

12. — Obligations may be created, modified or determined by mutual consent of the parties, as they may think fit.

*See Illustration under Section 13.*

[13. — An agreement or a clause in an agreement which excludes or modifies the provisions of law in which public policy or the safety of persons or property are involved, is void.]

*ILLUSTRATION (Sections 12 & 13). — Section 392 provides that the costs of a contract of sale must be borne by both parties equally. The payment of the costs of a contract of sale is a question in which public policy and good morals are not involved. The parties to a contract of sale can therefore agree that the costs of the contract shall be borne by one of them.*

*Section 654 provides that interest shall not exceed 15% per year. The limitation of the rate of interest is a question in which public policy is involved. The parties to a contract of loan of money cannot therefore agree that the loan shall bear more than 15% interest per year.*

14. — If there is no law applicable to a case, custom shall apply.

15. — If there is neither law nor custom applicable to

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a case, the case shall be decided by analogy with the nearest provision or the general principles of law.

16. — Whenever a writing is required by law, it is not necessary that it be written by the person or persons from whom it is required, or by the parties to it, but it must bear their signature.

17. — In so far as circumstances admit, the provisions of this Code concerning the validity of contracts apply to anything which may create, modify or extinguish an obligation.

*ILLUSTRATION.* — Although not included in this Code, wills may create, modify or extinguish an obligation. In so far as circumstances admit, the provisions of this Code concerning the validity of contracts apply to wills.

*I. — A makes a will in favour of B, stating in it that he makes it only because B is a near relation to A's dead wife. After the death of A it turns out that B is no relation to A's dead wife. A's will was made under a mistake as to an essential element. A's will is voidable.*

*II. — A makes a will in favour of B because B fraudulently made A believe that C, a nearer relation to A, was already dead. It turns out after A's death that C is still living. A's will is vitiated by B's fraud and is voidable.*

*III. — A makes a will in favour of B under B's duress. A's will is vitiated by B's duress and is voidable.*

*IV. — A makes a will bequeathing his property to an association not authorized by law. The object of the will is unlawful : the will is void.*

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