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Civil Code Québec

Book Five - Obligations

Title One - Obligations in General

Chapter I - General Provisions

[...]

Art. 1375.

The parties shall conduct themselves in good faith both at the time the obligation is created and at the time it is performed or extinguished.

[...]

Chapter II - Contracts

[...]

Section II - Nature and Certain Classes of Contracts

Art. 1378.

A contract is an agreement of wills by which one or several persons obligate themselves to one or several other persons to perform a prestation.
Contracts may be divided into contracts of adhesion and contracts by mutual agreement, synallagmatic and unilateral contracts, onerous and gratuitous contracts, commutative and aleatory contracts, and contracts of instantaneous performance or of successive performance; they may also be consumer contracts.

Section III - Formation of Contracts

§ 1. - Conditions of Formation of Contracts

I - General Provision

Art. 1385.

A contract is formed by the sole exchange of consents between persons having capacity to contract, unless, in addition, the law requires a particular form to be respected as a necessary condition of its formation, or unless the parties require the contract to take the form of a solemn agreement.

It is also of the essence of a contract that it have a cause and an object.

II - Consent

[...]

2. Offer and Acceptance

Art. 1388.

An offer to contract is a proposal which contains all the essential elements of the proposed contract and in which the offeror signifies his willingness to be bound if it is accepted.

[...]

Art. 1394.

Silence does not imply acceptance of an offer, subject only to the will of the parties, the law or special circumstances, such as usage or a prior business relationship.

Art. 1400

Error vitiates consent of the parties or of one of them where it relates to the nature of the contract, the object of the prestation or anything that was essential in determining that consent.

An inexcusable error does not constitute a defect of consent.

[...]

V - Object of Contracts

[...]

Art. 1413.

A contract whose object is prohibited by law or contrary to public order is null.

[...]

Section IV - Interpretation of Contracts

Art. 1425.

The common intention of the parties rather than adherence to the literal meaning of the words shall be sought in interpreting a contract.
Art. 1426.

In interpreting a contract, the nature of the contract, the circumstances in which it was formed, the interpretation which has already been given to it by the parties or which it may have received, and usage, are all taken into account.

Art. 1427.

Each clause of a contract is interpreted in light of the others so that each is given the meaning derived from the contract as a whole.

Art. 1428.

A clause is given a meaning that gives it some effect rather than one that gives it no effect.

Art. 1429.

Words susceptible of two meanings shall be given the meaning that best conforms to the subject matter of the contract.

Art. 1430.

A clause intended to eliminate doubt as to the application of the contract to a specific situation does not restrict the scope of a contract otherwise expressed in general terms.

Art. 1431.

The clauses of a contract cover only what it appears that the parties intended to include, however general the terms used.

Art. 1432.

In case of doubt, a contract is interpreted in favour of the person who contracted the obligation and against the person who stipulated it. In all cases, it is interpreted in favour of the adhering party or the consumer.

Section V - Effects of Contracts

§ 1. - Effects of Contracts between the Parties

[...]

II - Binding Force and Content of Contracts

Art. 1434.

A contract validly formed binds the parties who have entered into it not only as to what they have expressed in it but also as to what is incident to it according to its nature and in conformity with usage, equity or law.

§ 2. - Effects Contracts with Respect to Third Persons

[...]

II - Promise for Another

Art. 1443.

No person may bind anyone but himself and his heirs by a contract made in his own name, but he may promise in his own name that a third person will undertake to perform an obligation, and in that case he is liable to reparation for injury to the other contracting party if the third person does not undertake to perform the obligation as promised.

Art. 1444.
A person may, in a contract, stipulate for the benefit of a third person. The stipulation gives the third person beneficiary the right to exact performance of the promised obligation directly from the promisor.

Art. 1445.
A third person beneficiary need not exist nor be determinate when the stipulation is made; he need only be determinable at that time and exist when the promisor is to perform the obligation for his benefit.
1991, c. 64, a. 1445.

Art. 1446.
The stipulation may be revoked as long as the third person beneficiary has not advised the stipulator or the promisor of his will to accept it.
1991, c. 64, a. 1446.

Art. 1447.
Only the stipulator may revoke a stipulation; neither his heirs nor his creditors may do so. If the promisor has an interest in maintaining the stipulation, however, the stipulator may not revoke it without his consent.
1991, c. 64, a. 1447.

Art. 1448.
Revocation of the stipulation has effect as soon as it is made known to the promisor; if it is made by will, however, it has effect upon the opening of the succession. Where a new beneficiary is not designated, revocation benefits the stipulator or his heirs.
1991, c. 64, a. 1448.

Art. 1449.
A third person beneficiary or his heirs may validly accept the stipulation, even after the death of the stipulator or promisor.
1991, c. 64, a. 1449.

Art. 1450.
A promisor may set up against the third person beneficiary such defenses as he could have set up against the stipulator.

[...]

Chapter III - Civil Liability

Section I - Conditions of Liability

§ 1. - General Provisions

Art. 1457.

Every person has a duty to abide by the rules of conduct which lie upon him, according to the circumstances, usage or
law, so as not to cause injury to another.

Where he is endowed with reason and fails in this duty, he is responsible for any injury he causes to another person and is liable to reparation for the injury, whether it be bodily, moral or material in nature.

He is also liable, in certain cases, to reparation for injury caused to another by the act or fault of another person or by the act of things in his custody.

Art. 1458.

Every person has a duty to honour his contractual undertakings.

Where he fails in this duty, he is liable for any bodily, moral or material injury he causes to the other contracting party and is liable to reparation or the injury; neither he nor the other party may in such a case avoid the rules governing contractual liability by opting for rules that would be more favourable to them.

[...]

Section II - Certain Cases of Exemption from Liability

[...]

Art. 1475.

A notice, whether posted or not, stipulating the exclusion or limitation of the obligation to make reparation for injury resulting from the nonperformance of a contractual obligation has effect, in respect of the creditor, only if the party who invokes the notice proves that the other party was aware of its existence at the time the contract was formed.

[...]

Chapter IV - Certain other Sources of Obligations

[...]

Section II - Reception of a Thing not Due

Art. 1491.

A person who receives a payment made in error, or merely to avoid injury to the person making it while protesting that he owes nothing, is obliged to restore it.

He is not obliged to restore it, however, where, in consequence of the payment, the claim of the person who received the undue payment in good faith is prescribed or the person has destroyed his title or relinquished a security, saving the remedy of the person having made the payment against the true debtor.

Art. 1492.

Restitution of payments not due is made according to the rules of restitution of prestations.

Section III - Unjust Enrichment

Art. 1493.

A person who is enriched at the expense of another shall, to the extent of his enrichment, indemnify the other for his correlative impoverishment, if there is no justification for the enrichment or the impoverishment.

Art. 1494.

Enrichment or impoverishment is justified where it results from the performance of an obligation, from the failure of the person impoverished to exercise a right of which he may avail himself or could have availed himself against the person
enriched, or from an act performed by the person impoverished for his personal and exclusive interest or at his own risk and peril, or with a constant liberal intention.

Art. 1495.

An indemnity is due only if the enrichment continues to exist an the day of the demand.

Both the value of the enrichment and that of the impoverishment are assessed on the day of the demand; however, where the circumstances indicate the bad faith of the person enriched, the enrichment may be assessed at the time the person was enriched.

Art. 1496.

Where the person enriched disposes of his enrichment gratuitously, with no Intention of defrauding the person impoverished, the action of the person impoverished may be taken against the third person beneficiary if the latter could have known of the impoverishment.

[...]

Chapter VI - Performance of Obligations

Section I - Performance

[...]

§ 2 Imputation of payment

Art. 1569.

When making payment, a debtor who owes several debts has the right to impute payment to the debt he intends to pay. He may not, however, without the consent of the creditor, impute payment to a debt not yet due in preference to a debt which has become due, unless it was agreed that payment may be made by anticipation.

1991, c. 64, a. 1569.

Art. 1570.

A debtor who owes a debt that bears interest or yields periodic payments may not, without the consent of the creditor, impute a payment to the capital in preference to the interest or periodic payments. Any partial payment made on the principal and interest is imputed first to the interest.

1991, c. 64, a. 1570.

Art. 1571.

Where a debtor who owes several debts has accepted an acquittance by which the creditor, at the time of payment, imputed payment to one specific debt, he may not subsequently require that it be imputed to a different debt, except upon grounds for which contracts may be annulled.

1991, c. 64, a. 1571.

Art. 1572.

In the absence of imputation by the parties, payment is imputed first to the debt that is due.
Where several debts are due, payment is imputed to the debt which the debtor has the greatest interest in paying. Where the debtor has the same interest in paying several debts, payment is imputed to the debt that became due first; if all of the debts became due at the same time, however, payment is imputed proportionately.

Section II - Right to enforce Performance

2. - Exception for Nonperformance and Right of Retention

Art. 1591.

Where the obligations arising from a synallagmatic contract are exigible and one of the parties fails to perform his obligation to a substantial degree or does not offer to perform it, the other party may refuse to perform his correlative obligation to a corresponding degree, unless he is bound by law, the will of the parties or usage to perform first.

§ 6. - Performance by Equivalence

II - Assessment of Damages

1. - Assessment in General

Art. 1613.

In contractual matters, the debtor is liable only for damages that were foreseen or foreseeable at the time the Obligation was contracted, where the failure to perform the Obligation does not proceed from intentional or gross fault an his part; even then, the damages include only what is an immediate and direct consequence of the nonperformance.

Art. 1620.

Interest accrued on principal does not itself bear interest except where that is provided by agreement or by law or where additional interest is expressly demanded in a suit.

2. Anticipated Assessment of Damages

Art. 1622.

A penal clause is one by which the parties assess the anticipated damages by stipulating that the debtor will suffer a penalty if he fails to perform his obligation.

A creditor has the right to avail himself of a penal clause instead of enforcing, in cases which admit of it, the specific performance of the obligation; but in no case may he exact both the performance and the penalty, unless the penalty has been stipulated for mere delay in the performance of the obligation.

Art. 1623.

A creditor who avails himself of a penal clause is entitled to the amount of the stipulated penalty without having to prove
the injury he has suffered.

However, the amount of the stipulated penalty may be reduced if the creditor has benefited from partial performance of the obligation or if the clause is abusive.

Art. 1624.

Where an obligation with a penal clause is indivisible without being solidary and its nonperformance is due to the fault of only one of the co-debtors, the penalty may be exacted in fall against him or against each of the co-debtors for his share, bat, in the latter case, without prejudice to their remedy against the co-debtor who caused the penalty to be incurred.

Art. 1625.

Where an obligation with a penal clause is divisible, the penalty also is divisible and is incurred only by that debtor who fails to perform the obligation, and only for that part for which he is liable, without there being any action against those who have performed it.

This rule does not apply where the obligation is solidary, nor where the penal clause was stipulated to prevent partial payment and one of the co-debtors has prevented the performance of the obligation for the whole; in this case, that co-debtor is liable for the whole penalty and the others are liable for their respective shares only, without prejudice to their remedy against him.

Chapter VII - Transfer and Alteration of Obligations

Section I - Assignment of Claims

§ 1. - Assignment of Claims in General

Art. 1637.

A creditor may assign to a third person all or part of a claim or a right of action which he has against his debtor.

He may not, however, make an assignment that is injurious to the rights of the debtor or that renders his obligation more onerous.

Art. 1638.

The assignment of a claim includes its accessories.

Art. 1639.

Where the assignment is by onerous title, the assignor guarantees that the claim exists and is owed to him, even if the assignment is made without warranty, unless the assignee has acquired it at his own risk or knew of the uncertain nature of the claim at the time of the assignment.

Art. 1640.

Where the assignor by onerous title guarantees the solvency of the debtor by a simple clause of warranty, he is liable for the solvency only at the time of the assignment and to the extent of the price he received.

Art. 1641.

An assignment may be set up against the debtor and the third person as soon as the debtor has acquiesced in it or received a copy or a pertinent extract of the deed of assignment or any other evidence of the assignment which may be set up against the assignor.

Where the debtor cannot be found in Québec, the assignment may be set up upon publication of a notice of assignment in a newspaper distributed in the locality of the last known address of the debtor or, if he carries an enterprise, in the locality where its principal establishment is situated.
Art. 1642.

The assignment of a universality of claims, present or future, may be set up against debtors and third persons by the registration of the assignment in the register of personal and movable real rights, provided, however, that the other formalities whereby the assignment may be set up against the debtors who have not acquiesced in it have been accomplished.

Art. 1643.

A debtor may set up against the assignee any payment made to the assignor before the assignment could be set up against him, as well as any other cause of extinction of the obligation that occurred before that time.

A debtor may also set up any payment made in good faith by himself or his surety to an apparent creditor, even if the required formalities whereby the assignment may be set up against the debtor and third persons have been accomplished.

Art. 1644.

Where a copy or an extract of the deed of assignment or any other evidence of the assignment which may be set up against an assignor is handed over to the debtor at the time of service of an action brought against the debtor, no legal costs may be exacted from the debtor if he pays within the time fixed for appearance, unless he is already in default.

Art. 1645.

The assignment may not be set up against the surety unless the prescribed formalities for the setting up of assignment against the debtor have been accomplished in respect of the surety himself.

Art. 1646.

The assignees of the same claim, and the assignor in respect of any remainder due to him, are paid in proportion to the value of their claims.

However, persons having obtained an assignment with a guarantee of payment are paid in preference to all other assignees and to the assignor, and, among themselves, in the order of the dates an which their respective assignments could be set up against the debtor.

Chapter VIII - Extinction of Obligations

Section II - Compensation

Art. 1672.

Where two persons are reciprocally debtor and creditor of each other, the debts for which they are liable are extinguished by compensation, up to the amount of the lesser debt.

Compensation may not be claimed from the State, but the State may claim it.

Art. 1673.

Compensation is effected by operation of law upon the coexistence of debts that are certain liquid and exigible and the object of both of which is a sum of money or a certain quantity of fungible property identical in kind.

A person may apply for judicial liquidation of a debt in order to set it up for compensation.

Art. 1674.
Compensation is effected even though the debts are not payable at the same place, provided allowance is made for the expenses of delivery, if any.

Art. 1675.

A period of grace granted for payment of one of the debts does not prevent compensation.

Art. 1676.

Compensation is effected regardless of the cause of the obligation that has given rise to the debt.

Compensation does not take place, however, if the claim results from an act performed with intention to harm or if the object of the debt is property which is exempt from seizure.

Art. 1677.

Where several debts subject to compensation are owed by one debtor, the rules of imputation of payment apply.

Art. 1678.

One of the solidary debtors may not set up compensation for what the creditor owes to his co-debtor, except for the share of that co-debtor in the solidary debt.

A debtor, whether solidary or not, may not set up compensation against one of the solidary creditors for what a co-creditor owes him, except for the share of that co-creditor in the solidary debt.

Art. 1679.

A surety may set up compensation for what the creditor owes to the principal debtor, but the principal debtor may not set up compensation for what the creditor owes to the surety.

Art. 1680.

A debtor who has acquiesced unconditionally in the assignment or hypothecating of claims by his creditor to a third person may not afterwards set up against the third person any compensation that he could have set up against the original creditor before he acquiesced.

An assignment or hypothec in which a debtor has not acquiesced, but which from a certain time may be set up against him, prevents compensation only for debts of the original creditor which come after that time.

Art. 1681.

Compensation may neither be effected nor be renounced to the prejudice of the acquired rights of a third person.

Art. 1682.

A debtor who could have set up compensation and has nevertheless paid his debt may not afterwards avail himself, to the prejudice of third persons, of any priority or hypothec attached to the debt.

[...]

Section V - Impossibility of Performance

Art. 1693.

A debtor is released where he cannot perform an obligation by reason of a superior force and before he is in default, or where, although he was in default, the creditor could not, in any case, benefit by the performance of the obligation by reason of that superior force, unless, in either case, the debtor has expressly assumed the risk of superior force.
The burden of proof of superior force is on the debtor.

Art. 1694.

A debtor released by impossibility of performance may not exact performance of the correlative obligation of the creditor; if the performance has already been rendered, restitution is owed.

Where the debtor has performed part of his obligation, the creditor remains bound to perform his own obligation to the extent of his enrichment.

[...]

Title Two Nominate Contracts

Chapter IX Mandate

Section III - Obligations of Parties towards Third Persons

§ 1. - Obligations of the Mandatary towards Third Persons

Art. 2157.

Where a mandatary binds himself, within the limits of his mandate, in the name and on behalf of the mandator, he is not personal, liable to the third person with whom he contracts.

The mandatary is liable to the third person if he acts in his own name, subject to any rights the third person may have against the mandator.

Art. 2158.

Where a mandatary exceeds his powers, he is personally liable to the third person with whom he contracts, unless the third person was sufficiently aware of the mandate, or unless the mandator has ratified the acts performed by the mandatary.

Art. 2159.

Where the mandatary agrees with a third person to disclose the identity of his mandator within a fixed period and fails to do so, he is personally liable.

The mandatary is also personally liable if he is bound to conceal the name of the mandator or if he knows that the person whose identity he discloses is insolvent, is a minor or is under protective supervision and he fails to mention this fact.

§ 2. - Obligations of the mandator towards third persons

[...]

Art. 2163.

A person who has allowed it to be believed that a person was his mandatary is liable, as if he were his mandatary, to the third person who has contracted in good faith with the latter, unless, in circumstances in which the error was foreseeable, he has taken appropriate measures to prevent it.

[...]
Art. 2803.

A person wishing to assert a right shall prove the facts on which his claim is based.

A person who alleges the nullity, modification or extinction of a right shall prove the facts an which he bases his allegation.

[...]

Book Eight - Prescription

Title One - Rules Governing Prescription

Chapter I - General Provisions

Art. 2875.

Prescription is a means of acquiring or of being released by the lapse of time and according to the conditions fixed by law: prescription is called acquisitive in the first case and extinctive in the second.

[...]

Book Ten - Private International Law

[...]

Title Two - Conflict of Laws

[...]

Chapter III - Status of Obligations

Section I - General Provisions

§ 1. - Form of Juridical Acts

Art. 3109.

The form of a juridical act is governed by the law of the place where it is made.

A juridical act is nevertheless valid if it is made in the form prescribed by the law applicable to the content of the act, by the law of the place where the property which is the object of the act is situated when it is made or by the law of the domicile of one of the parties when the act is made.

A testamentary disposition may be made in the form prescribed by the law of the domicile or nationality of the testator either at the time of the disposition or at the time of his death.

[...]

§ 2. - Content of Juridical Acts

Art. 3111.

A juridical act, whether or not it contains any foreign element, is governed by the law expressly designated in the act or the designation of which may be inferred with certainty from the terms of the act. A juridical act containing no foreign element remains, nevertheless, subject to the mandatory provisions of the law of the country which would apply if none were designated.
The law of a country may be expressly designated as applicable to the whole or a part only of a juridical act.

Art. 3112.

If no law is designated in the act or if the law designated invalidates the juridical act, the courts apply the law of the country with which the act is most closely connected, in view of its nature and the attendant circumstances.

Art. 3113.

A juridical act is presumed to be most closely connected with the law of the country where the party who is to perform the prestation which is characteristic of the act has his residence or, if the act is made in the ordinary course of business of an enterprise, his establishment.

*The Québec Code is seen as a "Vehicle for Modelling a Transnational Lex Mercatoria"*

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