemption value of the policy.

894. - The assured is entitled at any time to ~~terminate~~ terminate the contract of insurance by discontinuing to pay the premium. If the premium had been paid for at least three years, he is entitled to receive from the insurer the surrender value of the policy or a paid up policy.

905. - Subject to the provisions of Section 1003, the possessor of a bill of ~~exchange~~ exchange is deemed to be the lawful holder if he shows his title through an uninterrupted series of indorsements, even if the last

indorsement is in blank. When an indorsement in blank is followed by another indorsement, the person who signed this last indorsement is deemed to have acquired the bill by the indorsement in blank. Cancelled indorsements are deemed to be non-existent.

Where a person has been dispossessed of a bill, *or equivalent in any manner whatsoever*, the holder who shows his right thereto in the manner mentioned in the foregoing paragraph is not bound to give up the bill unless he has acquired it in bad faith, or unless in acquiring it he has been guilty of gross negligence.

The foregoing paragraph applies also to the holder of a bill payable to bearer.

908. - A bill of exchange must contain the following particulars:

(1) *A statement that it is* The designation of it as a bill of exchange.

(2) An unconditional order to pay a sum certain in money.

(3) The name or trade name of the drawee.

(4) A day of maturity.

(5) *A statement of the place where the payment is to be made.* The place of payment.

(6) The name or trade name of the payee; or a ~~XXXXXXX~~ mention that it is payable to bearer.

(7) ~~A XXXXXXXX of XXX~~ The date and place where the bill is issued.

(8) The signature of the drawer.

910. - An instrument in which any of the requirements specified in the foregoing section is wanting is invalid as a bill of exchange, except in the following cases:

A bill of exchange in which no time of payment is specified is deemed to be payable at sight.

If the place where payment is to be effected is not stated in a bill of exchange, the domicile of the drawee shall be considered to be the place of payment.

A bill of exchange which does not show the place at which it was drawn is considered as having been drawn at the domicile of the drawer.

If a bill of exchange does not mention the date on which it was drawn, ~~XXX~~ any lawful holder, acting in good faith, may insert ~~XXX~~ the true date.

912. - A bill of exchange may be drawn payable to the drawer's order.

It may be drawn on the drawer himself or ~~for~~ on account of a third person.

914. - Any person who draws or indorses a bill of exchange engages that on due presentment it shall be accepted and paid according to its tenor and that, if it be dishonoured by non-acceptance or non-payment, he will pay it to the holder or to ~~any~~ a subsequent indorser who has been compelled to pay it, provided that the requisite proceedings on non-acceptance or non-payment have been duly taken.

917. - Every bill of exchange, even if not expressly drawn to order, may be transferred by means of an indorsement/ and delivery.

When the drawer has written on the face of a bill of exchange the words "not negotiable" or any equivalent expression, the bill can be transferred only according to the form, and with the effects of an ordinary transfer.

The bill may be indorsed to the drawee, whether he has accepted or not, or to the drawer, or to any other party to the bill. These persons may indorse the bill afresh.

921. - The indorsement of a bill of exchange payable to bearer operates only as a guarantee (aval) for the drawer.

927. - Up to maturity, a bill of exchange may be presented to the drawee for acceptance at the place where he resides, either by the holder or by a simple possessor.

In any bill of exchange, the drawer may stipulate that it shall be presented for acceptance, with or without fixing a limit of time for presentment.

Except in the case of a bill drawn payable at a particular place other than the drawee's domicile or a bill drawn payable at a certain time after sight, the drawer may prohibit presentment for acceptance.

The drawer may also stipulate that presentment for acceptance shall not take place before a certain date.

Every indorser may stipulate that the bill shall be presented for acceptance with or without fixing a limit of time for presentment, unless the drawer has prohibited acceptance.

928. - The holder of a bill of exchange payable at the end of a period after sight must present it for acceptance within six monthsⁿ from its date, or within such shorter or longer time as specified by the drawer.

If the holder fails to present the bill for acceptance within the above mentioned period, he loses his rights under the bill against the prior parties.

929. - Subject to the provisions of Section 927, the holder of a bill of exchange has a right to present it to the drawee immediately for acceptance; and if it has not been accepted within twenty four hours, the holder has a right to protest it.

930. - When a bill of exchange is presented for acceptance, the holder is not obliged to leave it in the hands of the drawee.

The drawee may demand that a bill of exchange shall be presented to him a second time on the day after the first presentment. Parties interested are not allowed to set up that *the right to make* this demand has not been ~~exercised~~ complied with unless such the demand is specified in the protest.

931. - A protest shall be made by the MPHAKKAT Nai Member or his deputy or the application of the holder of a bill of exchange or by an attorney having special license for that purpose.

The person at whose request the protest is made shall pay all reasonable expenses incurred thereby.

The Minister of Justice is empowered to issue Regulations for the carrying out of the above provisions and fixing fees for making the protest.

932. - (Deleted and substituted by the following).

The protest must, in addition to the name, title and signature of the person making it, contain an exact copy of the bill with all indorsements and specify:

(1) The name or trade name of the person for whom and against whom the bill is protested.

(2) The cause or reason for protesting the bill, the demand made, and the answer given if any, or the fact that the drawer or acceptor could not be found.

(3) If there is an acceptance or payment for honour the nature of the intervention and the name or trade name of the

acceptor or payer for honour and of the person for whose honour intervention is made.

(4) The place and date of protest.

The protest shall be delivered to the person at whose request the protest is made and the counterfoil kept by the person making the protest. The latter shall forthwith give notice of the protest to the person against whom it is made, if his domicile is known, either by registered letter if possible or by delivery at such domicile; if his domicile is unknown, by affixing a copy of the protest in a conspicuous place in the office of the Ambler of his last residence.

937. - All persons who have drawn, accepted, indorsed or guaranteed by aval a bill of exchange are jointly liable to the holder.

The holder has the right of proceeding against all these persons individually or collectively without being required to observe the order in which they have become bound.

The same right belongs, as against prior parties, to every person who has signed the bill and taken it up.

Proceedings against one of the parties liable do not prevent proceedings against others, though they may be subsequent to the person first proceeded against.

933. - The holder may recover from the person against whom he exercises his right of recourse :

- (1) The amount of the unaccepted or unpaid bill of exchange with interest, if interest has been stipulated for.
- (2) Interest at the rate of 5 per cent per annum from the date of maturity.
- (3) The expenses of protest and of the notices given by the holder to his immediate indorser and the drawer, as well as other expenses.
- (4) A commission which, in the absence ~~of~~ of an agreement, shall be $1/6$ per cent on the principal payable by the bill, and which in no case can exceed this rate.

If the right of recourse is exercised before maturity, the amount of the bill shall be subject to a discount of 5 per cent.

939. - A party who takes up and pays a bill of exchange can recover from the parties liable to him :

- (1) The entire sum which he has paid.
- (2) Interest on the said sum calculated at the rate of 5 per cent per annum, starting from the day when he made payment.
- (3) Expenses which he has incurred.
- (4) Commission on the principal sum of the bill of exchange fixed in conformity with Section 938 ~~(4)~~, subsection 4.

972. - In case of exercise of the right of recourse after a partial acceptance, the party who pays the sum in respect of which the bill has not been accepted can require that this payment should be specified on the bill, and that ~~he should receive~~ a receipt be given therefor. The holder must also give him a certified copy of the bill, together with the protest, in order to allow the exercise of subsequent recourse.

974. - When presentment of a bill of exchange or drawing up the protest within the prescribed limits of time is prevented by an unavoidable necessity these times are prolonged.

The holder is bound to give without delay notice of the case of unavoidable necessity to his immediate indorser, and to specify this notice, which he must date and sign, on the bill or on an allonge; as regards other matters, the provisions of Section 963 apply.

After the cessation of the unavoidable necessity the holder must without delay present the bill for acceptance or payment, and, if need be, have the protest drawn up.

If the unavoidable necessity continues to operate for more than thirty days after the maturity of the bill recourse may be exercised, and neither presentment nor drawing up the protest shall be necessary.

As regards bills payable at sight or at a certain time after sight, the term of thirty days begins to run from the date on which the holder has, even before the expiration of the time for presentment, ~~has~~ given notice of the unavoidable necessity to his immediate indorser.

975. - Except in the case of bills of exchange payable to bearer, a bill of exchange can be drawn in two or more identical duplicates.

These duplicates must be numbered in the body of the instrument, failing which each duplicate is good as a separate bill of exchange.

Every holder of a bill which does not specify that it has been drawn as a sola bill may, at his own expenso, require the delivery of two or more duplicates. For this purpose he must address himself to his immediate indorser, who is bound to help him in proceeding against his own indorser, and so on in the series until the drawer is reached. The indorsers are bound to reproduce their indorsements on the new duplicates of the set.

933. - A promissory note must contain~~/~~ the following particulars:

(1) ~~A statement that it is~~ The designation of it as a 'promissory note'.

(2) An unconditional promise to pay a sum certain in money.

(3) A day of maturity.

(4) ~~A statement of~~ The place ~~where~~ of payment. It is to be made.

(5) The name or trade name of the payee.

(6) ~~A statement of~~ The date and place where the promissory note is made.

(7) The signature of the maker.

984. - An instrument in which any of the requirements specified in the foregoing section is wanting, is invalid as a promissory note, except in the foregoing cases :

A promissory note in which no time of payment is specified is deemed to be payable at sight.

In default of special mention, the place where the instrument is issued is deemed to be the place of payment, and at the same time the residence of the maker.

If the place where payment is to be effected is not stated in a promissory note, the domicile of the maker shall be considered to be the place of payment.

A promissory note which does not specify its place of issue is deemed to have been made at the domicile of the maker.

If there is no date of issue, any lawful holder acting in good faith may insert the true date.

985. - The following provisions of Chapter II ~~concerning~~ relating to Bills of exchange apply to Promissory notes ⁱⁿ ~~as~~ so far as they are not inconsistent with the nature of this instrument, namely Sections 911, 913, 916, 917, 919, 920, 923 to 926, 938 to 947, 949, 950, 954 to 959, 967 to 971.

In case of foreign promissory notes the following provisions shall also apply, namely Sections 960 to 964, 973, 974.

983. - A cheque must contain/ the following particulars:

(1) A statement that it is the designation of it as a cheque/.

(2) An unconditional order to pay a sum certain in money.

(3) The name or trade name and address of the banker.

(4) The name or trade name of the payee/ or a statement mention that it is payable to bearer.

(5) A statement of the place where the of payment. is to be made/

(6) A statement of the date and place where the cheque is issued.

(7) The signature of the drawer.

989. - The following provisions of Chapter II concerning relating to Bills of exchange apply to Cheques in so far as they are not inconsistent with the nature of this instrument, namely, Sections 910, 914 to 923, 925, 926, 938 to 940, 945, 946, 959, 967, 971.

In case of foreign cheques the following provisions shall also apply, namely, Sections 924, 960 to 934, 973 to 977, 980.

991. - A banker is bound to pay a cheque drawn on him by his customer unless:

(1) there is not enough money to the credit of the account of the customer to meet the cheque, or

(2) the cheque is presented for payment later than six months after the date of drawing, or

(3) notice is given that the cheque has been lost or stolen.

992. - (Deleted and substituted by the following).

The duty and authority of a banker to pay a cheque drawn on him are determined by:

(1) Countermand of payment.

(2) Notice of the drawer's death.

(3) Notice or publication of an interim receiving order or bankruptcy order against the drawer.

1009. - When a bill payable to order on demand is drawn on a banker, and the banker on whom it is drawn pays the bill in good faith, without negligence and in the ordinary course of business it is not incumbent on the banker to show that the indorsement of the payee or any subsequent indorsement was made by or under the authority of the person whose indorsement it purports to be, and the banker is deemed to have paid the bill in due course, although such indorsement has been forged or made without authority.

1061. - (Deleted and substituted by the following)

After the dissolution of a partnership the liquidation shall take place, unless some other method of adjustment of property between the partners has been agreed upon or unless the partnership is adjudicated bankrupt.

If the dissolution is brought about by notice given by a creditor of one of the partners or by the bankruptcy of one of the partners the liquidation can only be dispensed with the consent of the creditor or of the official receiver.

Liquidation shall be carried on by all the partners or by persons appointed by them.

The appointment of liquidators is decided by a majority ^{of} votes of the partners.

1066. - No partner of a registered partnership may, either on his own account or on account of another person, carry on without the consent of all the other partners any business of the same nature as and competing with that of the partnership or without such consent be a member ~~of~~ with unlimited liability in another partnership ~~having the same object,~~ carrying on a business of the same nature as and competing with that of the registered partnership.

Such prohibition does not apply if it was already known to the partners at the time of registration of the partnership that one of them was engaged in a business or in other partnership having the same object, and if his withdrawal was not stipulated in the contract of partnership.

1092. -- The memorandum must contain/ the following particulars:

(1) The name of the proposed company, which must always end with the word "limited".

(2) The part of the Kingdom in which the registered office of the company shall be situated.

(3) The objects of the company.

(4) A declaration that the liability of the shareholders shall be limited.

(5) The amount of share capital with which the company proposes to be registered, and the division thereof into shares of a fixed amount.

(6) The names, addresses, occupations and signatures of the promoters, and the number of shares subscribed by each of them.

1107. - When all the shares to be paid in money have been subscribed, the promoters must without delay hold a general meeting of ~~the~~ subscribers which shall be called the statutory meeting.

~~They~~ The promoters shall, at least seven days before the day on which the meeting is to be held, forward to ~~the~~ every subscriber a statutory report, duly certified by them, containing all particulars of the business to be transacted at the statutory meeting under the following section. ~~Copy of the same shall be forwarded at the same time to the Registrar~~

The promoters shall cause a copy of the statutory report, certified as by this section required, to be filed with the Registrar of companies forthwith after the sending thereof to the subscribers.

The promoters shall also cause a list showing the names, descriptions and addresses of the subscribers, and the number of shares subscribed by them respectively, to be produced at the meeting.

The provisions of Sections 1176, 1187, 1188, 1189, 1191, 1192 and 1195 shall apply mutatis mutandis to statutory meeting.

1111. - When the amount mentioned in Section 1110 has been paid, the directors must apply for the registration of the company.

The application and entry in the register must contain, in conformity with the decisions of the statutory meeting, the following particulars:

(1) The total number of shares subscribed or allotted, distinguishing ordinary shares and preference shares.

(2) The number of ordinary shares or preference shares allotted as fully or partly paid up otherwise than in money, and in the latter case, the extent to which they are so paid up.

(3) The amount already paid in money on each share.

(4) The total amount of money received in respect of shares.

(5) The names, occupations and addresses of the directors.

(6) If the directors have ~~power to act~~ separately, their respective powers and the number or names of the directors whose signature is binding on the company.

(7) The period, if any has been fixed, for which the company is formed.

(8) The address of the principal business office and of all branch offices.

The entry may contain any other particulars which the directors may deem expedient to make known to the public.

The application must be accompanied by the copy of the regulations, if any, and of the proceedings of the statutory meeting, both certified by the signature of at least one director.

The directors must at the same time deposit with the Registration Office ten printed copies of the memorandum and of the regulations, if any, of the company.

A certificate of registration shall be delivered to the company.

1116. - Any interested person is entitled to obtain from any company a copy of its memorandum and regulations, ~~if any, on payment of~~ for which a sum not exceeding one baht per copy may be charged by the company.

1119. - The whole amount of every share must be paid in money, except shares allotted under Section 1103 subsection 5, or under Section 1221.

A shareholder cannot avail himself of a set off against the company as to payments on shares.

1128. - If a shareholder fails to pay a call on the day fixed for payment thereof, the directors may give him notice by registered letter to pay such call with interest.

The notice must fix a reasonable time within which such call and interest must be paid. It must also fix the place where payment must be made. The notice may also state that in the case of non-payment the share in respect of which such call was made may be forfeited. ~~by the company.~~

1129. - Shares are transferable without the assent of the company unless, in case of shares entered in a name certificate, it is otherwise provided in the regulations of the company.

* The transfer of shares entered in a name certificate is void unless made in writing and signed by the transferor and the transferee whose signatures shall be certified by one witness at least. The instrument must state the numbers of the shares to which it refers.

Such transfer is invalid as against the company and third persons until the fact of transfer and the name and address of the transferee are entered in the register of shareholders.

1133. - The transferor of a share not fully paid up continues to be liable for the full amount unpaid thereon, provided that:

(1) No transferor shall be liable in respect of any obligation of the company incurred after the transfer.

(2) No transferor shall be liable to contribute unless it appears to the Court that the existing shareholders are unable to satisfy the contributions required to be made by them.

No action against the transferor for such ¹ liability can be entered later than two years after the time when the transfer is ~~or ought to have been~~ entered in the register of shareholders.

1134. - Certificates to bearer may be issued only if authorized by the regulations of the company and for shares which are fully paid up. In such case the holder of a name certificate is entitled to receive certificate to bearer on surrendering the name certificate for cancellation.

1133. - Every limited company must keep a register of shareholders containing the following particulars:

(X) The names, addresses and occupations of the holders of name certificates, the numbers and dates of the certificates held by each of them, the respective number of the shares entered in each certificate and the amount paid on each share.

(1) The names and addresses, and the occupations, if any, of the shareholders, a statement of the shares held by each shareholder, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each shareholder.

(2) The date at which each person was entered in the register as a shareholder.

(3) The date at which any person ceased to be a shareholder.

(X) (4) The numbers and dates of certificates issued to bearer, and the respective numbers of the shares entered in each such certificate.

(X) (5) The date of cancellation of any name certificate or certificate to bearer.

1147. - ~~Fixty~~ Ten printed copies of every new regulation or of the altered memorandum or regulations shall be deposited at the same time at the Registration Office.

1148. - Every limited company must have a registered office to which all communications and notices may be addressed.

Notice of the situation of the registered office and of any change therein, shall be given to the Registrar of companies, who shall record the same.

1153. - Unless otherwise agreed by the directors between themselves, the directors to retire during the first and second years following the registration of the company shall be drawn by lots. In every subsequent year the directors who have been longest in office shall retire.

A retiring director is ~~is~~ eligible for re-election.

1159. - The subsisting directors may act notwithstanding any vacancy among them/ but, if and so long as their number is reduced below the number necessary to form a quorum, the subsisting directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company but for no other purpose.

1160. - The directors may fix the quorum necessary for the transaction of business at their meetings/ and unless so fixed the quorum shall (when the number of directors exceeds three) be three.

1167. - ~~Unless otherwise provided by this Code,~~ The relations between the directors, the company and third persons are governed by the provisions of this Code concerning Agency.

1168. - (Deleted and substituted by the following).

The directors must in their conduct of the business apply the diligence of a careful business man.

In particular they are jointly respon-

sible:

(1) for the payment of shares by the shareholders being actually made;

(2) for the existence and regular keeping of books and documents prescribed by law;

(3) for the proper distribution of the dividend or interest as prescribed by law;

(4) for the proper enforcement of the resolutions of the general meetings.

A director must not, without the consent of a general meeting of shareholders, undertake commercial transactions of the same nature as and competing with that of the company, either on his own account or that of a third person, nor may he be a partner with unlimited liability in another commercial concern carrying on a business of the same nature as and competing with that of the company.

The foregoing provisions apply also to persons representing the directors.

1169. - Claims against the directors for compensation for injury caused by them to the company may be entered by the company or, in case the company refuses to act, by any of the shareholders.

Such claims may also be enforced by the creditors of the company in so far as their claims against the company remain unsatisfied.

1172. - The directors may summon extraordinary meetings whenever they think fit.

They must without delay summon such meeting when the company has lost half the amount of its capital, in order to inform the shareholders of such loss.

1177. - Unless there are provisions to the contrary in the regulations of the company, the rules provided by the following sections shall apply to general meetings.

But section 1178 shall apply notwithstanding any provision to the contrary.

1182. - (Deleted and substituted by the following).

On a show of hands every shareholder present in person or represented by proxy shall have one vote. On a poll every shareholder shall have one vote for each share of which he is the holder.

1187. - Any shareholder may vote by proxy, provided the power given to such proxy is in writing.

The proxy must be a shareholder.

1190. - At any general meeting, a resolution *is passed if adopted by a majority of votes.* put to the vote shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by at least two shareholders.

1191. - At any general meeting, *unless a poll is demanded by at least two shareholders,* a declaration by the chairman that a resolution has, on a show of hands, been passed or lost, and an entry to that effect in the books of the proceedings of the company shall be sufficient evidence of the fact.

If a poll is demanded, the result of the poll shall be deemed to be the resolution of the meeting.

1192. - If a poll is duly demanded it shall be taken in such manner as the chairman directs.

1193. - In the case of an equality of votes. ~~THE CHAIRMAN HAS A CASTING VOTE~~ whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

1194. - A resolution is deemed to be a special resolution if passed by two successive general meetings in the following way:

The substance of the proposed resolution has been included in the notice for summoning the first general meeting.

The resolution has been passed in the first meeting by a majority of not less than three fourths of the votes.

The subsequent general meeting has been summoned and has been held not less than fourteen days and not more than six weeks after the former meeting.

The full text of the resolution passed in the first meeting has been included in the notice summoning the second meeting.

The resolution passed in the former meeting has been confirmed in the subsequent meeting by a majority of not less than two thirds of the votes.

5. - DIVIDENDS AND ~~INZZZZZZ~~ RESERVE.

1200. - The distribution of dividends ~~of INZZZZZZ~~ must be made in proportion to the amount paid upon each share, unless otherwise decided with regard to preference shares.

1201. - (Deleted and substituted by the following).

No dividend may be declared except by a resolution passed in a general meeting.

The directors may from time to time pay to the shareholders such interim dividends as appear to the directors to be justified by the profits of the company.

No dividend shall be paid otherwise than out of profits. If the company has incurred losses, no dividend may be paid unless such losses have been made good.

1202. - (Deleted and substituted by the following).

The company must appropriate to a reserve fund, at each distribution of dividend, at least one twentieth of the profits arising from the business of the Company, until the reserve fund reaches one tenth part of the capital of the Company or such higher proportion thereof as may be stipulated in the regulations of the Company.

If shares have been issued at a value higher than the face value, the excess must be added to the reserve fund until the latter has reached the amount mentioned in the foregoing paragraph.

1203. - If dividends ~~of interest~~ has been paid contrary to the provisions of the last two preceding sections, the creditors of the company are entitled to have the amount so distributed returned to the company, provided that a shareholder cannot be obliged to return dividends ~~of interest~~ which he has received in good faith.

1207. - The directors must cause minutes of all proceedings and resolutions of meetings of shareholders and directors to be duly entered in the books, which shall be kept at the registered office of the company. Any such minutes signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting, are presumed correct evidence of the matters therein contained, and all resolutions and proceedings of which minutes have been so made are presumed to have been duly passed.

Any shareholder may at any time during business hours demand an inspection of the above mentioned documents.

1209. - The auditors shall be elected every year ~~by the~~ at an ordinary meeting.

A retiring auditor is ~~re-eligible~~ for re-election.

1210. - The remuneration of the auditors shall be fixed ~~by the~~ in any general meeting.

1234. - The provisions of Section 1118 concerning shares and Sections 1127 to 1130 ~~and 1132 to 1136~~ concerning certificates for shares apply to debentures, mutatis mutandis.

1235. - Each certificate of debentures must contain the particulars mentioned in sub-sections 1 to 5 ~~of~~ of Section 1232.

1247. - The liquidation of a bankrupt registered partnership, ~~or~~ limited partnership or limited company shall be made, as far as practicable, in accordance with the provisions of the Law of Bankruptcy for the time being in force.

Regulations for the liquidation of partnerships and companies may be issued by the competent Minister.

1270. - As soon as the affairs of the partnership or company are fully liquidated, the liquidators ~~shall call a general meeting~~ ~~before which they shall lay an account showing~~ ~~the manner in which~~ shall make up an account of the liquidation showing how the liquidation has been conducted, and the property of the partnership or company has been disposed of; and thereupon shall call a general meeting for the purpose of laying before it the account and giving any explanation thereof.

After the account is approved, the proceedings of the meeting must be registered within fourteen days from its date by the liquidators. Such registration is taken as being the end of the liquidation.

1271. - After the liquidation, the books, accounts and documents of the liquidated partnership or company shall be deposited at the same time with the Registrar who shall keep them during within the fourteen days provided by the foregoing section at the Registrar's office where they shall be kept for ten years after the end of the liquidation.

All ~~interested persons~~ such books, accounts and documents shall be ~~allowed to consult them~~ gratuitously open to inspection by any interested person.

1272. - (Deleted and substituted by the following).

No action for payment of debts due from the partnership or company or from the partners, shareholders or liquidators as such can be entered later than two years after the end of the liquidation.

1273. - The provisions of Sections 1173 to 1193 ~~in~~, 1195 and 1207 apply to general meetings held during liquidation, mutatis mutandis.

1284. - Any change in the person or persons entrusted with the management of the association shall be ~~registered~~ notified to the Registrar for registration within fourteen days from the date of the change.

The Registrar may refuse to register the change if he is not satisfied that the new manager or managers are responsible persons as defined by Section 1280.

1287. - (Deleted and substituted by the following).

Every member of an association is entitled to examine into the condition of the business and of the property of the association.

1289. - Every member of an association is entitled to withdraw at any time from the association, provided he pays such subscriptions and other debts as may be due by him at that time.

1293. - The Court may, on the application of the Public Prosecutor or of any interested person, order an association to be dissolved and appoint one or more liquidators in any of the following cases:

(1) If the object of the association is or becomes unlawful.

(2) If, for any reason whatsoever, the management of the association cannot be continued.

(3) If the association appears to be managed by persons other than the registered managers.

(4) If it appears that the association is or may become a danger to the public peace.

(5) If the association or any of its members or managers acts contrary to law in pursuance of their common undertaking

1294. - The provisions of Law Title
XXII Chapter V concerning Liquidation of
Partnerships and Companies apply to the
Liquidation of Associations, mutatis mutandis.

