Law No. 23 for 2010 concerning commercial activity
Book Three

Contracts and commercial commitments
Section One: General legislations

Article (498)
Debtors' solidarity
The persons who are committed to settle one commercial debt will be in solidarity to fulfill this debt unless the law or agreement stipulate otherwise.
This legislation will be applied in case there are multiple guarantees for the commercial debt.

Article (499)
Trader's work for account of other
If the trader performed for account of other work or services concerning his commercial activity, he will perform it against an offer unless the opposite is proved; the offer will be specified according the custom. If there is no custom, the court will estimate it.

Article (500)
Claiming fulfillment commercial commitments
Claiming fulfillment of commercial commitments should be during working hours that are specified by law or rules or custom.

Article (501)
Means for excusing and notifying the debtor
Excusing and notifying the debtor in commercial issues will be by all means to express the will unless it was agreed otherwise.

Article (502)
Custody of debt bond
Existence of debt bond in the custody of the debtor is absolution from debt until it is proved otherwise.

Article (503)
Fulfillment validity
Fulfillment of commercial debt in good faith to those who support the debt may be an indication for reconciliation or whoever holds a release from the creditor or his deputy will be absolution of the debtor.

Article (504)
Proof of commercial commitments
Proof of commercial commitments whatever its value will be by all means of proof unless the law stipulates otherwise.

Except in the cases that the law necessitates writing in the commercial subjects, it is necessary to prove the opposite of what the written guidance included or to prove what is beyond this guide by all proof methods.

Article (505)
Commercial limitation
Limitation of commitments in commercial issues to all its parties by expiry of 10 years from fulfillment date except if the law stipulates otherwise.
The same legislation will be applied on commitments of the party which does not consider the dealing as commercial.

Section Two
Sale of movables
Chapter One: general legislations

Article (506)
Sales delivery
Sales delivery should be at the same place in which it was available at time of sale if the contractors were aware of that or the place of seller's home or head quarter's activity unless there was agreement or custom specifying otherwise.
If the sales should be transferred to another place, the seller is disclaimed from the commitment of sales' delivery if he delivered to transport agent or to shipping or forwarding agent unless there is agreement or custom specifying otherwise. Transport expenses will for buyer's account.

Article (507)
Announcement on sales' defects and impurities
In sale of things to be transferred from one place to another, the time of announcement on its defects and apparent impurities will be from date of its delivery.

Article (508)
Defect's guarantee
If the seller guarantees validity of sales for a specific period, the buyer should announce the seller with the defect during 30 days from date of discovery, otherwise he will have no right; and he should pursue proceedings during 6 months from date of this announcement, otherwise he will have no right.
The judge may specify a period for the seller to substitute or repair the sales according circumstances to ascertain good performance without affecting compensation right.
To consider the custom that necessitates sales' validity guarantee even if there is no explicit agreement.

Article (509)
Dispute on sales' description and condition
When there is dispute on sales' description or condition, the sell and buyer should request investigation according the decided methods of the civil and commercial litigation law. The judge will order according the request of the concerned to lodge the

sales or arrest it or sell it on account of the party that it has right and he will state the conditions that he sees in each case.
In case of dispute the party which did not request inspection should prove itself accurately.

Article (510)
Buyer's refusal to receive the sales
If the buyer did not receive the sales, the seller will lodge it on account of the buyer in a public place or in another suitable place to be specified by the magistrate of the entity in which the things should have been delivered.
The seller will announce immediately the buyer of the occurrence and place in which the things were lodged.

Article (511)
Non compliance with buyer's commitments
If the buyer did not pay the cost of goods, the seller will sell immediately the goods on account and expense of the buyer.
Sale will be at public auction by a person permitted for that. If there is no such person in the sale entity, it will be through process server. The seller should announce the buyer at a suitable time with the date, place and hour of sale.
If the thing has current decided price by the public authorities or rules or price stated in the lists of the stock markets or from official tariffs, sale will not be in public auction with the current price through the persons stated in the previous paragraph or through authorized person to be nominated by the magistrate.
In this case, the seller should announce the buyer immediately after the sale.
The seller has right to fulfill the difference between the agreed price and amount obtained from sale in addition to his right for compensation for harm.

Article (512)
Sale of similar things
In case of sale of similar things that have current price according the third paragraph of the previous article and the seller did not fulfill due debt, the buyer will buy without delay those on the expense of the seller through one of the persons mentioned in paragraphs two and three of the previous article.
The buyer should announce immediately the seller of the purchase.
The buyer has right to fulfill the difference between purchase cost and agreed price in addition to the right of compensation.

Article (513)
Contract cancellation by law force
The contract is cancelled by law force in favor of the contractor who offers to the other, before the due date in his favor and by the known methods, delivery of the thing and payment of the price and the second party did not fulfill his commitment. It is also cancelled by law force in favor of the seller if the buyer who did not fulfill his commitment for payment of the price did not receive the thing which was previously offered to him or did not accept it on the due date decided for delivery.

The contractor who intends to use the decided cancellation right in this article should notify the second party during 8 days as from due date and if there is no notification, the general legislations concerning cancellation for non fulfillment will be considered.

Article (514)
Estimation of compensation
If the sale is at a current price and the consequence is contract cancellation for non fulfillment of one of the parties, the compensation will be on the basis of the difference between the agreed price and the current price on the date and place of delivery unless it is proved that the harm is more than that. In sale to be executed in periodical parcels, the compensation will be on the basis of the current price on the date and place of delivery for each parcel.

Article (515)
Seller's right to return sales
If sale is concluded without postponing payment of price, the seller, in case of non fulfillment of price, will return the sold things which are still under custody of the buyers in its condition on condition that he submits application during 15 days from delivery; and he should not insist on this right causing harm with tenant's privilege unless it is proved that the last was aware the price was still due at the time of entry of sales in the rented place or exploited with contract of equality.
The legislation of the previous paragraph will be applied in favor of buyer's creditors who imposed judicial arrest or control on the things unless it is proved that they were aware that the price was still due at the time of judicial arrest or control.

Chapter Two
Types of sales
Part One: sale provided by advisableness or trial or sample

Article (516)
Sale provided by advisableness
If sale is provided by advisableness, the sale will be concluded after buyer's acceptance and the seller will be notified with this acceptance.
If it is necessary to inspect the thing with the seller who will be disclaimed if the buyer will not arrange that inspection during the decided period in the contract or custom or during sufficient period to be specified by the seller if there is no agreement or custom.
If the thing is with the buyer and he kept silent during the above mentioned period, his silence is considered acceptance.

Article (517)
Sale provided by trial
It is assumed that concluded sale by trial will be pending on a condition for providing the agreed characteristics or its ability to use what is prepared.
The trial will be during the period and means established in the contract or custom.

Article (518)
Sale by sample
If the sale is on sample basis, it should be match it absolutely and if any difference appears, the buyer will have the right to cancel the contract.
If the agreement or custom reveals that the purpose from the sample is only for stating the type approximately, there will be no claim for cancellation except if there is apparent difference; and in all cases the claim will be subject to the legislations of period's invalidity and limitation stated in article (508) of this law.

Part Two
Article (519)
Selling by installments
The buyer acquires ownership of the thing once he paid the last installment of the price and will bear all risks from time of receiving it in the sale by installment and preserving ownership.

Article (520)
Proof of preserving ownership
Complaint for preserving ownership occurs if it is proved from paper with certain date and before creditors if the paper was with certain date; and its date is before the execution procedures on the thing which is subject to preserving ownership.

Article (521)
Non fulfillment with installment of price
Non fulfillment of one installment not exceeding one-eighth of sale price will not be reason for canceling the contract despite the agreement and the other installments will be due for settlement on the particular dates in the contract.

Article (522)
Compensation
If the contract is cancelled for buyer's non fulfillment, the seller will return installment received and he will reserve his right for a fair amount against using the sales in addition to compensation.
If it was agreed that the installments will be seller's right as compensation, the judge may reduce this agreeable compensation according circumstances.
The preceding provisions will be applied in the case that the contract is considered as a rental contract and it was agreed that the tenant becomes owner of the thing on its due date against payment of the agreed rent.

Part Three: sale on bonds' basis

Article (523)
Degrading the seller from obligation
For selling in bonds' basis, the seller is degraded from obligation of delivery if he submitted to the buyer the bonds in place of goods and other documents established in the contract and if there is no contract, to be according the custom.

Article (524)
Conditions for payment of price
Payment of price and annexes should be in the place and time in which the bonds stated in the previous article are delivered unless there is agreement or custom stating otherwise.
If the bonds are systematic, the buyer should not refuse payment of price on the basis of defenses concerning description of sold goods and conditions unless it was previously proved.

Article (525)
Sale of goods on the way
If the sale is related with things that are still on the way and the testimonies delivered to the buyer included insurance bond against transport risks, the buyer will bear the risks of goods as from delivery to carrier.
This legislation is not valid if the seller at time of contract was aware of goods' damage or depreciation and he hid this from the buyer with bad intention.

Article (526)
Payment through the bank
When payment is through bank, the seller should not claim the price from the buyer except if the bank insisted on refusal and this was proved on submission of bonds with the customarily know methods.
The bank which declared to the seller that the buyer opened documentary credit should not pay but for the lack of documentation or its invalidity; and also the defenses associated with the relationship arising from opening the declared documentary credit.

Part Four: sale of securities on credit
Article (527)
Bonds' annexes
For selling securities on credit, the interest and due quotas of profit will be calculated in buyer's liabilities after contract's signature if the seller collected it before sale's due date.
If the sale is related with shares, the seller will have voting right until delivery time.

Article (528)
The right of option
In bonds sold on credit, the buyer has the right of option and the seller should enable the buyer to practice this right if this is requested in suitable time or it will be practiced for buyer's account if he gave him the necessary money; and if the buyer did not submit the application, the seller should take care to sell the right of option for buyer's account through one of the clients of the stock market or any financial corporation.

Article (529)
Bonds coupled with withdrawal of rewards
If the bonds sold on credit are coupled with withdrawal of rewards or provided for depreciation through withdrawal, the rights and expenses arising from withdrawal will return to the buyer if contract is signed before the announced day for withdrawal.

The seller should inform in writing the buyer with bonds' numbers before at least one day from withdrawal for the purpose stated in the previous article only.
If the notification is not submitted, the buyer has the right to buy a corresponding quantity of bonds on the seller's account and he should inform the seller before withdrawal.

Article (530)
Bonds that its price is not yet settled
The buyer should pay the seller the value of due installments of sold bonds before at least two days of the due date of each installment.

Article (531)
Extending the implementation of contract
If the two contractors agreed on the due date to extend contract's implementation, the difference between the actual price and current price on due date should be settled. The custom should be taken into consideration if it contradicts that.

Article (532)
Non fulfillment
In case the sale of bonds on credit is not fulfilled, the legislations of articles (510, 511) will be considered without affecting application of the special laws concerning contracts of securities markets.

Part Five: Speculative contract

Article (533)
Identification
Speculative contract: is contract by which one of the two parties delivers a thing or more to the other party who will be obliged to pay its price unless he returns the things in the due date.

Article (534)
Buyer's responsibility for sale's depreciation
The receiver of things will not be degraded from commitment for payment of price if unable to return it for reason beyond his control.

Article (535)
Disposal of things
Disposal of things by the receiver are considered correct but his creditors should not put it under judicial detention until its price is settled.

Section Three: Supplying
Article (536)
Identification
Supplying: is a contract by which one party will supply things at intervals or continuously in favor of second party for specific price

Article (537)
Supply quantities
If the contract did not specify the quantity to be supplied to be equal to what is necessary, it will be returned to the importing entity in consideration with the time in which the contract was signed.
If the contractors agreed on minimum and maximum limit of the quantity to be supplied in total or at intervals, the importer will specify the required quantity between the two limits.
If the required quantity to be supplied is specified according the necessity and minimum limit only, the importer should accept sufficient quantity for the need if it exceeded the minimum limit.

Article (538)
Specifying price for periodical supplies
If price should be specified for periodical supplies according law legislations, the due date for each supply and the place of delivery should be considered.

Article (539)
Fulfillment
For periodical supplies, the price should be settled for each supply and according its percentage.
For continued supplies, the price will be settled according the due dates.

Article (540)
Due date of supplying
The due date for each supply is considered as if it were multiplied for the benefit of the two parties.
If it is importers' right to specify due date for import, he should notify the supplier with sufficient time.

Article (541)
Non fulfillment of one of the parties
In case one of the contractors did not fulfill his commitments in respect of the one of the imports, the second party may claim cancellation of the contract if an extremely important issue resulted from non fulfillment or in order to undermine confidence to enable the supplier to do the subsequent commitments honestly and satisfactorily.

Article (542)
Simple prejudice
If the importer prejudiced simply his commitments, the supplier should not suspend execution of the contract except after warning the importer with suitable time.

Article (543)
Granting priority to the supplier
The provision that obliges the importer to give priority to the supplier in signing future contract for the same thing is considered correct if the period of this provision does not exceed 5 years; if it is agreed on a longer period, it will be reduced to 5 years.

The importer should inform the supplier with the provisions imposed by others and the supplier should announce that he insists on his priority right during the specified period, if any, otherwise the custom should be considered.

Article (544)
Monocracy right for importing
If the contract includes text granting the supplier the monocracy right for importing, the second party should not import from others the same thing and should not produce the things agreed upon to be imported in the contract unless there is agreement otherwise.

Article (545)
Monocracy right for selling
If the monocracy right in favor of the importer, the supplier should not supply things of the same kind in the contract in the region that is granted monocracy in it during the contract period whether by a direct or indirect method.
The party that is committed to sell the things before monocracy should sell it a specific region and will be responsible for damages that may occur as a result of prejudice even if in the contract minimum quantity is agreed.

Article (546)
Unlimited period for importing
If the period for import is not specified, each part may be degraded from the contract if previous warning is submitted for agreement or custom or during a period that suits importing nature during the specified period.

Article (547)
Applying contracts' provisions
The rules that concern the contracts applied on each commitment that does not contradict the previous provisions will be applied on supplying.

Section Four
Contracting

Article (548)
Identification
Contracting: is a contract by which one of the contractors perform work or service, prepare the necessary means for it, supervise work and bear its risks against specific cash payment.

Article (549)
Sub contracting
The contractor should not assign sub contractor without permission from employer.

Article (550)
Estimation of charges
If the contractors did not specify amount of charges and did not specify specific method, it will be estimated according the prevailing tariff or custom, otherwise the judge will estimate it.

Article (551)
Contractor's commitment to provide materials
The contractor should provide the necessary materials unless there is not stipulated in the agreement or the custom specifies otherwise.

Article (552)
Changes in work
The contractor should not insert changes on the methods agreed upon to perform work unless there is permission from employer.
The permission should be written. In case the permission for changes does not deserve compensation or for the additional work if it was previously specified that charges are lump sum unless there is agreement that specifies otherwise.

Article (553)
Judge's power to specify the changes
If execution of work requires according its technical nature changes in the actual design and the two parties did not agree, the judge will specify the required changes and consequential changes in the price.

Article (554)
Extent of employer's right in changes
The employer may include changes in design if its value does not exceed one-sixth of the total value agreed upon and the contractor is entitled wages for additional work.
The provisions of the previous paragraph will not be applied if the consequence of changes resulted in significant alteration of the essence of work or in the quantity of each item stated in the contract for execution of work.

Article (555)
Control on performance of work
The employer has the right to control performance of work and to ascertain the situation on his own expense.
If performance of work is not in accordance with the contract or technical principles, the employer will specify sufficient term for the contractor to execute contract's conditions.
The contract will be terminated when the term expires in vain without prejudice of employer's right for compensation.

Article (556)
Warning for materials' defects
If the contractor during performance of work discovered defects in the materials provided by the employer, he should warn the employer immediately.

Article (557)
Price reconsideration
If it is revealed due to unforeseen circumstances that increase or decrease in cost of materials or manpower will lead to an increase or decrease exceeding one-tenth of the total cost agreed upon, the contractor and employer should request reconsideration of the price itself.
If difficulties appeared during execution of work due to geological factors or other factors which were not expected by the two parties and its effect will fatigue the contractor more than his commitment, he may be entitled to a fair compensation.

Article (558)
Validation of work
The employer should validate implementation of contract's conditions before delivery of executed work and the contractor should allow him.
If the employer delayed validation without reasonable reasons or did not notify its result within a short period despite the contractor's invitation to do that, the work will be considered acceptable.
But if he accepted delivery of work without preservation, the work is considered accepted even if he did not validate it; and the contractor has a right to receive his entitlements unless there is agreement or custom specifying otherwise.

Article (559)
Validation of work to be executed at intervals
If the work should be executed in sections, each contractor will have the right to request validation of each section; and in this case the contractor may request the charges for executed work and settlement of value necessitates acceptance of this section unless the settlement is on account.

Article (560)
Contractor's guarantee of impurities and defects
The contractor guarantees impurities and defects unless accepted by the employer or was aware of such impurities and defects or it is apparent; and in the last case, the contractor is committed with the guarantee if concealed in bad faith.
The employer should announce the impurities or defects during 60 days from its discovery, otherwise he will have no right and there is no need for announcement if the contractor admitted the impurities or defects or concealed it.
The right to sue warranty for limitation against the contractor with the expiry of 60 days from date of delivery of work will fall.
The employer when pursuing legal proceedings should insist on his right in the guarantee on condition that he submitted announcement during 60 days from discovery of the impurities or defects and before 60 days from delivery date.

Article (561)
The right for claiming removal of defects or impurities
The employer may claim removal of defects or impurities on contractor's account or reduction of value with its charges without prejudice to the right of compensation for contractor's error, if any.
But if the impurities or defects are significant that it makes work not proper for its purpose, the employer may cancel the contract.

Article (562)
Contractor's responsibility for collapse of the building
If the contract's subject is construction of multi floor buildings or others constructions that remain for a long period and it collapsed totally or partially during 10 years from its construction for a defect in the land or fracture in the construction and if the danger of collapse appeared apparently or significant defects were revealed, the contractor is responsible towards the employer or successor on condition that it is announced during one year from its discovery.
Employer's right for limitation in claiming on expiry of one year will fall.

Article (563)
The right for reference to sub contractor
If the contractor wants to insist on his right for reference to sub contractors and he should inform them about the announcement referred to in the previous article during 60 days from date of receipt.

Article (564)
Employer's right to degrade the contract
The employer has right to degrade the contract even if execution of work or rendering services is commenced as far as the contractor is compensated for incurred expenses, work executed and expected profits.

Article (565)
Impossibility to execute the contract
If the contract is degraded as it is impossible to resume execution of the work for reasons beyond the contractors' control, the employer should settle the value of executed work at the percentage of the total value agreed upon.

Article (566)
Damages or defects of work
If there is damage or defect before employer's acceptance or before notice for validation of the work for reason beyond contractors' control, the contractor will bear the responsibility if he provided the materials.
If the employer provided all or part of the materials, the employer will bear the consequence of damage or defect for the provided materials and the contractor will bear the remaining.

Article (567)
Contractor's death
The contract will not be degraded for the contractor's death except if he is the main party of the contract and the employer will also be degraded from the contract if it is revealed that contractor's heirs are not reliable in execution work or performance of service.

Article (568)
Employer's commitments in case of contractor's death
If the contract is degraded for contractor's death, the employer should settle to heirs the value of executed work on the basis of the price agreed upon and he should also settle the expenses incurred for the employer's interest; and the employer has the right to claim delivery of materials and projects that are in the process of execution without prejudice to the rules for protection of intellectual production.

Article (569)
Employees' rights
The employees in execution of work or service under contractor's orders may pursue proceedings directly against employer to fulfill their entitlements within the limit of contactor's debt against the employer at time of pursuing their proceedings.

Article (570)
Applicable provisions
If contracting is for submission of continued work or periodical services, the provisions of this section and the section concerning import contracts if it does not contradict it will be taken into consideration.

Section Five
Transport
Chapter One: general legislations

Article (571)
Identification
Transport: is a contract by which the carrier will transport persons or things from place to another against charges

Article (572)
Signature of transport contract
The contract of transport and contract of commission agency is concluded once it was agreed; contract is proved by all legally decided proof means.
Receipt of thing at place of transport by the carrier (transporter) is considered acceptance from shipper.
Embarkation of passenger on transport mean is considered acceptance of carrier except if passenger does not intend to sign contract.
Transport contract's execution is concluded once agreed upon except if the two parties explicitly or implicitly agreed to delay it at delivery time.

Article (573)
Formal contracts
If the carrier uses more than one form for the contracts to be signed, transport contract is concluded by the form that includes general conditions unless agreed to follow other form that includes special conditions.
If it is agreed to follow special form, the conditions should not be split.

Article (574)
Duties of transporter
Practicing transport services of persons or things on specific lines and which are granted by administrative privilege obliging acceptance of transport applications within the limits of availability of normal means according stipulations of the general contract, or the established stipulations which the public are aware of.
Submission of the required transfers should be arranged in order and when there are various applications at the same instant, priority will be given to the farther extent.
If stipulations of the general contract authorized special privileges, the transporter should apply it on applicants equally in consideration with the permitted special privileges in the general conditions.
Any agreement contradicting the general conditions will be void.

Article (575)
What is not considered force majeure
Explosion of transport means or being burnt or deviation or collision or other accidents that concern the tools or machinery used in transportation are not considered force majeure, even precautions were taken to guarantee safety and to prevent harms that may occur.
Also accidents that lead to death of transporter's affiliates or injury of physical or mental weakness during work, even precautions were taken to guarantee their physical or mental fitness.

Article (576)
Transporter's delay and deviation
The transporter will not be asked for compensation arising from delay or deviation from the specified route for the reason of the necessity to render assistance for any sick person or injury or in danger.

Article (577)
Applicable provisions on transporter
The provisions of this section will be applied on marine transport, air transport, railways and mail as far as it does not contradicting the marine law and special laws.

Article (578)
Fraud and significant error
Fraud in transport means any act or prevention from transporter or affiliates for the purpose of occurring harm.
Significant error means any act or prevention from transporter or affiliates that is awkwardly coupled with awareness of what may result.

Article (579)
Transporter's responsibility
Transporter will be asked from his acts and affiliates' acts during performance of their services.
An affiliate is any person that the transporter uses in implementing commitments arising from the transport contract.
Each provision that exempts the transporter of affiliates' acts will be void.

Chapter Two: transport of things

Article (580)
Statement of things to be transported
If the transport document is written, it should include the following data:

1. Place and date
2. Names of sender, consignee, carrier, transport commission agent – if any, homes and addresses
3. Place of departure and place of arrival
4. Kind of thing, weight, volume, method of packing, number of packages and other data necessary to specify the thing and evaluate its value
5. Date of transport
6. Transport charges and other expenses as well as name of entity that will pay the freight
7. Specific agreements concerning transport means and method as well as conditions for loading, discharging and compensations for loss or damage or delay of arrival which were included in the transport agreement.

If any specific documents are required for transport, the shipper should deliver it to the transporter when delivering things for transport. The shipper will bear the harms arising from his negligence to mention data accurately as well as non delivery of documents or its delivery with errors. The transporter will be responsible for its loss or misuse.
The opposite of what is mentioned in the transport document may be proved by all means.

Article (581)
Transport document form
The transport document will be written in the name of specific person or order or holder.
The document is circulated according the rules of transfer if it was nominal, by rotation if it was to order and by handling if it was to holder.

Article (582)
Delivery receipt
If transport document is not written, the transporter should deliver to the shipper upon request a signed receipt for receiving the thing to be transported.
The receipt should be dated and should include sufficient data and freight charges.

Article (583)
Place of delivery
The shipper should deliver the thing to the transporter at the place of loading unless it was agreed to deliver it at another place and if special arrangements for transport are required, the shipper should notify the parties before sufficient time.
The transporter may require opening the packages before delivery to ascertain accuracy of data.
If the nature of the thing requires special preparation, the shipper should take care of packing to protect it from loss or damage and will not cause harm to the persons or the other things.
The shipper is responsible for damage arising from defect of covering or filling or packing. The transporter will be responsible for damage if accepted transportation with his knowledge of defect. The transporter will be aware of the defect if it is apparent or concealed.
The transporter should not repudiate responsibility for damage or loss of things that are transported by proving that damage is due to coverage of other thing or filling or packing. Each agreement agreed otherwise will be void.

Article (584)
Payment of charges
The shipper should pay freight and other expenses unless it is agreed to be paid by consignee; in this case the shipper and consignee will be responsible by solidarity for payment of freight and expenses.
The transporter is not entitled freight for things lost by force majeure.

Article (585)
Shipper's instructions
The shipper may order the transporter to return the things to him or to direct it to other person and not the actual consignee or other instructions on condition that he pays to the transporter the freight of what is transported and to compensate him for expenses and harms.
The shipper should not use this right in the following cases:

1. If he is unable to submit the transport document that h received from the transporter
2. If the thing arrived and the consignee requested its delivery; this right is transferred to the consignee once he receives the transport document.

Article (586)
Owner of things acts
The owner of things may dispose of things by sale or other acts when the things are under custody of the transporter in accordance with the transport document.
The owner will bear the consequences of loss of things during transport and will refer to the transporter.

Article (587)
Excess of instructions

The transporter should execute the instructions of whoever has a right to issue it according article (585) of this unless it contradicts transport conditions or the transporter could not execute it or if its execution will interrupt transport movement or the value of the things will not cover the expenses of the transporter for its execution; in this cases, the transporter should notify the entity that issued the new instructions that he is prevented from its execution and reason for prevention. The transporter will be responsible if there are unjustified reasons.

Article (588)
Consignee's commitments
The consignee will bear the commitments arising from transport contract if accepted explicitly or implicitly; the acceptance is considered implicit particularly by requesting the consignee to deliver the thing by the transport document or issuance of instructions after delivery of this document.

Article (589)
Loading goods
The transporter is obliged to load and stow the thing on the transport mean unless agreed otherwise.
If it is agreed that the shipper will load the goods or stow it, the transporter should refuse transport if there is defect in loading or stowage that cannot be concealed.

Article (590)
Transport route
The transport should proceed through the route agreed upon. If it was not agreed on a specific route, the transporter will proceed through the best route.
The transporter may change the route agreed upon or will proceed through the shortest route if there is necessity; in this case, he will not be asked for delay or other harms that arise from changing the route except if fraud or significant error from his side or affiliates' side is proved; the transporter will claim additional expenses arising from that.

Article (591)
Transporter's responsibility for damage and delay
The transporter will be asked for partial or total loss or damage or delay in delivery from date of receiving the things.
The thing will be total loss if not delivered or the consignee is not notified to attend delivery during 30 days from expiry of delivery date or from expiry period of the ordinary transporter in the same circumstances if there is no specific date of delivery.

Article (592)
Transport of valuable things
The transporter will not be responsible for loss of money or securities or gold or other valuable things except to the extent of the written data that the shipper submitted at time of delivery or it was proved that he was aware of it.

Article (593)
Delivery of transported things without reservation
Delivery of thing to be transported without reservation drops the right for claiming the transporter for reason of damage or partial loss unless the consignee proves the condition of thing and the claim will be raised against the transporter during 90 days from date of delivery.
The transporter should not insist on refusing the claim according the previous paragraph if it is proved that the loss or damage arise from fraud or significant error was from the transporter or affiliates or they intended to conceal it.
Proof of the thing's condition referred to in the first paragraph of this article should be with the knowledge of administration's people or by an expert to be appointed by an order from the court of urgent matters.

Article (594)
Value of thing is not stated
If the thing is lost or damaged without stating its value in the transport document, compensation is estimated on the basis of the actual value when lost or damaged on the specific date at the place of arrival according the current price of the market. If the thing has no specific price, its price will be specified by the competent court.
If the value of thing is specified in the transport document, the transporter may dispute this value and will prove with all means the actual value of the thing.

Article (595)
Partial damage of the transported thing
If the consequence of thing's damage or partial loss or delay in arrival will not be fit for the required purpose and transporter's responsibility is proved, the party claiming compensation may disregard a thing to the transporter in order to obtain full compensation.

Article (596)
Continuation of transport outside transportation limits
If transporter committed to continue transportation of things on lines outside his work range through other carriers, without obtaining transport bond to the destination to which the things will be transported, it is presumed that he did so as if it was within the scope of the limits of the shipping agent.

Article (597)
Undertaking of multiple transporters in one contract
If multiple transporters will execute one contract, the first transporter will be responsible towards the shipper and receiver on total transport; any condition stipulating otherwise will be void.
The transporters following the first transporter will be asked for damage of the transported part. If the part in which the damage has occurred cannot be specified, the compensation will be distributed among all the transporters at the percentage of freight. The transporter that proves that the damage did not occur in its transported part will be exempted from compensation.

Article (598)
Condition of cargo to be transported
Transporters have the right to prove the condition of the things to be transported at the time goods are delivered either in the transport bond or in a separate paper.
If there is no such statement, it is assumed that it is in good condition and matching the transport bond.

Article (599)
Previous transporters' rights
The last transporter represents the previous transporters in fulfillment of the entitlements of each arising from transport's contract and in practicing the privilege right on transported things.
If neglected fulfillment of their entitlements or in practicing privilege right, the last transporter will be responsible before the previous ones for due amounts without prejudice to the right of referring to the receiver.

Article (600)
Reasons for repudiating transporter's responsibility
The transporter should not repudiate responsibility for loss of thing or damage or delay in delivery except if proved force majeure or defect in the thing itself or shipper's error or receiver's error.
If repudiated liability for damage due to defect in packing of goods, the shipper or receiver should prove that the damage did not arise from the defect.

Article (601)
Loss of thing
Any provision exempting the transporter from the responsibility of total loss of thing or partial loss or damage will be void.
The provision for exemption of responsibility will entail the shipper or receiver to pay all or part of insurance expenses.

Article (602)
No addition between compensations
The compensation of total loss should not be added with compensation for delay.
Compensation for delay in case of partial loss will be for the part that is not lost.
In all cases compensation should not exceed the entitlements in the case of total loss.

Article (603)
Finding the lost thing
If compensation for lost thing is paid and then it was found during one year from date of fulfillment, the transporter should notify immediately the party that received the compensation with the condition of the thing and should invite him to attend and sample the thing at the place in which it was found or place of arrival according the choice of receiver of compensation.
If receiver of compensation did not send his instructions during 15 days from date of receiving the notification or if he received his instructions and did not attend sampling

at the time specified by the transporter or attended and refused the thing, the transporter may dispose of it.
If the receiver of compensation accepted the thing, he should refund the compensation after deducting the expenses and charges for the harm that occurred due to delay in delivery.

Article (604)
Extent of transporter's responsibility
With the exception of deliberate error or significant error from the transporter or affiliates, the transporter should:

1. Specify responsibility of partial or total loss or damage on condition that compensation should not be less than one-third of the transported goods at the place and time of its transport; and each compensation agreement less than this limit will be increased.
2. To be exempted from responsibility of delay

The condition of exemption from responsibility or its limitation should be written in the transport document and the transporter should inform the shipper. If the transport contract is written on printed forms, the condition should be clear and written in a way that draws the attention, otherwise the condition will be considered as if it was not.

Article (605)
Transporter's responsibility in a special case
If the thing is transported under guidance of the shipper or receiver, the transporter will not be responsible for loss or damage, except if it is proved that the error is from the transporter or affiliates.

Article (606)
Shortage of thing
The transporter will not be asked for shortage in weight or volume during transport arising from the nature of the thing unless it is proved that the shortage has arisen from other reason.
If the transport document includes multiple things divided in groups or packages, the allowed shortage will be specified on the basis of each group or each package if the weight was specified independently in the transport document or it was possible to specify it.

Article (607)
Transporter's obligation to discharge
The transporter is obliged to discharge the thing on arrival unless agreed otherwise.
The receiver should refer directly to the transporter requesting delivery or compensation if necessary.

Article (608)
Obstacles or impossibility
If an obstacle occurred beyond the control of the transporter that prevented transportation or its continuation and also if excessive delay occurred for the same

reason, the transporter should request instructions immediately from the shipper and will take the necessary measures to guard the things that were received.
If circumstance did not permit obtaining advices from the shipper or the advices are not practical, the transporter may store the things in a public storage place or in another suitable place to be specified by the judge. If the things will be damaged quickly, it should be sold according law and the transporter should inform urgently the shipper about storage or sale.
The transporter has right to recover the expenses and if transport started, he will have the right to claim freight in respect of the distance unless discontinuation of transport led to loss of things due to an emergency accident.

Article (609)
Receiver's rights
The rights arising from transport contract towards the transporter are referred to the receiver from the time he request delivery of things from the transporter if it arrived at the destination or expiry of the period of arrival.
The receiver should not insist on the rights arising from the contract except against settlement of transporter's entitlements of transport and other expenses; in case there is dispute on the due amount, the receiver should deposit the disputed difference with the bank or assured person.

Article (610)
Repudiation of transporter's responsibility on delivery
The transporter will not be asked for loss or damage of thing after delivery to the receiver or his agent or nominated official by the judge unless fraud or significant error from transporter or affiliates is proved.

Article (611)
Delivery of things to receiver
The transporter should put the transported things under disposal of the receiver at the place, time and method specified in the transport contract or custom.
If things are not delivered to the receiver in his place, the transporter should inform receiver about its arrival immediately and the time for delivery.

Article (612)
Multiple periods
If transport is at intervals, a specified period to be for each interval, the final period for transport will be for its total.

Article (613)
Impossibility to deliver the transported things
If it is impossible to find the receiver or if he refused or if he delays the request to receive the transported things, the transporter should immediately request shipper’s advice and the provisions of article (608) to be applied.
If there are multiple receivers and dispute has arisen between them on their right to receive the things or on method of execution and also if receiver delays receipt of the

transported things, the transporter may lodge it by legal means or sell it for the account of whoever has the right if the things will be damaged quickly.
The transporter should inform the receiver immediately of lodging or selling.

Article (614)
Exceptional case
Transport conditions based on the assumption of occurrence of expected emergency accident that usually occurs to transport means are correct.

Article (615)
Estimation of harm
The harm arising from loss or damage will be estimated on the current price of the transported things at the place and time for delivery at destination.

Article (616)
Investigation of harm
The receiver has the right to validate the transported things and its condition before delivery for his own expense.
If there is loss or damage, the transporter should settle the expenses.
Validation of loss or damage should be through the method decided in litigation law in consideration with law provisions stipulating otherwise.

Article (617)
Transporter's right in fulfillment of entitlements
If the transporter delivered the things to the receiver and did not fulfill his debts and other expenses or did not claim deposit of the disputed amount, he will be responsible towards the shipper for due amounts and he should not claim this last one without prejudice to raise the claim against the receiver.

Article (618)
Transporter's right in thing's detention
The transporter has right in detention of things to fulfill freight, expenses and other due amounts for transport.
The transporter will have privilege on the cost arising from sale of thing to fulfill due amounts for transport; procedures for execution of mortgaged things commercially will be followed.

Article (619)
Limitation of claim arising from transport contract
Limitation of claim for things arising from the transport contract is after expiry of one year from date of delivery of the thing to the receiver or to the customs or to the official who is nominated by the judge to lodge the thing. This article will be applied in case of total loss from date of expiry of the stipulated period in the second paragraph of article (591) of this law.
Limitation of transport claim in referring to the contracting transporters will be according the fourth paragraph of article (597) of this law with expiry of 6 months from date of fulfillment of compensation or from date of claiming officially.

The party or affiliates that committed fraud or significant error should not insist on the limitation stipulated in this article.

Chapter Three: transportation of persons

Article (620)
Passengers' commitment

The passenger is commitment to settle the transport fees in the agreed or specified time of transport systems or according custom. He is committed to settle the full fees even if he did not travel. But if traveling is impossible due to death or sickness or other force majeure reason, the transport contract will be cancelled.

Transporter's instructions concerning transport should be followed.

Article (621)
Force majeure

If there is force majeure that prevented traveling or there are circumstances that make traveling dangerous, the transporter will not be committed to pay compensation because transport contract was not executed and will not be entitled to transport fees.

If there is force majeure or danger during execution of transport, the transporter is not entitled fees except for the part of transport that was executed.

Article (622)
Excuses for not traveling

If passenger decided not to travel before resuming transport, he should notify the transporter before the specific day and in cases of necessity, the notification may be on the specific day on condition that it is received before the specific hour.

If the notification is according the previous paragraph, the transporter does not deserve the transport fees.

If the passenger will not resume the transport after it started, he is obliged to pay the full fees except if the reason is for necessity, he will be committed to pay fees for the executed part of transport.

Article (623)
Non attendance at the specific time

Without prejudice to the provisions of the previous article, if the passenger did not attend the specific time, he is obliged to pay the full fees; and if he paid it, he may travel on a further date unless agreed or the custom is otherwise.

Article (624)
Delay due to the transporter or affiliates

If the transport is delayed due to transporter or affiliates or the means used in transport, the passenger may select other transport mean; and in this case, the transporter will bear the expenses for transportation to the agreed place; and he may choose to wait until transport movement is resumed and in this case, he is not obliged to pay any additional fees without prejudice of the passenger's right for compensation in the two cases.

Article (625)
Transport card assignment
Transport card assignment may be before resuming transport, except if the card was in the name of the passenger and personal consideration was considered in giving it.

Article (626)
Changing transport class
If the passenger used a place in a lower class than the class specified in the transport card, he may claim the difference between the two classes from the transporter.
If the passenger paid additional fees for special benefits, he may claim refund this fees if the transporter did not provide these benefits.

Article (627)
Detention of passenger's luggage
Detention of passenger's luggage will be arranged by the transporter to guarantee payment of transport fees and other due amounts for transport.
The transporter will have privilege right on cost of luggage to fulfill the due amounts for transport and procedures for execution on legally mortgaged things will be followed in this respect.

Article (628)
Transporter's commitment to transport the passenger and his luggage
The transporter is committed to transport the passenger and his luggage to place of destination at the agreed time or the time mentioned in transport rules or according custom; if it is not specified, it should be executed at the time that is executed by ordinary transporter in the same circumstances.
The transporter before resuming transport or during the route may inspect the passenger's luggage in his presence if possible to ascertain that it matches transport conditions.

Article (629)
Guaranteeing passenger's safety
The transporter guarantees passenger's safety during execution of the transport contract. Any provision exempting the transporter from this guarantee will be void.
Execution of the transport contract includes the period between embarkation on transport mean at place of departure and disembarkation at place of arrival; in case there are terminals for transport means, execution of transport contract includes the period between passenger's entry in the terminal at the time of departure until exit from terminal at place of arrival.
If it is necessary to change the transport mean in the route, the guarantee will not include the period of transfer from transport mean to another without the guard of transporter or affiliates.

Article (630)
Extent of transporter's responsibility
The transporter will be asked from the following:

1. Delay in arrival

2. Body harms or other harms during execution of transport contract

Transporter should not repudiate responsibility for delay and harms during transport except if it was proved that it was due to force majeure or passenger's error.

Article (631)

Invalidity of provision for repudiation of responsibility

Each provision that exempts the transporter totally or partially from responsibility of passenger's body injury will be invalid; and each condition in the provision of repudiation of responsibility is considered an obligation to the passenger to pay all or some insurance expenses of the transporter's responsibility and each assigned condition of passenger's insurance right against transporter's error.

Article (632)

Conditions for repudiation from responsibility

The transporter will repudiate total or partial responsibility for delay or non body harms of the passenger except in cases of fraud or significant error of the transporter or affiliates. The condition for exemption from responsibility should be written, otherwise it will be considered as if it was not. If the transport contract was on printed forms, the condition should be clear and written to draw the attention, otherwise the condition will be considered as if it was not.

Article (633)

Guarding luggage

The passenger should guard the luggage and animals that are licensed for carriage with him and the transporter will not be asked for its loss or harm except if the passenger proved that there is an error from the transporter or affiliates.

The passenger will be asked for the harm to the transporter, affiliates and others because of the luggage or animals that are carried with him.

The special provisions for transport of things will be applied on transport of luggage.

Article (634)

Transporter's commitment in case of passenger's death

In case of passenger's death or sickness during execution of transport contract, the transporter is obliged to take the necessary measures to preserve his luggage until delivery to the concerned; and the concerned in case of death or sickness should interfere to control the measures taken by the transporter and should request a declaration that passenger's luggage is under custody of the transporter.

Article (635)

Heir's right to claim compensation from the transporter

Passenger's heirs and his dependent persons in execution of the right for family allotment may submit responsibility claim to the transporter claiming compensation for harm that has occurred to their heir or breadwinner whether the death occurred due to a direct accident or after expiry of a period.

Article (636)
Limitation of claim arising from transport contract of persons
Limitation of claim arising from the transport contract will be after expiry of two years and its subject will be claiming transporter for compensation for passenger's death or body harm injury. This period will be applied in case of death from date of its occurrence or in case of body injury from date of occurrence of the accident.
Limitation of any other claim arising from the transport contract of persons will be after expiry of one year. This period will be applied from the specific time of arrival and when it is not specified from the time the ordinary transporter takes in transport in the same circumstances.

Chapter Four
Commission agency for transport

Article (637)
Identification
Commission agency for transport is a contract by which the agent will contract with a transporter in his name for account of a client for transport of thing or person to a specific place and will perform the operations related to this transport for a commission from the client.
If the commission agent will perform transport by his own means or by other means totally or partially, provisions of transport contract will be applied unless agreed otherwise.

Article (638)
Agent's commitments
Commission agent for transport is committed to protect client's interests and to execute instructions particularly what concerns selection of transporter, time and route to be followed.
The agent will not arrange insurance of things unless ordered to arrange or the custom requires it.

Article (639)
Cancellation of agency
The client may cancel at any time the transport application before the agent signs the transport contract on condition that the client refunds the expenses incurred by the agent and to compensate the agent for work performed.

Article (640)
Responsibility of commission agent for transport
Commission agent for transport guarantees safety of passenger and things.
In transport of things, he will be responsible from time of receiving the thing about its total or partial loss or damage or delay in delivery and should not repudiate his responsibility except by proving force majeure or self defect in the thing or client's error or receiver's error.

In transport of persons, he will be responsible for delay in transport and passenger's physical or material harms; and should not repudiate his responsibility except by proving force majeure or passenger's error.
In all cases, recourse will be to the transporter.

Article (641)
Exemption from responsibility
Each condition that exempts the commission agent for transport from total or partial responsibility for physical harms that occur to the passenger will be void.
Each condition that obliges the passenger to pay all or some insurance expenses against the responsibility of the commission agent and each condition by which the shipper or receiver or passenger assigns the rights arising from insurance that was signed against transport risks to the transporter will be considered a provision for exemption from responsibility.
Except in cases of deliberate error and gross error from the commission agent for transport or affiliates or from transporter or affiliates, the commission agent for transport may specify his responsibility for total or partial loss of thing on condition that the agreed compensation will not be less than one-third of the value of the transported goods at the place and time of its transportation.
Total or partial exemption may be agreed for damage that is not physical or for delay that occurs to the passenger.

Article (642)
Right of recourse
The client or passenger has the right of recourse directly to the transporter for claiming compensation of harm arising from non execution of transport contract or for its execution by a flawed method or for delay. In this case, the commission agent for transport should be entered in the proceedings.
The transporter has the right of recourse directly to the client or passenger to claim compensation from harm that occurred to him in executing the transport contract.

Article (643)
Guarantee of the actual agent
The actual commission agent is grantor of the commission agent in the middle unless the shipper appointed the intermediary agent in his agreement with the actual agent.

Article (644)
Commission agent replaces the transporter
If the commission agent paid the freight to the transporter, he replaces him in rights.

Article (645)
Limitation of claim arising from the agency
The provisions stipulated in articles (619, 636) will be applied on limitation of claim arising from commission agency's contract for transport.

Article (646)
Validity of agency's contract
The provisions concerning commission agency's contract will be applied on commission agency for transport with the exception of the provisions set forth in the foregoing.

Chapter Five: provisions concerning air transport
Article (647)
Identification
Air transport means transport of persons or luggage or goods by air planes against charges.
The expression "luggage" means things that the passenger carries with him and that were delivered to the transporter to be under custody during transport and this expression does not include things that remain under custody of the passenger during transport.

Article (648)
Validity of transport contract's provisions
The provisions of the international agreement in Libya will be applied on international air transport.
The provisions stated in this section with consideration of the provisions in the following articles will be applied on internal air transport.
Transport will be internally if the two specified points for departure and arrival by agreement of the contractors are located in Libya even if the plane continues its trip over the Libyan boundaries after departure from the point of arrival.

Article (649)
Limited liability
Air transport document should include a statement that transport is according the provisions of limited liability stipulated in article (654) of this law except for abstinence on the carrier to adhere to those provisions.
Air transporter should ascertain that travelers on the plane and goods shipped on it or goods that the travelers keep during traveling will comply with the necessary conditions for boarding according the prevailing regulations.

Article (650)
Transporter's responsibility for harms that occur to passengers
The air transporter will be asked about the harm that may occur in case of passenger's death or injury with wounds or other body harm if the accident that led to harm occurred on board the plane or during the presence of the passenger under the guard of transporter or affiliates inside the departure airport or in plane or inside the arrival airport or in any other airport or place in which the plane lands optionally or in emergency.

Article (651)
Transporter's responsibility for damage of goods
The air transporter is asked about the damage that occurs in case of loss of luggage or goods or its damage if there is damage arising from an accident during execution of the air transport.
The air transport includes the period in which the luggage or goods were under custody of the transporter or affiliates during flying or during the stay of the plane in one of the airports or in any other place that it landed on.
The air transport does not include the period in which the luggage or goods are in the place of transport by road or marine or river that is located outside the port except if this transport is necessary to load the luggage or goods or for its delivery or for its transport from plane to another for execution of the air transport contract.

Article (652)
Responsibility for delay
The air transporter is asked from the damage arising from delay in arrival of passengers or luggage or goods.
The luggage or goods that the transporter does not deliver to receiver or does not notify him to attend to receive them after expiry of 30 days from the specific time of delivery are considered lost.

Article (653)
Repudiation of transporter's responsibility
The air transporter should not repudiate his responsibility without proving force majeur or self defect of the thing itself or error of the sender or receiver or passenger.
If the transporter proved one of the reasons mentioned in the previous paragraph, the prosecutor may repudiate this proof by the evidence that the damage did not occur with this reason or it was not the mere reason for occurrence of the damage; in the last case, the compensation is reduced with the percentage of the damage which is related to the reason that the air transporter proved.

Article (654)
Limitation of responsibility
In case of transport of luggage or goods, the compensation does not exceed LD 100.- for each kilogram and if the shipper submitted a declaration, on delivery of luggage or goods, concerning the importance of delivery at destination and paid additional fees for that, the transporter is obliged to settle the compensation on the amount of value stated in the declaration, except if the transporter proved that this value exceeded the extent that the shipper based for delivery.
In case of loss or damage of part of package or loss of contents, the maximum compensation will be calculated on the basis of the total weight of the package unless this affects the value of other packages of the same consignment, the weight of these packages should also be considered.
The transporter will not be asked for things that remain under custody of passenger during traveling except if it is proved that an error occurred from the transporter or one of its affiliates; and in this case, the compensation will not exceed LD 500.-.

The provisions of the previous paragraphs will not prejudice the international agreements organizing air transport.

Article (655)
Non abstinence on limitation of responsibility
The air transporter should not insist on limitation of responsibility if it proved that the damage arises from action or prevention from the side of transporter or affiliates or agents for occurrence of damage or significant error; if the action or prevention occurred from the side of affiliates, it should also be proved that they were at the time during performance of their duties.

Article (656)
Affiliate's right of abstinence on limiting responsibility
If the compensation claim is raised against one of transporter's affiliates or one of the agents, he may insist on limiting responsibility stipulated in article (654) if it is proved that the action that caused the damage occurred during performance of duty.
Total compensation which may be obtained from transporter and affiliates should not exceed the mentioned limit.
Transporter's affiliate should not insist on limiting responsibility if it is proved that the damage arises from action or abstinence from his side, either for the intention of occurrence of damage or gross error.

Article (657)
Invalidity of provision for exemption from responsibility
Each provision for exemption of the air transporter from responsibility or its limitation with less than the limits stipulated in article (654) will be void.
This invalidity does not include the provision that exempts the transporter from responsibility or limiting it in case of thing's loss or damage due its nature or a defect in it.
Each condition that obliges the traveler or shipper or receiver to pay all or some of insurance expenses against the responsibility of air transporter and each condition by which the traveler or shipper or receiver assigns his rights in insurance against transport risks to the transporter will be considered as exemption from responsibility.

Article (658)
Reserving the right
Delivery of the luggage or goods without reserve is a proof that it is in good condition and identical with the transport document unless it is proved otherwise.

Article (659)
Protest
The receiver in case of damage of luggage or goods should complain to the transporter immediately on discovery of the damage and maximum during 7 days in respect of luggage and 14 days in respect of goods from date of its delivery. In case of delay, the complaint should be directed during maximum 21 days from the date that the luggage and goods were placed under disposal of the receiver.

The complaint should be evidenced for reserving the right on the transport document on receipt of luggage or goods or with registered letter with acknowledgement of receipt to be sent to the transporter on the legal period or with any other known mean for proof.
Claim responsibility to transporter will not be accepted if the complaint is not directed during the period stipulated in this article except if the prosecutor proved occurrence of fraud or significant error from the side of the transporter or affiliates to miss these appointments or to conceal the fact of damage that occurred to the luggage or goods.

Article (660)
Limitation of case arising from air transport contract
Limitation of each case arising from air transport contract concerning compensation for loss or damage of luggage and goods will be after expiry of one year. This period is applied in case of partial loss or damage from delivery date according the first paragraph of article (619); and in case of total loss, from date of expiry of the period stipulated in the second paragraph of article (652) of this law.
Limitation of each case arising from air transport contract regarding compensation for death of traveler or injury with body harms will be after expiry of two years; and this period is applied in case of death on date of occurrence and in case of body injury from date of accident.
Limitation of all other cases arising from the transport contract will be after expiry of one year; and this period is applied from the specific date of plane's arrival; and if it is not specified, it will be applied from date of accomplishment by an ordinary air carrier in the same circumstances.
Air transporter or affiliates or agents that caused fraud or significant error should not insist on validation stipulated in the previous three paragraphs of this article.

Article (661)
Free transport
In case of free transport, carrier will not be responsible for damages that are not physical except if it is proved that it is due to its error or error of affiliates or agents and in this case the carrier will be asked within the limit stipulated in article (654).
Transport is considered free if it is without fees and the carrier is not professional; if the carrier is professional, the transport is not considered free even if it is without fees.

Article (662)
Air carrier's responsibility limits
The air carrier is responsible within the limits stipulates in article (654) whatever is the liabilities described in the lawsuit liability and whatever is their number or amount of due compensation and whatever is the basis of the lawsuit liability.

Article (663)
Plane's pilot power
The plane's pilot has power on all the persons in the plane.
He decides exit of any person or thing that his existence is consequent to danger to its safety or prejudice its system.
He decides during flying when necessary to get rid of all or part of the things or fuel and should notify as soon as possible the plane's investor. He should start to get rid of

things that its value is low whenever possible and the carrier will be responsible for loss of things that the pilot throws for plane's safety.

Section Six
Commercial mortgage

Article (664)
Commercial debt's guarantee
In consideration of the provisions that organize specific types of commercial mortgage, the provisions of this section will be applied on each mortgage established on transferable fund as guarantee for debt that is considered commercial for the debtor.

Article (665)
Forcing mortgage in other's right
The mortgage will not be forced in other's right unless the custody of the mortgaged thing is transferred to the mortgagee creditor or to other person nominated by the contractors and remained under custody of the receiver until expiry of the mortgage.
The mortgagee creditor or the person nominated by the contractors is considered the custodian of the mortgaged thing in the following two cases:

1. If put under his disposal by a mean that the other has the belief that the thing became under his custody.
2. If receives a bond representing the mortgaged thing that gives him the right to receive the thing.

Article (666)
Rights' mortgage
The fixed rights are mortgaged in nominal bonds with written bond mentioning in it for guarantee; to be registered in the books of the entity that issued the bond and to be indicated on the bond itself.
The fixed rights will be mortgaged in bonds to order by rotation mentioning that the value is for the guarantee.
The other unfixed rights will be mortgaged in nominal bonds or bonds to order by following the procedures and status concerning transfer of right.
Custody of rights is transferred by delivery of bonds proving it and if the bond is lodged with the others, the receipt for delivery is considered as delivery of the bond itself provided that the bond is sufficiently specified in the receipt and the person with whom it is lodged will agree that the mortgagee creditor's account to be under his custody.

Article (667)
Mortgage's proof
In consideration with the provisions stipulated in the previous article, forcing the commercial mortgage in others right should not be written or the paper in which the mortgage is recorded is with fixed date.
The mortgage is proved with regard to the contractors and towards others with all proof methods whatever is the value of the guaranteed debt.

Article (668)
Mortgage of homologue fund or non homologue
If the mortgage is arranged on homologue fund, it remains existing if another thing of its type is exchanged with the mortgaged thing.
If the mortgaged thing is non homologue fund, the mortgager creditor may return it and exchange it with another provided that it is stipulated in the mortgage contract and the creditor accepts substitution without prejudice to the rights of the other

Article (669)
Statement of the mortgage
The mortgagee creditor should deliver to the debtor if requested a receipt stating the mortgaged thing, type, amount, weight and other distinguishing features.

Article (670)
Preserving the mortgaged fund
The mortgagee creditor is obliged to take the necessary means to preserve the mortgaged thing. If this thing is a commercial security and the mortgagee creditor is not considered legally holder, he should fulfill its value on the due date and particularly to resort to the judge for urgent issues to issue order directed to the party committed with the commercial security to fulfill its value to the mortgagee creditor; and the party committed with the security will keep the security by protesting in front of him with all the defenses which they have in facing the mortgager debtor.
The mortgager is committed for all expenses that the mortgagee creditor spent.

Article (671)
Using mortgage rights
The mortgagee creditor is obliged to use for account of the mortgager all rights concerning the mortgaged thing and to receive its value, profits and other entitled consequential amounts. He should deduct what he received from the amount that he spent for preserving the thing and repairs, then from the expenses and interests, then from the actual debt guaranteed by the mortgage unless the agreement or law stipulates otherwise.

Article (672)
Notice for payment
In consideration with what is stipulated in article (670) and provisions organizing the commercial securities to the mortgagee creditor if the debtor did not pay the debt guaranteed by the mortgage in its due date after expiry of 7 days from date of warning the debtor for fulfillment, he should request from the president of the court of first instance to issue an order for sale of all or part of the mortgaged thing.

Article (673)
Order for sale
The issued order for sale of the mortgaged thing from the president of the court of first instance should not be implemented except after expiry of 5 days from date of notifying the debtor with the place, date and time of sale.

If the mortgage is decided on various funds, the mortgagee creditor has the right to specify the fund which will be sold unless agreed otherwise.
In all cases, the sale should be sufficient to fulfill the right of the creditor.

Article (674)
Sale of the mortgaged fund
The sale will be on the date and place which is specified by the president of the court of first instance in public auction, except if the president of the court orders to follow another method. If the mortgaged thing is a circulating bond in stock market, the court's president will order its sale in this market through one of the brokers.
The mortgagee creditor will fulfill by privilege his actual debt, interests and expenses from the price resulting from sale.

Article (675)
Loss of mortgaged thing
If the mortgaged thing is subject to loss or damage or its custody requires excessive expenditure and the mortgager does not wish to submit other thing in its place, the creditor and mortgager may request from the president of the court of first instance to permit its sale immediately by any method and the mortgage will be transferred to the price resulting from sale.

Article (676)
Price reduction of mortgaged fund
If the price of the mortgaged thing is reduced in the market so that it became insufficient to guarantee the debt, the creditor may specify to the mortgager suitable date for completing the guarantee. If the mortgager refused date or the period expired without completing the guarantee, the creditor may follow the procedures stipulates in articles (672) and (674).

Article (677)
Sale of mortgaged bond
If the mortgaged thing is a bond and its value is not paid in full, the mortgager should submit to the mortgagee creditor the necessary money to fulfill the unpaid part before at least one day of its due date when the mortgager is required to fulfill the unpaid part, otherwise the mortgagee creditor may sell the bond by following the procedures stipulated in articles (672, 673 and 674).

Article (678)
Invalidity of mortgages ownership
Each agreement signed at time of deciding the mortgage or after deciding it will be void; and the mortgagee creditor in case of non fulfillment of debt on due date is given the right of ownership of the mortgaged thing or its sale without considering the provisions stipulates in articles (672, 673 and 674).
When the debt or installment of it is due, an agreement may be made by which the debtor assigns the mortgaged thing or part of it to his creditor in fulfillment of the debt; the court may also order ownership of the mortgaged thing or part of it to the

mortgagee creditor in fulfillment of the debt and its value will be calculated according the estimation of an expert who is deputed by the court.

Section Seven
Lodging in public warehouses

Article (679)
Identification
Lodging in public warehouses: is a contract by which the bailee undertakes to receive the goods for account of the bailor or whoever its ownership is devolved or its custody in accordance with its documents.

Article (680)
License for investment of warehouses
Establishment or investment of public warehouse should be with license from the competent authority to ascertain fulfillment of the commitments that this activity requires, particularly the capability for providing the necessary conditions to preserve the things lodged in it.

Article (681)
Warehouses tariff
GPC will issue tariff for organizing public warehouses on presentation from the concerned authority.
Each public warehouse should set rules organizing its activity in accordance with the type of work in it and nature of goods that are stored and the place for resuming its work. This statement should include particularly the method for specifying fees for storage.

Article (682)
Prohibitions on the bailee
The bailee should not resume any commercial activity and issue certificates for similar goods that are the same type of goods which are licensed to be stored in his warehouse whether it was for his account or account of others.
This provision is applied if the investor of the warehouse being one of the partners owning at least 10% of its capital is practicing commercial activity that is included in the above mentioned prohibition.

Article (683)
Loans of public warehouses
Public warehouses may offer loans guaranteed by mortgage of goods kept in it and will deal with mortgage bonds that represent it without having the right to mortgage it again. The bailor may deal in goods by sale, mortgage and other acts according the bonds that are issued by the public warehouse.

Article (684)
The bailor is obliged to submit correct data on the nature of goods, quantity, type and value to the public warehouse.

The bailor has right to inspect the goods which were delivered to the public warehouse for his account and to take samples from it.

Article (685)
Bailee's responsibility
The bailee is responsible for keeping the goods and maintaining it without exceeding its value which was estimated by the bailor.
The bailee will not be asked for damage or shortage of goods arising from force majeure or goods' nature or preparation method.
The bailee will request from the judge of urgent issues to permit sale of goods if it is threatened with quick damage and the judge will specify method of sale and means for disposal of value.

Article (686)
Insurance of warehouse
Public warehouse which is invested should be insured against fire risks with one of the insurance companies and this insurance included the goods existing in the warehouse for other's account.
The insurance does not include the goods in one of the public warehouses at an air or marine port if the goods are also included in the marine or air insurance against fire risks. If the accident occurred during validity of the air or marine insurance, this insurance will be valid for compensations and the goods will not be included in the insurance of the warehouse except after expiry of the validity of the air or marine insurance or for insufficiency of the insurance to cover the damage.

Article (687)
Bail and mortgage certificate
The bailor receives bail certificate stating his name, occupation, home, kind of cargo, its nature, quantity and other necessary data for specifying its value, name of warehouse in which it is lodged, name of insurance company if any and statement if due fees and taxes were settled.
To attach with each bail certificate the mortgage bond which includes all the mentioned data in the bail bond; and the warehouse may split the goods in various groups and will obtain bail certificate and mortgage bond for each group.
The public warehouse will keep true copy of the bail certificate and the mortgage bond.

Article (688)
Exchange of goods
If the goods for which a storage certificate and a mortgage bond is received are homologue things, it may be exchanged with goods of its nature, kind and description if that was stipulated in the storage certificate and mortgage bond; in this case, all the rights of the holder of the certificate or bond and privileges will be transferred to the new goods.
The storage certificate and mortgage bond may be issued for the quantity of bulk homologue things from larger quantity.

Article (689)
Storage certificate
The storage certificate and mortgage bond may be issued in the name of the bailor or to order.
If the certificate or mortgage bond is bailor's order, assignment of them may be jointly or separately by rotation.
The person to whom storage certificates or mortgage bond is rotated may request record of the rotation that he obtained and to state the origin in the warehouse's books.

Article (690)
Commitments of the person to whom the certificate is rotated
Mortgage report on goods in favor of the rotator will be consequent to rotation of mortgage bond separately from storage certificate.
Transference of the right for disposal of goods to whom the certificate is rotated will be consequent to rotation of storage certificate. If the mortgage bond with the storage certificate is not rotated, the person to whom this certificate is rotated is obliged to pay the guaranteed debt with the mortgage bond or to enable the mortgagee creditor to fulfill his right from the cost of goods.

Article (691)
Rotation data
Rotation of storage certificate and mortgage bond should be dated and it should include the signature of the rotator.
If the mortgage bond is rotated separately from the storage certificate, rotation should include its date, details of the guaranteed debt's amount of origin and interests, due date, creditor's name and occupation, home and rotator's signature.
The first person to whom the certificated is rotated should request registration of the mortgage bond's rotation and data relating to the rotation in warehouse's books and to indicate that on the mortgage bond.

Article (692)
Fulfillment of guaranteed debt
Holder of mortgage bond without the storage certificate has the right to mortgage the lodged goods.
Holder of storage certificate separate from the mortgage bond may withdraw the goods provided that he pays the guaranteed debt with this bond if accepted the due date; if holder of debt bond is unknown or known and disagreed with the debtor on the conditions for fulfillment before due date, the actual debt and interests should be deposited on due date the warehouse administration which is responsible towards it and cargo will be released. Goods will be partially withdrawn after deposit of an amount for this part.

Article (693)
Sale of mortgaged goods
If the guaranteed debt is not paid on the due date, holder of the mortgage bond separately from the storage certificate may request sale of the mortgaged goods by following the procedures stipulated in this law concerning the commercial mortgage.

Article (694)
Fulfillment of the mortgagee creditor's entitlements
The mortgagee creditor fulfills his right from the cost of goods by priority on all creditors after deduction of the following amounts:

1. Taxes and due fees on goods
2. Expenses for sale of goods, its storage and other related expenses

If holder of storage receipt was not present at the time of goods' sale, the surplus amount over the entitlements of the holder of the mortgage bond will be deposited in the treasury of the court in which the warehouse is located at its area.

Article (695)
Right of recourse
Holder of mortgage bond should not recourse on the debtor or rotators except after execution on the mortgaged goods and evidence of insufficiency to fulfill his debt.
Recourse on rotators should be within 10 days from date of goods' sale except if the holder's right for recourse is invalid.
In all cases, the holder will have no right for recourse on the rotators if he did not exercise execution procedures on the mortgaged goods during 30 days from due date of the debt.

Article (696)
Solutions right
If an accident occurred on goods, holder of storage certificate or mortgage bond on insurance amount when the accident occurred will have the rights and privilege on goods.

Article (697)
Loss of storage certificate and mortgage bond
Whoever looses storage certificate should request from the judge of urgent issues an order to deliver to him copy of the lost bond provided that he proves ownership and submits a grantor.
The same conditions for loss of mortgage bond by issuing order from the judge of urgent issues for fulfillment of the guaranteed debt if the debt is due; if the debtor did not execute the order, the person to whom the order is issued in his favor will request sale of the mortgaged goods according the procedures stipulated in this law concerning the commercial mortgage on condition that the rotation was recorded in the warehouse and he should submit a grantor. Notification should include fulfillment of all rotation data recorded in the books of the public warehouse.

Article (698)
Sale of lodged goods
If the bailor did not recover the goods on expiry of bail contract, the bailee may sell it according the procedures stipulated in this law concerning the commercial mortgage; the bailee will fulfill his due entitlements from the cost of sale and deliver the remaining amount to the bailor or deposit it in court's treasury.

The provision stipulated in the previous paragraph will be applied if the bail contract did not specify the period and one year expired without the bailor's request to recover the goods or intends to continue the bail contract.

Article (699)
Grantor's disclaimer
The grantor is disclaimed in case of loss of storage certificate with expiry of 5 years with direction of any claim to the warehouse to recover the goods.
The grantor is disclaimed in case of loss of mortgage bond with expiry of 3 years from date of registration of rotation in the books of the public warehouse without taking execution procedures on goods since issuance of the order in his favor.

Article (700)
Penalties
Unless other law stipulates more severe penalty, a fine will be imposed for at least LD. 1,000.- and not more than LD. 5,000.- for establishment or investment of public warehouse contradicting the provisions of article (680).
The court may order publishing the conviction or its summary in one of the daily newspapers and fixing it one warehouse's doors or on any other place on the expense of the sentenced. In case of conviction, the court may order liquidation of warehouse and it will appoint liquidators and will specify their powers.