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# Law of Obligations Act, General Part of the Civil Code Act and Private International Law Act Implementation Act

Passed 05.06.2002  
RT I 2002, 53, 336  
Entry into force 01.07.2002

Amended by the following acts

Passed	Published	Entry into force
19.11.2003	RT I 2003, 78, 523	27.12.2003
09.12.2003	RT I 2003, 81, 546	20.12.2003
15.06.2005	RT I 2005, 39, 308	01.01.2006
30.09.2010	RT I 2010, 77, 590	01.07.2011
17.11.2010	RT I, 06.12.2010, 1	05.04.2011
12.01.2011	RT I, 04.02.2011, 1	01.07.2011

## Chapter 1 GENERAL PROVISIONS

### § 1. Entry into force of Law of Obligations Act, General Part of the Civil Code Act and Private International Law Act

The Law of Obligations Act, the General Part of the Civil Code Act (RT I 2002, 35, 216) and the Private International Law Act (RT I 2002, 35, 217) enter into force on 1 July 2002.

(2) § 323 of the Law of Obligations Act enters into force on 1 July 2003.

(3) Division 2 of Chapter 22 of the Law of Obligations Act enters into force on 1 September 2002.

(4) Subsection 720 (6) of the Law of Obligations Act enters into force on 1 January 2003.

### § 2. Acts applicable to circumstances and acts

Acts in force at the time of the arising of circumstances or performance of acts which arose or were performed before 1 July 2002 apply to such circumstances and acts unless otherwise provided by this Act.

### § 3. Active legal capacity

(1) The active legal capacity of a person shall be determined pursuant to the Acts in force at the time of conclusion of a transaction.

(2) If a person has acquired active legal capacity pursuant to subsection 9 (2) or 10 (3) of the General Part of the Civil Code Act prior to 1 July 2002, the person shall retain active legal capacity to the acquired extent after 1 July 2002.

### § 4. Court judgments concerning active legal capacity

(1) If a person's active legal capacity has been restricted by a court judgment prior to 1 July 2002, the person shall be regarded as having active legal capacity as of 1 July 2002. A court judgment restricting a person's active

legal capacity prior to 1 July 2002, which has entered into force, shall be deemed to be an execution document on the basis of which the person appointed as guardian by the court judgment has the right to request that a claim for the payment of wages or a claim for other permanent income of the person whose active legal capacity was restricted prior to 1 July 2002 be seized by a bailiff and the amounts be paid to the person appointed as guardian.

(2) If a person has been divested of his or her active legal capacity by a court judgment, the person shall be deemed as of 1 July 2002 to have restricted active legal capacity and guardianship established for him or her and the court judgment shall have the consequences specified in subsection 260 (4) of the Code of Civil Procedure.

#### **§ 5. Petition for declaration of person as missing**

A petition for the declaration of a person as missing shall be deemed as of 1 July 2002 to be a petition for the establishment of the fact that the person is missing.

#### **§ 6. Format of transaction**

A valid transaction concluded before 1 July 2002 which does not comply with formal requirements provided by law after entry into force of the Acts specified in § 1 of this Act shall remain in force.

#### **§ 7. Annulment of transaction and unilateral termination of contract**

(1) A transaction concluded before 1 July 2002 may be annulled after 1 July 2002 or a contract may be unilaterally terminated after 1 July 2002 only pursuant to the procedure provided for in Acts in force. The Acts in force at the time of conclusion of a transaction apply to the grounds of annulment and termination of the transaction.

(2) The provisions of subsection (1) of this section do not apply to proceedings concerning an action for annulment of a transaction or termination of a contract filed before 1 July 2002.  
[RT I 2003, 78, 523 - entry into force 27.12.2003]

#### **§ 8. Representation**

After 1 July 2002, the provisions of the General Part of the Civil Code Act concerning representation apply to representation even if the right of representation arose prior to 1 July 2002.

#### **§ 9. Limitation period**

(1) The provisions of the General Part of the Civil Code Act and the Law of Obligations Act concerning limitation period apply to claims which arose prior to 1 July 2002 and which have not expired. The Acts in force prior to 1 July 2002 apply to the beginning, suspension and interruption of a limitation period if the limitation period began to run or was suspended or interrupted prior to 1 July 2002.

(2) If a limitation period is shorter pursuant to the General Part of the Civil Code Act or the Law of Obligations Act than pursuant to the Act in force before 1 July 2002, the limitation period provided for in the General Part of the Civil Code Act or the Law of Obligations Act shall be calculated as of 1 July 2002.

(3) If a limitation period provided for in the Act in force prior to 1 July 2002 is longer than the limitation period provided for in the General Part of the Civil Code Act or the Law of Obligations Act and such limitation period would expire before a limitation period calculated pursuant to subsection (2) of this section, the Act in force prior to 1 July 2002 applies to the limitation.

(4) The provisions of subsection 157b (1) of the General Part of the Civil Code Act concerning limitation periods also apply to claims which arose prior to 1 July 2002 and which have not expired. If a limitation period provided for in subsection 157 (1) of the General Part of the Civil Code Act in force prior to 1 March 2011 would expire earlier than the term specified in the first sentence of this subsection, subsection 157 (1) of the General Part of the Civil Code Act in force before 1 March 2011 is applied to the limitation period.  
[RT I, 06.12.2010, 1 - entry into force 05.04.2011]

#### **§ 10. Other terms**

§ 9 of this Act is applied respectively to the terms related to the exercise, acquisition or extinguishment of rights.

#### **§ 11. Act applicable to obligations**

The Acts in force prior to entry into force of this Act apply to obligations which arose before 1 July 2002.

#### **§ 12. Long-term contracts**

(1) As of 1 July 2002, the provisions of the General Part of the Civil Code Act and the Law of Obligations Act apply to long-term contracts entered into prior to 1 July 2002.

(2) The provisions of subsection (1) of this section do not preclude or restrict the rights and obligations of contracting parties which have arisen prior to 1 July 2002. The Act hitherto in force applies to circumstances and acts related to a long-term contract which have arisen or have been performed before 1 July 2002.

(3) If, after entry into force of the Acts specified in subsection (1) of this section, a term or condition of a long-term contract is contrary to a provision of an Act which must not be derogated from pursuant to an agreement between the contracting parties, the provisions of the Act apply instead of the term or condition of the contract.

(4) If the standard terms of contract supplied by a contracting party contain any terms or conditions of the contract specified in subsection (3) of this section, the party supplying the standard terms is required to bring the standard terms applicable to the contract into conformity with the Act by 1 January 2003.

### **§ 13. Amendment of standard terms used by credit institution**

A credit institution or other provider of financial services may, until 1 January 2003, amend the standard terms used by the institution or provider upon the provision of financial services, regardless of whether the credit institution or other provider of financial services reserved the right under the terms of a contract or the standard terms to unilaterally amend the standard terms, if amendment of the standard terms is necessary in order to bring the terms into conformity with the Law of Obligations Act, the General Part of the Civil Code Act or the Private International Law Act and if the credit institution or other provider of financial services gives notice to the other contracting party of the amendment of terms and grants the other party the right to terminate the contract immediately if the other party disagrees with the amendment.

### **§ 14. Interest rate arising from law**

Until Estonia's accession to the European Union, the interest rate referred to in subsection 94 (1) of the Law of Obligations Act shall be deemed to be 7 percent per year, unless a different interest rate is agreed upon. The interest rates specified in subsection 94 (1) of the Law of Obligations Act shall be published as of Estonia's accession to the European Union.

### **§ 15. Specifications relating to provisions of lease contracts**

(1) Housing disputes committees formed pursuant to § 63 of the Dwelling Act prior to 1 July 2002 shall be deemed to be lease committees for the purposes of the Law of Obligations Act until an Act regulating the resolution of lease disputes is passed or respective amendments to the Code of Civil Procedure are made.

(2) The provisions of subsection 291 (1) of the Law of Obligations Act also apply to transfer of structures which are movables.

(3) Residential lease contracts entered into for an unspecified term before 1 July 2002 shall be deemed to be entered into for five years as of the entry into the contract. This does not apply to the lease contracts specified in subsection 18 (1) of the Principles of Ownership Reform Act.  
[RT I 2005, 39, 308 - entry into force 01.01.2006]

(4) A person who used a dwelling specified in § 58 of the Dwelling Act prior to 1 July 2002 and who met the requirements provided for in subsection 60 (4) of the Dwelling Act prior to 1 July 2002 shall not be evicted from the dwelling unless another dwelling is provided for the person.

### **§ 16. Right of pre-emption**

(1) The provisions of the Law of Obligations Act concerning the right of pre-emption apply in the case a notification of the right of pre-emption is submitted after 1 July 2002.

(2) A right of pre-emption in the case of a structure or a legal share thereof, a dwelling privatised as physical share, a non-residential space in a residential building, an apartment transferred in the ownership of a member of a housing association, an apartment transferred in the ownership of a former member of an apartment association or a physical share of a structure created upon extinguishment of common ownership may be exercised within two months as of the receipt of the notification specified in § 249 of the Law of Obligations Act.  
[RT I 2003, 81, 546 - entry into force 20.12.2003]

### **§ 17. Specifications of application of provisions concerning consumer credit**

(1) Credit contracts secured by pledge contracts specified in § 13<sup>2</sup> of the Law of Property Act Implementation Act shall be deemed to be credit contracts secured by mortgages within the meaning of Division 2 of Chapter 22 of the Law of Obligations Act.

(2) Until Estonia's accession to the European Union, a creditor may, in the case specified in subsection 408 (8) of the Law of Obligations Act, require that a consumer provide security even if the net amount of the credit exceeds an amount equivalent to 10 000 euro.

### **§ 17<sup>1</sup>. Act applicable to consumer credit contracts**

(1) The provisions of § 404<sup>1</sup>, subsections 407 (3<sup>1</sup>) and (3<sup>2</sup>), second sentence of subsection (4) and subsection (4<sup>1</sup>) and §§ 412, 414<sup>1</sup> and 414<sup>2</sup> of the Law of Obligations Act in force apply as a 1 July 2011 to consumer credit contracts entered into for an unspecified term before 1 July 2011.

(2) The provisions of subsection (1) of this section do not preclude or restrict the rights and obligations of contracting parties which have arisen prior to 1 July 2011. The Act hitherto in force applies to circumstances and acts related to consumer credit contracts which have arisen or have been performed before 1 July 2011.

(3) If a term or condition of a consumer credit contract is contrary to a provision of the Law of Obligations Act after the date specified in subsection (1) of this section, which is applied retroactively according to subsection (1) of this section to the credit contracts entered into before 1 July 2011 and which must not be derogated from pursuant to an agreement between the parties, the provisions of the Law of Obligations Act apply instead of the term or condition of the contract.

[RT I, 04.02.2011, 1 - entry into force 01.07.2011]

### **§ 17<sup>2</sup>. Amendment of standard terms of consumer credit contracts**

A credit institution or other provider of financial services may, until 1 January 2011, amend the standard terms used by the institution or provider upon the provision of financial services, regardless of whether the credit institution or other provider of financial services reserved the right under the terms of a contract or the standard terms to unilaterally amend the standard terms, if the amendment of the standard terms is necessary in order to bring the terms into conformity with the provisions specified in subsection 17<sup>1</sup>(1) of this Act or if the credit institution or other provider of financial services gives notice to the other contracting party of the amendment of the terms and grants the other party the right to terminate the contract immediately if the other party disagrees with the amendments.

[RT I, 04.02.2011, 1 - entry into force 01.07.2011]

### **§ 18. Contracts for joint activity**

(1) After entry into force of the Law of Obligations Act, the provisions of the Law of Obligations Act concerning civil law partnerships apply to contracts for joint activity entered into before 1 July 2002.

(2) The provisions of subsection (1) of this section do not preclude or restrict the rights and obligations of parties to contracts for joint activity which have arisen prior to 1 July 2002. The Act hitherto in force applies to circumstances and acts related to contracts for joint activity which have arisen or have been performed before 1 July 2002.

### **§ 19. Specifications relating to electronic payment instruments**

(1) If a contract on the use of an electronic payment instrument entered into before 1 July 2002 does not comply with the requirements established in § 739 of the Law of Obligations Act, the issuer of the payment instrument is required to bring the contract into conformity with the provisions of the Act by 1 January 2003.

(2) In order to amend a contract, the issuer of a payment instrument shall submit a proposal to amend the contract to the holder of the payment instrument and grant the holder a reasonable term to accept or refuse the proposal. If the holder of the payment instrument fails to give notice of the holder's decision within the term, the contract shall be deemed to be amended.

(3) If a holder of a payment instrument refuses to amend the contract, the issuer of the payment instrument has the right to terminate the contract on the use of the electronic payment instrument entered into with the holder of the payment instrument.

(4) Until Estonia's accession to the European Union, a limit different from the rate of liability provided for in subsection 742 (1) of the Law of Obligations Act may be agreed upon as the rate of liability arising from the theft or loss of an electronic payment instrument borne by the holder of the payment instrument provided for in subsection 742 (1) of the Law of Obligations Act.

(5) In a contract entered into with a consumer, the rate of liability specified in subsection (4) of this section shall not exceed 10,000 kroons.

### **§ 20. Securities**

(1) The provisions of the Law of Obligations Act concerning securities apply to securities issued after 1 July 2002.

(2) § 923 of the Law of Obligations Act also applies to securities issued before 1 July 2002.

#### **§ 21. Negotiorum gestio**

The provisions of the Law of Obligations Act regarding negotiorum gestio apply to acts performed after 1 July 2002.

#### **§ 22. Unlawful causing of damage**

(1) The provisions of the Law of Obligations Act concerning unlawful causing of damage apply where the act or event causing the damage was performed or occurred after 1 July 2002.

(2) The provisions of Division 3 of Chapter 53 of the Law of Obligations Act apply only with regard to products placed on the market after 1 July 2002.

#### **§ 23. Unjustified enrichment**

The provisions of the Law of Obligations Act concerning unjustified enrichment apply where unjustified enrichment occurred after 1 July 2002.

#### **§ 24. Application of private international law provisions**

(1) The law applicable to circumstances which occurred after 1 July 2002 and acts performed after 1 July 2002 shall be determined pursuant to the Private International Law Act.

(2) After 1 July 2002, the law applicable to family law relationships shall be determined pursuant to the Private International Law Act. In the case of marriages contracted prior to 1 July 2002, the date of contraction of the marriage for the purposes of subsection 58 (3) of the Private International Law Act shall be deemed to be 1 July 2002 when determining the law applicable to the proprietary rights of spouses.

#### **§ 25. Bringing regulations in force into conformity**

The Government of the Republic and the relevant ministers shall bring regulations in force into conformity with the Law of Obligations Act, the General Part of the Civil Code Act and the Private International Law Act by 1 July 2002.

## **Chapter 2 AMENDMENTS TO LEGISLATION**

§ 26.–§ 123.[Omitted from this text.]

#### **§ 124. Entry into force of Act**

(1) This Act enters into force on 1 July 2002.

(2) § 25 of this Act enters into force on the day following publication in the *Riigi Teataja*.

(3) The Government of the Republic shall organise the publication of the consolidated text of the Law of Obligations Act together with all amendments made thereto in the *Riigi Teataja* within two weeks after the entry into force of this Act.