Financial bonds

Section One
General Provisions

Article (791)
Rights arising from submission of bonds.
Financial bond holder should fulfill the right stated in it on submission and if the debtor fulfilled to the bond holder, he will be released from the commitment towards the holder even if he is not the owner of the right unless the fulfillment is issued in bad faith or on gross error.

Article (792)
Bond's approved value
If the value the nominal bond is in letters and numbers, the outcome is in the difference of the value evidenced in letters; and if it is written many times in letters or numbers, the outcome is with the lowest amount.

Article (793)
Defenses accorded to the debtor
The debtor has no right to complain on bond holder except with defenses related to his character or defenses related to the bond as well as defenses arising from forgery in his signature or defect in eligibility or representation when issuing the bond or for non availability of the necessary points to exercise the related claim.
The debtor should not complain on bond holder with defenses based on the personal relations with the previous holders except if the holder intended on obtaining the bond to harm the debtor himself.

Article (794)
Acquiring the bond in good faith
If a financial bond is acquired in good faith according the rules that organize its circulation, it will not be subject to recovery.

Article (795)
Transfer of rights concerning the bond
Transfer of financial bonds is consequential on the affiliated rights related to it.

Article (796)
Bonds existing in place of goods
The bonds that exist in the place of goods authorize its holder to the right to claim delivery of goods stated in it and its custody and power of disposal through transfer of bonds.

Article (797)
Necessity of mentioning restrictions on bonds
There is no effect of mortgage or detention or control or any other restriction on specified right in financial bond or on goods unless it is included in the bond itself.

Article (798)
Bonds' usufruct
Financial bonds' usufruct includes usufruct of arising rewards and other expected benefits and the rewards will be employed in fruitful means and usufruct is extended to it; and if the two parties did not agree on means of its employment, the competent court of instance will specify it.
In mortgaging the bond, the guarantee is not extended to rewards and other expected benefits that arise from the bond.

Article (799)
Exchange of nominal bonds with bonds to order and vice versa
Financial bonds issued to order may be exchanged with nominal bonds according holder's request and on his expense; and nominal bonds may also be exchanged with bonds to order according the request of the name of the holder after proving his personality and eligibility with official testimony unless exchange is prohibited explicitly by the source of origin.

Article (800)
Collection of bonds and its partition
The issued financial bonds may be collected in a group of one overall bond according holder's request and on his expense; and overall financial bonds may be divided in subordinate bonds of small categories.

Article (801)
Applicable provisions
To apply the provisions of this book without prejudice to other provisions stated in this law or stipulated in special laws. The special laws organize the public debt bonds, bank notes and other similar bonds.

Article (802)
Testimonies on which the provisions of this book are not applied
Provisions of this book are not applied on testimonies that need evidence of holder's right in legal business or utilized to allow the transfer of right without taking into consideration the special means for transfer of rights.

Section Two
Financial bonds to bearer
Article (803)
Holder's right of bearer bond
The bond is transferred to holder once it is delivered; the legitimacy of the holder of bearer bond is proved in exercising the evidenced right on submission of the bond itself.

Article (804)
Bonds including commitment for payment of amount
The bond which includes commitment for payment of a sum of money may not be issued to bearer except in the cases in which the law permits.

Article (805)
Exchange of unsuitable bond
If the bond became unsuitable for circulation, holder may return it and obtain from its originator another bond instead of it as far as its parameters are sufficient to identify it on condition that holder will bear the expenses.

Article (806)
Lost or stolen bonds
It is not correct to consider the bearer bond in the rule of inexistence once it is lost or stolen unless special laws stipulate otherwise.
Whoever announces the originator for loss or theft of bearer bond and submits evidence for that should insist on the legal rights arising from the lost bond after expiry of the period for considering the bond not existing.
The debtor is disclaimed from his commitment if fulfilled to bond holder the right arising from it before expiry of the mentioned period unless he proves that he was aware of the defect in the custody.
If the lost or stolen bonds are bearer shares, the court may permit the announcer of loss or theft to exercise the rights concerning it even before expiry of limitation time until the shares appear; guarantee may be imposed if necessary. In any case, the rights of announcer on bond holder should always be considered.

Article (807)
Destruction of bond
Holder of bearer bond has the right to claim the originator to give him copy of the bond or similar bond if he proves destruction of the original bond and the expenses will be for applicant's account; and if there is no definite evidence for destruction of the bond, provisions of the previous article will be applied.

Section Three
Financial bonds to order

Article (808)
Legitimacy of custody of bond to order
The legitimate custody of bond to order by joint circulations will be proved and the legal right stated in the bond will be exercised.

Article (809)
Validity of circulation
Circulation should be written on the bond and signed by the circulator and the circulation will be valid even if the name of the circulator is not mentioned.
Circulation to holder is considered blank circulation.

Article (810)
No restriction on circulation
Any condition that restricts circulation is considered as if it was not; and partial circulation will be void.

Article (811)
Effects of circulation
Circulation transfers all rights arising from the bond and if the bond is circulated on blank, holder will fill the blank by writing his name or name of another person and he may circulate it again or transfer it to another without filling the blank or without circulating it again.

Article (812)
Circulator is not obliged about fulfillment
The circulator is not asked about not settling the originator's legal right stated in the bond unless there is a rule in the law or condition stipulating otherwise.

Article (813)
Circulating the bond for collection
If circulation is restricted on assignment for collection, the the party to whom it is circulated will exercise all rights concerning the bond except its circulation again otherwise on the basis of assignment.
The originator has no right to complain on the party to whom it is circulated by proxy except with the defenses on which he complains in facing the circulator.
The extent of circulation will not be terminated by proxy with the death of the circulator or with loss of eligibility later.

Article (814)
Circulation on the basis of warranty
If circulation includes an expression of mortgage or warranty, the party to whom it is circulated may exercise all rights concerning the bond; if he circulated it, the circulation is considered as issued on proxy basis.

The originator may not complain on the party to whom it is circulated on the basis of warranty with defenses based on personal relation with the circulator unless the party to whom it is circulated on receipt of the bond intended to cause harm to the originator.

Article (815)
Acquiring bond to order without circulation
The effect of transfer is consequent to the acquisition of bond to order without the circulation method.

Article (816)
Procedures to regard the bond in the rule of inexistence
In case of bond's loss or theft or destruction, the holder should announce the debtor and will request to regard the bond in the rule of inexistence and he should resort to the president of the court of first instance in the entity for fulfillment.
He should mention in the application bond's fundamental data. If the bond is blank, sufficient data will be mentioned to identify it.
The president of the court will issue decision to consider the bond in the rule of inexistence and he will permit payment after 30 days from publishing this decision according the legally decided methods after taking the necessary procedures to ascertain the correct facts and holder's right unless holder of the bond objects during this period.
If bond's maturity is not due, payment will be from due date.
The applicant who applied to regard the bond in the rule of inexistence will announce the debtor officially with the decision and he will also publish it according the legally decided methods.
Despite submission of the application to court's president, the debtor is disclaimed if he paid the bond's value to holder before notifying him with the decision.

Article (817)
Objection method
Holder should raise his objection to the court which issued the decision and the applicant and debtor will be requested to attend. The objection will not be accepted except if the bond is lodged with the court's clerk.
If the objection is refused, the bond will be delivered to the applicant to whom the decision is issued in his favor to regard the bond in the rule of inexistence.

Article (818)
Precautionary procedures
The applicant during the decided period in the event of regarding the loss or theft or destruction of the bond in the rule of inexistence will make the necessary arrangements to reserve his right; if the bond is due for fulfillment or mature at sight, he will have the right to claim settlement by guarantee or by depositing the amount legally.

Article (819)
Expiry of the period without submitting objection
If the established period expires for regarding the bond in the rule of inexistence and its power is invalid except as may be the bearer's right by the holder of resolution.

The last should claim payment of bond value if he submitted court's order and certificate from the court's clerk section proving that there is no objection.
If the bond is blank or its date is not due, he may obtain copy of the lost bond.

Section Four
Nominal financial bonds.

Article (820)
Rights of bond's nominee.
The legitimate custody of the nominal bond is proved by including holder's name on the bond and in originator's register. The legal right stated in the bond will be exercised.

Article (821)
Transfer of nominal bonds.
The nominal bond is transferred through recording the name of whoever acquired it on the bond itself and in the register of the originator or through issuance of new bond in the name of whoever acquired it. The new bond should be recorded in the register.
Whoever requests nomination of bond in favor of another person or to give him new bond in the name of that person should identify his personality and legal illegibility for action by evidence issued by an attorney authorized by law. If the person who acquired the bond himself has requested the nomination or has requested a new bond, he should bring the bond and prove his right by official document.
The originator will record in the register and bond under his responsibility and he will be exempted from responsibility if he transferred the bond according the methods stated in this article unless he committed an error.

Article (822)
Transfer of nominal bonds through circulation.
Without prejudice to law stipulations, nominal bond may also be transferred through circulation approved by attorney or whoever authorized by law.
Date of circulation should be specified, to be signed by circulator and should include data on the party to whom it is circulated; if the bond's value is not fully paid, the party to whom it is circulated must sign it and transference will not be correct through circulation by originator except after record in the register and the party to whom it circulated should obtain record of bond's transfer in originator's register if he proved possession of bond according a continuum of circulations.

Article (823)
Procedures for restriction in the bond
No effect for any restriction on right stated in the bond by originator and others unless this restriction is recorded on the bond and register according proof issued from an attorney in accordance with the previous provisions.

Article (824)
Usufruct of nominal bond
Whoever has usufruct stated in the nominal bond may obtain separate bond from the original bond.

Article (825)
Mortgage establishment on the nominal bond
Mortgage may be established on the nominal bond through delivery and circulation coupled with security or the like.
The party to whom it is circulated (for guarantee) may transfer the bond to others only through circulation by proxy.

Article (826)
To regard the nominal bond in the rule of inexistence
In the event of loss or theft or destruction of bond, the nominee of the bond or the party to whom it is circulated may announce that to the originator and will request to regard the bond in the rule of inexistence according provisions concerning bearer bonds; and in the event of loss or theft or destruction of nominal bonds, applicant who requested that may exercise the rights concerning the shares during the established period and may submit guarantee when necessary.
The final decision issued to regard the bond in the rule of inexistence will terminate the bond without prejudice to bearer’s right.