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An Act on the General Part of the Civil Code

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29.01.2009	RT I 2009, 13, 78	01.07.2009
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17.11.2010	RT I, 06.12.2010, 1	05.04.2011
19.02.2014	RT I, 13.03.2014, 3	01.01.2018, in part 23.03.2014 and 01.01.2016
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21.11.2018	RT I, 06.12.2018, 1	01.07.2019
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20.06.2023	RT I, 06.07.2023, 6	01.01.2024

Part 1 General Provisions

§ 1. Purpose of this Act

This Act provides the general principles of civil law.

§ 2. Sources of civil law

(1) The sources of civil law are statutes and custom.

(2) Custom arises from long-standing practice of specific conduct provided it is considered legally binding for purposes of circulation by persons engaged in it. Custom cannot change the law.

§ 3. Interpretation of statutes

A provision of a statute is interpreted together with the other provisions of the statute following its wording, spirit and purpose.

§ 4. Analogy

In the absence of a provision regulating the legal relationship, provisions that regulate a similar relationship apply if non-regulation of the relationship is contrary to the spirit or purpose of the law. In the absence of such a provision, the general concept of the law, or of fairness, is followed.

§ 5. Basis for creation of civil rights and obligations

Civil rights and obligations arise from transactions, from events provided for by law, from any other operations that give rise to civil rights and obligations by virtue of law, and from unlawful acts.

§ 6. Legal succession

(1) Civil rights and obligations may pass from one person to another (legal succession) provided such rights and obligations are not, under the law, inseparably bound to the person.

(2) Legal succession is based on transaction or the law.

(3) Rights and obligations are assigned by the corresponding assignment transaction (disposal). Each right and obligation must be assigned separately unless otherwise provided by law.

(4) The validity of a disposal is not contingent on the validity of the transaction that requires assignment of the right or obligation.

Part 2 Persons

Chapter 1 Natural Persons

Subchapter 1 Passive Legal Capacity and Active Legal Capacity

§ 7. Passive legal capacity of natural persons

(1) Passive legal capacity of a natural person (human being) means the capacity to have civil rights and be subject to civil obligations. All natural persons have uniform and unlimited passive legal capacity.

(2) A human being's passive legal capacity begins with their live birth and ends with their death.

(3) In situations provided for by law, the foetus has passive legal capacity from the time of conception, provided the child is born alive.

§ 8. Active legal capacity of natural persons

(1) Active legal capacity of a natural person means the capacity to conclude valid transactions independently.

(2) Persons who have attained 18 years of age (persons of full age) have full active legal capacity. Persons who are under 18 years of age (minors) and persons who, due to mental illness, mental retardation or any other mental disorder, are permanently unable to understand or direct their actions, have limited active legal capacity. The limited active legal capacity of a person of full age affects the validity of the transactions carried out by the person strictly to the extent that the person was unable to understand or direct their actions.
[10.12.2008 entered into force 1.01.2009 – RT I 2008, 59, 330]

(3) Where a legal guardian has been appointed by the court to a person who due to mental illness, congenital dementia or other mental disorder is permanently unable to understand or direct their actions, the person's scope of active legal capacity is presumed to be limited insofar as they have been appointed the guardian.
[10.12.2008 entered into force 1.01.2009 – RT I 2008, 59, 330]

§ 9. Extending the scope of limited active legal capacity of a minor of at least 15 years of age

(1) The court may extend the scope of limited active legal capacity of a minor of at least 15 years of age if this is in the interests of the minor and their level of development so permits. In such a situation, the court determines the transactions that the minor is permitted to carry out independently.

(2) The scope of limited active legal capacity of a minor may be extended with the consent of their statutory representative. Where a refusal to grant such consent is manifestly contrary to the interests of the minor, the court may extend the scope without the representative's consent.

(3) Where a valid reason is present, the court may revoke extension of the minor's scope of limited active legal capacity in full or in part.

§ 10. Unilateral transactions by a person of limited active legal capacity

A unilateral transaction carried out by a person of limited active legal capacity without prior consent of their statutory representative is void.

§ 11. Multilateral transactions by a person of limited active legal capacity

(1) A multilateral transaction carried out by a person of limited active legal capacity without prior consent of their statutory representative is void unless the representative subsequently ratifies the transaction. Where, after having carried out the transaction, the person's limitation of active legal capacity ceases to be present, they may ratify the transaction themselves.

(2) Where a statutory representative grants consent to a transaction or ratifies it, the consent or ratification is presumed to apply also to all operations and manifestations of intention relating to the transaction and its performance.

(3) A transaction carried out by a person of limited active legal capacity without prior consent or subsequent ratification of their statutory representative is valid if:

- 1) no direct civil obligations arise from the transaction for the person;
- 2) the person performed the transaction by means that their statutory representative or – with the consent of the statutory representative – a third party had granted to them for this purpose or for free use.

(4) Where a person of limited active legal capacity carries out a transaction without prior consent of their statutory representative, the other party to the transaction may propose that the statutory representative ratify the transaction. A ratification is valid as of its manifestation to the person who made the proposal.

(5) If the statutory representative has not manifested their ratification within two weeks following receipt of the proposal mentioned in subsection 4 of this section, the statutory representative is deemed not to have ratified the transaction.

(6) The other party to a transaction may withdraw their manifestation of intention to carry out the transaction if the person of limited active legal capacity did not have prior consent of their statutory representative for the transaction and the other party did not know, nor should have known, that the person was of limited active legal capacity. In such a situation, the manifestation of intention is deemed not to have been made. Once the statutory representative has ratified the transaction, the other party cannot withdraw their manifestation of intention.

§ 12. Transactions by a minor under 7 years of age

(1) A unilateral transaction by a minor of less than 7 years of age is void.

(2) A multilateral transaction by a minor of less than 7 years of age is void unless they perform the transaction by means that their statutory representative or – with the consent of the statutory representative – a third party has granted to them for this purpose or for free use.

§ 13. Transactions by a person of impaired decision-making ability

(1) A transaction that the person, due to a temporary impairment of their mental functions or to any other circumstance, carried out in a state in which their ability to accurately assess the effect of the transaction on their interests was impaired (impaired decision-making ability) is void unless the person ratifies the transaction after the impairment or other circumstance has ceased to be present.

(2) The other party to the transaction may propose that the person who carried out the transaction while their decision-making ability was impaired ratify the transaction. If the person does not refuse ratification within two weeks following receipt of the proposal, they are deemed to have ratified the transaction.

(3) Where a person, while under the influence of a circumstance mentioned in subsection 1 of this section, carries out a transaction that is manifestly harmful to them, they are deemed to have carried it out while their decision-making ability was impaired.

Subchapter 2

Residence and Place of Business

§ 14. Residence and change of residence

- (1) A person's residence is a place where they live, permanently or primarily.
- (2) A person may have their residence in several places simultaneously.
- (3) A person's residence is deemed to have changed when the person moves elsewhere in a manner that warrants the conclusion that a change of residence was intended.
- (4) Where the person's residence cannot be determined, they are deemed to have their residence at the place where they are at the relevant time.

§ 15. Residence of a minor or ward

- (1) The residence of the parents or legal guardian of a minor of limited active legal capacity is deemed to be also the residence of the minor. Where the parents live apart, the minor's residence is the residence of the parent with whom the minor resides.
- (2) Where a minor of limited active legal capacity lives separately from their parents or legal guardian, the place where the minor permanently or primarily resides may, with the consent of a parent or of the guardian, be deemed the minor's residence.
- (3) Where the ward is a person of full age but limited active legal capacity, the residence of their legal guardian is deemed their residence. With the guardian's consent, such a person's residence may be the place where the person permanently or primarily lives.

§ 16. Place of business

A person's place of business is the place where the person pursues their permanent and ongoing economic or professional activities.

Subchapter 3

Missing Persons; Declaring a Person Legally Dead

§ 17. Missing persons

A person is deemed to be missing if there is no information concerning their whereabouts – or whether they are dead or alive – for such a prolonged period that under the circumstances there are serious doubts about their being alive.

§ 18. Conservatorship of a person's property

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(1) The court may place a missing person's property under conservatorship on a petition of an interested party if this is in the interests of the missing person or of the person's dependants. Property may be placed under conservatorship also where it belongs to a person who, due to circumstances, is unable to attend to, or make disposals concerning, their property.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(2) The conservator must act in the interests of the missing person, administer the person's property prudently and ensure its preservation. Out of such property, the conservator provides maintenance to any person whom the missing person is required by law to maintain and pays the missing person's debts.

(3) The conservator of the missing person's property may possess, use and dispose of the person's property on the terms set by the court. The conservator may dispose of a real right of the missing person strictly with the authorisation of the court.

[RT I 2010, 38, 231 – entry into force 01.07.2010]

(4) The right of disposal held by the conservator of the missing person's property does not prejudice or preclude disposal by the missing person themselves.

(5) When a missing person returns or their whereabouts are ascertained, the court discharges the conservatorship of their property.

(6) When the conservatorship is discharged, the conservator is required to report on the administration of the property to the person whose property they administered.

§ 19. Declaring a person legally dead

(1) On a petition of an interested party, the court may declare a missing person legally dead, provided there has been no information for five years of the person's being alive.

(2) Where the date of receipt of the last information concerning the missing person's being alive cannot be ascertained, the time limit mentioned in subsection 1 of this section is counted from the first day of the month following the month during which the last information was received – or, if the month cannot be ascertained, from the first day of the following year.

(3) Where a person goes missing in a situation that involves a danger to their life or, for other reasons, warrants the presumption that they have perished in an accident, the person may be declared legally dead when six months have elapsed from the time that they went missing.

(4) Where a person goes missing in a situation that involves military operations or a natural disaster but does not involve the circumstances mentioned in subsection 3 of this section, such a person may be declared legally dead provided there has been no information of the person's being alive for two years following the end of the operations or disaster.

(5) Where a person has been declared legally dead, they are presumed to have died.

§ 20. Time of death of the person declared legally dead

(1) The presumed time of death of the person declared legally dead is deemed to be their time of death.

(2) Where the person's presumable time of death cannot be ascertained, the time of their death is deemed to be the end of the first year following the year during which the last information was received about the person's being alive.

(3) Where a person is declared legally dead under subsection 4 of § 19 of this Act, their time of death is deemed to be the time when the military operations or natural disaster ended.

(4) Where several persons go missing under the circumstances mentioned in subsection 3 of § 19 of this Act and the actual time of their death cannot be ascertained, they are deemed to have died at the same time.

§ 21. Where a person declared legally dead is found to be alive

(1) Where a person who was declared legally dead is actually alive, no legal consequences arise for the person from their having been declared legally dead, unless otherwise provided for by law.

(2) Where a person who has been declared legally dead returns or where it is ascertained that they are alive, the court sets aside the declaration of their legal death.

§ 22. Ascertainment of death

Where no record of death has been created or the death has not been recorded in the Population Register, yet under the circumstances there is no doubt as to the person's having died, the court may ascertain the person's death and the time of their death. In such a situation, the person is presumed to have died at the time stated in the court order.

[RT I 2009, 30, 177 – entry into force 01.07.2010]

§ 23. Amending the time of death

Where, after a person was declared legally dead, the actual time of their death becomes known, the court may amend the time of the person's death.

Chapter 2

Legal Persons

§ 24. Legal person: definition

‘Legal person’ means a legal subject founded on a basis provided by law. A legal person is either a private legal person or a public legal person.

§ 25. Private legal persons and public legal persons

(1) ‘Private legal person’ means a legal person founded in private interests on a basis provided by the law concerning that type of legal person.

[RT I, 13.03.2014, 3 – entry into force 01.01.2018]

(2) ‘Public legal person’ means the State, the municipality or any other legal person founded in the public interest under the law concerning the legal person in question.

(3) The provisions concerning legal persons apply to the State and the municipalities insofar as not otherwise provided for by law.

(4) A public legal person may not hold civil rights or obligations that are contrary to its aims.

§ 26. Passive legal capacity of legal persons

(1) The passive legal capacity of a legal person is the capacity to have civil rights and perform civil obligations. A legal person may hold all civil rights and obligations, except those that are attributable exclusively to humans.

(2) The passive legal capacity of a private legal person arises when the legal person has been recorded in the register prescribed by law.

(3) The passive legal capacity of a public legal person arises at the time provided by law.

§ 27. Duration of legal persons; contesting the founding of a legal person

(1) Unless otherwise provided by law, a legal person is founded for an unspecified period.

(2) Where a private legal person has been recorded in the register, its memorandum of association or foundation resolution is deemed to be valid also if the memorandum was executed or the resolution adopted under circumstances that render the memorandum or resolution void. Once the private legal person has been recorded in the register, its memorandum of association or foundation resolution can no longer be declared void.

§ 28. Legal person’s articles of association

(1) A private legal person has articles of association or, in situations provided for by law, a partnership agreement.

(2) A public legal person has articles of association if this is provided for by the law concerning the legal person in question.

§ 29. Legal person’s seat and place of business

(1) Unless otherwise provided by law, the seat of the public legal person is the place where its management board, or the body that substitutes for the management board, is located.

[RT I, 20.04.2017, 1 – entry into force 15.01.2018]

(1¹) Unless otherwise provided by law, the seat of the private legal person is a location in Estonia that is identified in the legal person's partnership agreement or articles of association.

[RT I, 20.04.2017, 1 – entry into force 15.01.2018]

(2) The legal person’s place of business is the place where the person engages in its permanent and ongoing economic activity, or in any other activity provided for in its articles of association.

§ 30. Legal person’s name

A legal person has a name that must distinguish it from other persons.

§ 31. Legal person’s statutory bodies

(1) Unless otherwise provided by law, the statutory bodies of a private legal person are the general meeting and the management board.

(2) The body to manage the affairs of the private legal person is the management board. Where the law provides for the existence of a supervisory board, the supervisory board is also a management body.

(3) The powers of a statutory body of the private legal person are prescribed by law and by the articles of association or the partnership agreement. The power of the legal person's statutory body may not be assigned to any other such body or to any other person.

(4) The statutory bodies of a public legal person, and the powers of such bodies, are prescribed by law.

(5) The actions of the legal person's statutory body are deemed the actions of the legal person.

(6) Unless otherwise provided for by law, a member of the legal person's statutory body may not delegate any rights that, by virtue of membership of the body, are vested in them by law.

(7) Unless otherwise provided by law, only natural persons of full active legal capacity may serve as members of a legal person's management board or of the body that substitutes for the management board.

§ 32. Principle of good faith in relations between shareholders or members

The legal person's shareholders or members and the members of the persons' management bodies must, in relations between them, observe the principle of good faith and consider each other's legitimate interests.

§ 33. Casting a vote

(1) Casting a vote in adoption of a resolution of a body of a legal person is a manifestation of intention. The provisions of law concerning transactions apply to voting.

(2) Where the casting of a vote is void or where a vote has been voided, the vote is deemed not to have been cast as part of the voting held on the resolution.

(3) Where the casting of a vote is void or where a vote has been voided, invalidity of the resolution of the legal person's body may be sought under § 38 of this Act only if the votes in question had an effect on the possibility of adoption or substance of the resolution.

(4) Conclusion of agreements concerning the casting of votes is permitted unless otherwise provided for by law. Violation of the agreement has no effect on the validity of the vote cast.

§ 33¹. Participating in a meeting of a statutory body by electronic means

(1) Unless otherwise provided for by law or by the articles of association, a member of a legal person's statutory body may participate in a meeting of such a body, and exercise their rights by electronic means without being physically present at the meeting, having recourse to two-way real-time communication or to other similar electronic means that allow the member, while at a remote location, to follow, and speak at, the meeting and to vote on any resolutions that have been tabled.

(2) A meeting held by electronic means is subject to the provisions applicable to the adoption of resolutions at a meeting of the statutory body in question.

[RT I, 23.05.2020, 2 – entry into force 24.05.2020]

§ 34. Representing the legal person

(1) Unless otherwise provided by law, the legal person's management board – or the body that substitutes for the management board – is deemed to be the statutory representative of the legal person in relations with other persons.

(2) To carry out a transaction, the legal person may be represented by any member of its management board, or of the body that substitutes for the management board, unless the law or the articles of association prescribe that all or several of the members of the board or body may only represent the legal person jointly (joint representation). In the case of joint representation, the members of the board or body may delegate to one or several among themselves the authority to carry out certain transactions or certain types of transaction.

(3) For private legal persons, joint representation is valid with regard to third parties only if a corresponding entry has been made in the relevant register.

(4) Any limitations of the scope of the authority of representation that are not mentioned in this section are not valid with regard to third parties unless otherwise provided by law.

§ 35. General duties of members of a legal person's management body

The members of a legal person's management body must perform the duties that are incumbent on them by law or under the articles of association with the diligence normally expected from a member of a management body and must be loyal to the legal person.

§ 36. Duty to file a bankruptcy petition

Where it is manifest that the legal person is permanently insolvent, the members of the management board or of the body substituting the management board must file a bankruptcy petition.

§ 37. Liability of members of a legal person's management body

(1) Members of a legal person's management body who, by violating their duties, have caused harm to the legal person, are jointly and severally liable to the legal person. A member is not liable if they acted under a lawful resolution of the general meeting or of any other competent body of the legal person.

(2) A claim for compensation, to the legal person, of the harm mentioned in subsection 1 of this section may also be made by the person's creditor if the creditor cannot obtain satisfaction of their claim from the legal person's property. Where the legal person has been declared bankrupt, the claim may be filed in the name of the person strictly by the trustee in bankruptcy.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

(3) A creditor has a right to file the claim mentioned in subsection 2 of this section also where the legal person has waived its claim against the member of the management body or has concluded a compromise agreement with that member. The creditor has a right to file the claim also if the liability of the member has been limited in comparison with what has been provided for by law.

[RT I 2003, 13, 64 – entry into force 01.07.2003]

(4) The limitation period for filing a claim against a member of the legal person's management body is five years from violation of the duty.

§ 38. Invalidity of a resolution of a legal person's statutory body

(1) An interested party may seek judicial declaration of invalidity in respect of a resolution that was adopted by the legal person's statutory body and that is contrary to law or to the person's articles of association. A declaration of invalidity may also be sought where, when the resolution was adopted, a shareholder or member of the legal person used their voting rights in order to create advantages for themselves or for a third party to the disadvantage of the legal person or of the other shareholders or members, and the resolution permits to achieve that aim.

(2) A resolution of the legal person's statutory body is void where this has been directly provided by law as the consequence or where the resolution is contrary to good morals, violates a provision of law enacted for the protection of the legal person's creditors or out to any other public-interest considerations, or where, when adopting the resolution, the rules regulating its adoption were materially violated. An interested party can rely on the resolution's voidness when the court has declared it to be void.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(3) [Repealed – RT I 2005, 39, 308 – entry into force 01.01.2006]

(4) The court claim to invalidate a resolution of a legal person's statutory body is filed against the legal person. A member of the body who participated in the adoption of the resolution may seek a declaration of invalidity only if their objection to the resolution has been entered in the record of proceedings.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(5) The limitation period for a claim to invalidate a statutory body's resolution is three months following its adoption. Invalidation cannot be sought if the body has approved the resolution by a new resolution and the court claim mentioned in subsection 1 of this section has not been filed within the time limit mentioned in the previous sentence.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(6) The court does not consider the court claim seeking a declaration of invalidity regarding a resolution of a legal person's statutory body before the time limit mentioned in subsection 5 of this section has expired. Different court claims seeking invalidation of the same resolution are joined for purposes of proceedings.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(7) The voidness of the resolution of a legal person's statutory body may be relied on in judicial proceedings by filing a court claim or an objection. The voidness cannot be relied on if an entry has been made in a public register based on the resolution and two years have passed from the date on which it was made.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(8) The judgment by which a resolution of a legal person's statutory body is declared invalid or void applies to all members of the legal person and of the person's statutory body regardless of whether or not they participated in judicial proceedings. Where, under the resolution that the court declared invalid or void, an entry had been made in a public register, the court sends a copy of the judgment to the registrar for the entry to be amended. [RT I 2005, 39, 308 – entry into force 01.01.2006]

§ 39. Dissolution of legal persons

A legal person is dissolved:

- 1) by resolution of the general meeting or other competent body;
- 2) by resolution of the person, statutory body or authority in whom the right to dissolve the public legal person has been vested by law;
- 3) on achievement of the aim provided by law, by the articles of association or by the partnership agreement;
- 4) where the legal person was founded for a specified period of time – on expiry of that period;
- 4¹) [Repealed – RT I, 06.12.2010, 1 – entry into force 05.04.2011]
- 5) [Repealed – RT I 2008, 59, 330 – entry into force 01.01.2009]
- 6) [Repealed – RT I 2008, 59, 330 – entry into force 01.01.2009]
- 7) by judicial order on the person's compulsory dissolution; [RT I 2008, 59, 330 – entry into force 01.01.2009]
- 8) on any other grounds prescribed by law, by the articles of association or by the partnership agreement.

§ 40. Compulsory dissolution of legal persons

(1) A legal person is dissolved by court order on an application of the Minister in charge of the policy sector or of any other person or authority in whom the corresponding power has been vested by law (compulsory dissolution) if:

[RT I 2005, 39, 308 – entry into force 01.01.2006]

- 1) the aim or actions of the legal person are contrary to law, public order or good morals;
- 2) the legal person was founded in material violation of the law – or if the memorandum of association was executed or the foundation resolution was adopted under circumstances that render the memorandum or resolution invalid – and the violation in question cannot be eliminated subsequently;
- 3) the legal person's articles of association are, to a material degree, contrary to law;
- 4) the legal person does not comply with the requirements established for the person by law;
- 5) the membership of the legal person's management board or of the body substituting the management board does not meet the requirements of the law, first and foremost if the mandate of the board or substituting body ended more than two years ago and the new board or substituting body has not been elected; [RT I, 05.05.2022, 1 – entry into force 01.02.2023]
- 6) another ground provided by law is present.

(2) Where it is manifest that the defect that constitutes the ground for compulsory dissolution can be cured, or the circumstance that constitutes such a ground can be eliminated, the court first sets the legal person a time limit to cure the defect or eliminate the circumstance.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(3) Unless otherwise provided for by law, the court may also decide a compulsory dissolution of its own motion.

§ 41. Liquidation

(1) When the decision has been made to dissolve the legal person, the person is liquidated unless otherwise provided by law. In bankruptcy proceedings, the person is liquidated according to the rules provided for those proceedings.

(2) Unless otherwise provided by law, by the articles of association or by the partnership agreement, liquidation is arranged by the liquidators who are the members of the legal person's management board or of the body that substitutes for the management board. Where compulsory dissolution has been ordered, the liquidators are appointed by the court. Liquidation ends the authority of the management board or of the body that substitutes for the board.

(3) Liquidators have the rights and duties of the management board or of the body that substitutes for the management board insofar as these are not contrary to the aims of liquidation. Liquidators are liable for violation of their duties under the rules that govern similar liability of members of the management board.

(4) Liquidators terminate the activities of the legal person, collect its debts, sell its property, satisfy the creditors' claims and distribute the remaining property among the persons entitled to receive it. Liquidators may only perform operations that are needed to liquidate the legal person.

(5) During liquidation, the legal person is represented by the liquidators who may represent the person in the carrying out of any transaction. Where the legal person has several liquidators, they may only represent the person jointly. The liquidators may authorise one or several from among themselves to carry out certain transactions or certain types of transaction.

(6) Liquidators who have not been appointed by the court may be recalled under the rules that apply to members of the management board.

(7) On a motion of an interested party, the court may recall a liquidator where a valid reason is present regardless of the ground on which the legal person was dissolved. In such a situation, the court appoints a new liquidator.

(8) During liquidation, the note *likvideerimisel*[in liquidation] must be added to the legal person's name.

§ 42. Liquidation notice and the filing of claims

(1) The liquidators, without delay, publish a notice in the official publication *Ametlikud Teadaanded*² concerning liquidation of the legal person.

(2) The liquidation notice must state that the creditors should file their claims against the legal person within four months following publication of the notice. Where the legal person's name has been changed during two years preceding publication of the notice, the notice must also state the person's previous names.

(3) The liquidators must send the liquidation notice to any known creditors.
[RT I 2003, 78, 523 – entry into force 27.12.2003]

§ 43. Satisfaction of claims and distribution of property

(1) Unless otherwise provided by law, any property that the legal person retains after the claims of the creditors have been satisfied may be distributed between the persons who are entitled to receive it by law or under the articles of association or the partnership agreement. Property may not be distributed earlier than six months from publication of the liquidation notice.

(2) Where a known creditor has not filed their claim, the money that belongs to them is deposited.

(3) Where an obligation cannot be performed during liquidation or where judicial proceedings are pending concerning a claim, the remaining property may be distributed between the entitled persons only if a sufficient security has been provided to the creditor.

(4) Where a legal person is subjected to compulsory dissolution on account of its aims or actions' being prohibited by provisions of criminal law, or on account of those aims or actions being contrary to public order or good morals, any property of the legal person that remains after satisfaction of the creditors' claims passes to the State.

§ 44. Filing a bankruptcy petition

Where the property of the legal person undergoing liquidation is insufficient to satisfy the claims of the creditors, the liquidators must, without delay, file a bankruptcy petition.

§ 45. Legal person: end of existence

(1) When the claims of the private legal person's creditors have been satisfied, money has been deposited, security has been provided and any remaining property has been distributed between the persons entitled to receive it, the liquidators file an application for removal of the legal person from the register.

(1¹) The private legal person is not removed from the register if it participates, as a party to proceedings, in a case in which judicial proceedings are pending, or in criminal proceedings as the suspect, the accused, the third party or the civil defendant, or in misdemeanour proceedings as the person subject to proceedings, or in enforcement proceedings or in arbitration proceedings, and the person's removal from the register would interfere with those proceedings. Where the person is deemed to have been dissolved due to abatement of the proceedings on the bankruptcy petition or of bankruptcy proceedings, its removal from the register is not carried out strictly in the situation where it is a party to proceedings in a pending criminal case – except where removal is authorised by the proceedings authority. The liquidators must certify, in the application for the person's removal from the register, that there are no impediments to the removal.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

(2) When a private legal person that does not hold any property has been removed from the register, the person's existence ends.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

(3) A public legal person is dissolved following the rules provided by law.

§ 46. Preservation of documents

(1) The documents of a legal person that has been dissolved are handed over for safekeeping to the liquidator or to a third party. Unless otherwise provided by law, the documents are preserved for ten years.

(2) Where the legal person had been recorded in a register, the name and residence or seat as well as e-mail address of the person to whom its documents were entrusted for safekeeping is entered in the register.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

§ 47. Merger, division and reorganisation

The merger, division and reorganisation of a legal person is permitted only in situations and following the rules provided by law.

Part 3 Property Objects

§ 48. Property objects: definition

Property objects are items of property, rights and any other protected interests in which rights may be held.

§ 49. Item of property: definition

(1) An item of property is a corporeal object.

(2) In situations provided for by law, provisions concerning items of property apply to rights.

(3) Unless otherwise provided by law, animals are subject to provisions applicable to items of property.

§ 50. Items of immovable and movable property

(1) An item of immovable property is a delimited area of land (plot of land).

(2) Where an item of property is not an item of immovable property, it is an item of movable property.

(3) In situations provided for by law, provisions governing immovable property apply to movable property.

§ 51. Fungibles

(1) Items of movable property are fungibles if, for the purposes of circulation, they are identified by their number, dimensions or weight and lack characteristics by which they could be distinguished from other items of that type.

(2) Where this is intended by the parties, a fungible item may be deemed, insofar as the parties are concerned, to have a property that is characteristic of non-fungible items, and vice versa.

§ 52. Consumables

(1) Items of movable property are consumables if, on their intended use, they cease to exist or are transferred to another person.

(2) Items of movable property that belong to a set of items whose intended use consists in the transfer of individual items to another person are also deemed consumables.

§ 53. Integral part

(1) A component is an integral part of an item of property where it cannot be separated from the item without the item's or the component's being destroyed or substantively changed.

(2) An item of property and its integral parts cannot be owned by several different persons. Unless otherwise provided by law, the item and the parts cannot be encumbered by different property rights.

§ 54. Parts of an item of immovable property

(1) The integral parts of an item of immovable property are the items of property that are permanently attached to it such as construction works, standing timber, other vegetation and unharvested fruit.

(2) Construction works and other similar items of property that have been erected on the land of another person as a means of exercising a right and that are permanently attached to the land – as well as objects attached to the land for a temporary purpose – are not part of the item of immovable property.

[RT I, 30.01.2018, 1 – entry into force 01.01.2019]

(3) [Repealed – RT I, 30.01.2018, 1 – entry into force 01.01.2019]

(4) The property rights linked to the item of immovable property are integral parts of the item unless otherwise provided by law.

§ 55. Parts of a construction work

(1) ‘Integral parts of the construction work’ means the supplies from which the work has been built or which are permanently attached to it and which cannot be separated from it without substantial damage to the work or supplies.

(2) Supplies attached to the construction work for a temporary purpose do not constitute parts of that construction work.

§ 56. Part interest

A part interest in an item of property is not delimited in real terms and its magnitude is expressed as a fraction of the item.

§ 57. Accessory

(1) An accessory is an item of movable property that, while not being part of the principal property, serves such property and is related to it through a common economic aim and a corresponding spatial relationship.

(2) An item of property is not an accessory if it is not considered as such for the purposes of circulation.

(3) Unless otherwise provided by law or transaction, any rights and obligations that relate to the principal property also extend to the accessory. An obligation to transfer or encumber an item of property is presumed also to include its accessories.

§ 58. Documents as accessories

Any documents, maps or plans concerning acquisition and possession of an item of property –and, where the item is an item of immovable property, concerning any building work on the item – are the item’s accessories.

§ 59. Accessories of an item of immovable property used in an economic or professional activity

The accessories of an item of immovable property that is used in an economic or professional activity include, among other things, any machines, equipment, tools and other items of movable property that are situated on the immovable property and that are necessary for regular economic or professional activities on the property.

§ 60. Accessories of an item of immovable property serving agriculture purposes

The accessories of an item of immovable property used for agricultural purposes include, among other things, the agricultural implements, machines and animals used for purposes of managing the item, as well as any produce from the plot of land in question that is necessary for continuing such management until the next harvest.

§ 61. When an item ceases to be an accessory

(1) An item of property ceases to be an accessory when it has been separated from the principal property, provided there was, at the same time, an expression by the entitled party of their intention to cease using the accessory in the interests of the principal property.

(2) Where an item is separated from the principal property temporarily, it does not cease to be an accessory.

§ 62. Benefits

(1) ‘Benefits generated by a property object’ means the object’s fruits as well as any advantages conferred by its use (advantage from use).

(2) ‘Natural fruit of an item of property’ means produce obtained from the item by virtue of the forces of nature or with human assistance, as well as income generated by the item due to a legal relationship.

(3) ‘Civil fruit’ means income that the entitled party receives from the right according to its purpose, as well as income generated by the right due to a legal relationship.

(4) Where, for a certain period of time, the person has a right to the fruit of an item of property or of a right, any produce separated from the item and any income received from the right during the period belong to the person. Where the income that is generated is periodical, the entitled party has a right to a part of the fruit that corresponds to their period of entitlement.

§ 63. Costs

Costs incurred in relation to a property object are:

- 1) necessary, where they serve to preserve the object or to protect it from complete or partial destruction;
- 2) useful, where they serve to materially improve the object;
- 3) sumptuary, where they serve, primarily, to confer a comfortable, pleasing or beautiful aspect on the object.

§ 64. Reimbursement of costs on the handing over of fruits

A person who is required to hand over the fruits may claim reimbursement of the costs incurred to obtain such fruits, to the extent that these were necessary for regular management of the item of property and do not exceed the value of the fruits.

§ 65. Value of a property object

Unless otherwise prescribed by law or transaction, the usual value of a property object is deemed to be its value. The usual value of such an object is its average local selling price (market price).

§ 66. Property: definition

Unless otherwise provided for by law, 'property' means the body of monetarily appraisable rights and obligations that belong to the person.

§ 66¹. Business

'Business' means the economic unit through which the person operates.
[RT I 2009, 5, 35 – entry into force 01.07.2009]

Part 4 Transactions

Chapter 3 General Provisions

§ 67. Transaction: definition

(1) 'Transaction' means an operation or a set of related operations that contains a manifestation of intention to bring about a certain legal consequence.

(2) Transactions are unilateral or multilateral. A unilateral transaction is a transaction whose performance requires a manifestation of intention by a single person. A multilateral transaction is a transaction whose performance requires a manifestation of intention by two or more persons. Multilateral transactions are contracts.

§ 68. Types of manifestation of intention

(1) Unless otherwise prescribed by law, the manifestation of intention may be made by any method.

(2) A direct manifestation of intention is one that expressly states the intention to bring about a legal consequence.

(3) An indirect manifestation of intention is one expressed by an act from which the intention to bring about a legal consequence may be inferred.

(4) Silence or omission is deemed to constitute a manifestation of intention where this is provided for by law, by agreement between the parties or by the practice established between them.

(5) Where a person is under an obligation to make a manifestation of intention to a certain effect, such a manifestation may be substituted by a judicial decision that has entered into effect or is enforceable without delay and by which the person is ordered to provide the manifestation.

[RT I 2008, 59, 330 – entry into force 01.01.2009]

§ 69. Making a manifestation of intention

(1) A manifestation of intention addressed to a certain person (recipient) must be expressed by the party making the manifestation and becomes effective when received. A manifestation of intention that is not addressed to a certain person becomes effective when the intention has been manifested.

(2) A manifestation of intention has been received when it has been communicated to the recipient personally. A manifestation of intention addressed to a person who is not present is deemed to have been received when it has arrived at the residence or seat of the recipient and the latter enjoys a reasonable opportunity to acquaint themselves with it.

(3) A manifestation of intention that relates to a contract and that is addressed to a party who is not present is deemed to have been received when it has been delivered to the recipient's place of business that is closest-related to the performance of the contract and the recipient enjoys a reasonable opportunity to acquaint themselves with it. Where the place of business of the recipient cannot be ascertained or where the recipient does not have such a place, the manifestation of intention is deemed to have been received when it has arrived at the place where the recipient has their residence or seat and the recipient enjoys a reasonable opportunity to acquaint themselves with it.

(4) Where a manifestation of intention that was supposed to reach the recipient within a certain period of time reaches the recipient belatedly, the manifestation is deemed to have been received at the proper time if it did not reach the recipient at such time due to circumstances whose risk is borne by the recipient.

(5) A person may make a manifestation of intention to another person also through an enforcement agent following the rules provided by the Code of Enforcement Procedure.

[RT I 2008, 59, 330 – entry into force 01.01.2009]

§ 70. Notification of violation of contract

Where a party to a contract transmits a manifestation of intention to the other party in which it notifies that party that the latter has violated its contractual obligation, and a delay occurs during transmission of the manifestation or the manifestation is lost in transmission, the manifestation is deemed to have been received at the time when it would have been received under normal circumstances, provided the party that relayed it proves that they have expressed it, and have chosen a reasonable method for transmitting it.

§ 71. Content of a manifestation of intention made to a certain person

A manifestation of intention made to a certain person is deemed to have been made with the content that it had when it was received. Where the content of the manifestation suffered alteration due to circumstances whose risk is borne by the recipient, the manifestation is deemed to have been made with the content that it had when it was made.

§ 72. Withdrawing a manifestation of intention

A manifestation of intention is deemed not to have been made where another manifestation of intention withdrawing the initial one reaches the recipient prior to or simultaneously with the initial manifestation.

§ 73. Death or limited active legal capacity of the person who made the manifestation of intention

Unless otherwise provided for by law, the validity of a manifestation of intention remains unaffected by the fact that the person who made the manifestation died, or suffered a limitation of their active legal capacity, after having made it.

§ 74. Manifestation of intention to a person of limited active legal capacity

(1) A manifestation of intention made to a person of limited active legal capacity becomes effective when received by the person's statutory representative.

(2) Where a manifestation of intention does not entail direct civil obligations for the person of limited active legal capacity or where the person's statutory representative has granted consent to the making of the manifestation to the person, the manifestation becomes effective when received by the person.

(3) The provision of subsection 1 of this section notwithstanding, an offer made or acceptance issued to a person of limited active legal capacity becomes effective when received by the person.

§ 75. Interpreting the manifestation of intention

(1) A manifestation of intention made to a certain person must be interpreted according to the intention of the person who made the manifestation, provided the recipient knew or should have known that intention. Where the recipient did not know, nor should have known, the person's actual intention, the manifestation must be interpreted to mean what a reasonable person similar to the recipient would have understood it to mean under the circumstances.

(2) A manifestation of intention that was not made to a certain person must be interpreted according to the intention of the person who made the manifestation. Where such a manifestation was intended for the public, it must be interpreted to mean what a reasonable person would have understood it to mean.

(3) The provisions of subsections 1 and 2 of this section also apply when interpreting any other acts that a person performs and that have legal significance.

§ 76. Restricting or precluding the right of disposal

(1) A person's right to dispose of a property object that belongs to them cannot be precluded or restricted by a transaction.

(2) Where a person's right to dispose of a property object that belongs to them has been precluded or restricted by a transaction and the person disposes of the object, thus violating the obligation arising from the transaction, such a violation does not render the disposal void and the only claim that lies against the person is one that arises from violation of the obligation.

Chapter 4 Form of Transaction

§ 77. Transactions: freedom of form

(1) A transaction may be carried out in any form unless a mandatory form is provided by law.

(2) Where the parties have carried out a transaction in a specific form or have agreed on the form for the transaction, the requirements provided by law for that form are presumed to apply.

(3) Unless otherwise provided by law, a transaction carried out in the form prescribed by law can only be amended in the form in which it was carried out. A transaction carried out in the form prescribed by agreement of the parties may be amended in another form only if so agreed by the parties.

§ 78. Written form

(1) Where the written form is provided by law for a transaction, the transaction instrument must be signed in their own hand by the persons who carried out the transaction – unless otherwise provided by law.

(2) Mechanical copying of the signature is deemed to be equivalent to a signature in the person's own hand only if its use is common for purposes of circulation and the other party does not, without delay, require a signature in the person's own hand.

(3) In the case of a written contract, any written manifestations of intention arising from the contract may be relayed also by any other method that allows such manifestations to be reproduced in writing.

(4) Instead of the written form, a transaction may use notarial authentication or notarial certification.

§ 79. Form reproducible in writing

Where a form reproducible in writing is provided by law for a transaction, the transaction must be carried out by a method that allows for permanent reproducibility in writing and must contain the names of the persons who carried out the transaction, but does not need to include signatures in the persons' own hand.

§ 80. Electronic form

(1) Unless otherwise provided by law, a transaction in the electronic form is deemed to be equivalent to a transaction in the written form.

(2) In order to comply with the requirements for the electronic form, a transaction must:

1) be carried out in a form that allows for permanent reproducibility and

- 2) contain the names of the persons who carried out the transaction and
- 3) be electronically signed by the persons who carried out the transaction.

(3) The electronic signature must be given by a method that allows the signature to be linked to the content of the transaction, the person who carried out the transaction and the time the transaction was carried out. The rules for attributing an electronic signature to a person and for affixing the electronic signature are provided by law. The digital signature is a type of electronic signature.

§ 81. Notarial certification of transactions

(1) Where notarial certification of a transaction is provided for by law, the transaction document must be created in writing and the signature of the person carrying out the transaction must be certified by the notary. In situations provided for by law, the signature on the transaction document may be certified by another person in the stead of the notary.

- (2) Notarial certification of the transaction may be substituted by notarial authentication.

§ 82. Notarial authentication of transactions

In situations prescribed by law or by agreement of the parties, transactions must be authenticated by a notary. The right to authenticate transactions is vested in Estonia's notaries. In situations provided for by law, the right of notarial authentication of transactions is also vested in another person in the stead of the notary.

§ 83. Failure to comply with required form of transaction

(1) Failure to comply with the form provided for a transaction by law renders the transaction void unless a different outcome is provided for by law or by the purpose for which the form is required.

(2) Failure to comply with the form agreed upon renders the transaction void unless a different outcome is provided for by law or by agreement of the parties.

Chapter 5 Invalidity of Transactions

Subchapter 1 Void Transaction

§ 84. Void transaction

(1) From inception, a void transaction has no legal consequences. Unless otherwise provided by law, anything received under such a transaction is to be returned in accordance with the law of unjustified enrichment.

(2) Where a void transaction shows the elements of a transaction that is not void, the latter transaction is deemed valid provided it can be presumed that the parties would have carried out the latter transaction if they had known that the initially intended transaction was void.

(3) Where the circumstances rendering a transaction void cease to be present, the person who carried out the transaction may manifest their wish to render the transaction valid (validation). Where the transaction is a multilateral one, all parties must validate it.

(4) A transaction that has been validated has validity as of the time of validation. Where the parties validate a void multilateral transaction, it is presumed that they must hand over to each other that which they would have acquired if the transaction had been valid from inception.

§ 85. Partially void transaction

Where a part of the transaction is void this does not render its other parts void provided the transaction is divisible and it may be presumed that the transaction would have been carried out also without the part that is void.

§ 86. Transaction contrary to good morals or public order

(1) A transaction that is contrary to good morals or public order is void.
[RT I 2009, 18, 108 – entry into force 01.05.2009]

(2) A transaction is contrary to good morals, among other things, when a party knows or must know at the time of carrying out the transaction that the other party carries out the transaction due to an exceptional need, a relationship of dependency, inexperience or other similar circumstance, and provided that:

- 1) the transaction has been carried out under conditions that are extremely unfavourable for the other party or

2) the value of mutual obligations arising for the parties is out of proportion to a degree that is contrary to good morals.

[RT I 2009, 18, 108 – entry into force 01.05.2009]

(3) If the value of mutual obligations referred to in clause 2 of subsection 2 of this section is unreasonably out of balance to a degree that is contrary to good morals, it is presumed that the party knew or should have known of the other party's exceptional need, relationship of dependency, inexperience or other similar circumstance.

[RT I, 12.03.2015, 5 – entry into force 01.07.2015]

(4) [Repealed – RT I, 12.03.2015, 5 – entry into force 01.07.2015]

§ 87. Transaction contrary to law

A transaction contrary to a prohibition provided by law is void if the purpose of the prohibition is to render the transaction void in the event the prohibition is violated, in particular if the law provides that a certain legal consequence must not arise.

§ 88. Transaction violating a restraint on disposal

(1) A disposal that violates a restraint imposed by the court or by any other authority or official who has been vested with the corresponding power by law is void. This also applies where a disposal that violates the restraint mentioned in the preceding sentence has been made in enforcement proceedings, for interim relief in relation to a court claim or by a trustee in bankruptcy.

(1¹) Where the right to dispose of a person's right that is recorded in the Land Register has been restrained in favour of a certain person, the provisions of subsection 2 of § 56¹ of the Law of Property Act apply.

[RT I 2008, 59, 330 – entry into force 01.01.2009]

(2) The provisions of subsection 1 of this section do not apply to the exercise of property rights that arose before the restraint on disposal was imposed.

[RT I 2008, 59, 330 – entry into force 01.01.2009]

§ 89. Ostensible transaction

(1) 'Ostensible transaction' means a transaction in relation to which the parties have agreed that the manifestations of intention that they made to carry out that transaction do not have the legal consequences corresponding to the volition that was manifested – for the reason that the parties intend to create an impression of the transaction's existence, or to conceal the transaction they actually intend to carry out.

(2) The ostensible transaction is void.

(3) Where the ostensible transaction is carried out to conceal another transaction, the provisions that govern the other transaction apply to the concealed transaction.

Subchapter 2 Declaring a Transaction Void

§ 90. Declaring a transaction void: definition

(1) A transaction carried out under the influence of a material mistake, fraud, threat or violence may be declared void following the rules provided by law. The law may provide other grounds for declaring a transaction void. Where a transaction has been declared void on the grounds and following the rules provided by law, the transaction is invalid from inception.

[RT I 2009, 18, 108 – entry into force 01.05.2009]

(2) Unless otherwise provided by law, anything received under a transaction that was declared void must be returned in accordance with the law of unjustified enrichment.

(3) A transaction may be declared partially void if the transaction is divisible and it may be presumed that the transaction would have been carried out also without the part declared void.

§ 91. Person's awareness of grounds for declaring the transaction void

Where a person knew or should have known of the ground for declaring the transaction void, and the transaction is declared void, they are deemed to have known that the transaction was invalid.

§ 92. Mistake

(1) 'Mistake' means an erroneous conception regarding actual facts.

(2) A transaction is carried out under the influence of a material mistake if the importance of the mistake – when carrying out the transaction – was such that a reasonable person similar to the person who carried out the transaction would not have carried it out in a similar situation or would have carried it out under materially different terms.

(3) A person who carried out a transaction under the influence of a material mistake may declare the transaction void if:

- 1) the mistake was caused by circumstances disclosed by the other party to the transaction – or by non-disclosure of circumstances by that party, if disclosure was required under the principle of good faith;
- 2) the other party knew or should have known of the mistake and leaving the mistaken party in error was contrary to the principle of good faith;
- 3) the other party to the transaction carried out the transaction assuming the same erroneous facts, except where, under a correct conception regarding the circumstances, that party could have presumed that the mistaken party would have carried out the transaction, even if it had known about the mistake.

(4) In the case of a unilateral transaction, the person for whom the manifestation of intention contained in the transaction is intended and the person to whom rights accrue under the transaction is deemed to be the other party within the meaning of subsection 3 of this section.

(5) The person who carried out the transaction may not declare the transaction void if, considering the circumstances under which the transaction was carried out, and its content, the risk of the mistake was theirs to bear.

§ 93. Amending a contract voidable due to a mistake

(1) Where a party has a right to declare the contract void due to a material mistake but the other party performs the contract or gives notice of its intention to perform the contract as it was understood by the party entitled to void it, the contract is deemed to have been concluded as understood by the mistaken party. When it receives the notice, the mistaken party loses the right to declare the contract void.

(2) Where the other party, having received a manifestation voiding the contract, without delay performs the contract or gives notice of its intention to perform the contract as it was understood by the party who voided it, the manifestation voiding the contract is rendered ineffective.

(3) Where both parties were mistaken concerning the same circumstances, either party may require the contract to be brought into conformity with what would have been agreed upon had the parties not been mistaken.

§ 94. Fraud

(1) 'Fraud' means intentionally misleading a person – or leaving them in error – by misrepresenting the circumstances in order to induce the person to carry out a transaction.

(2) Omission to notify circumstances to the other party where those circumstances should have been notified to that party by virtue of the principle of good faith – or the making of representations that are offered as true without the representing party's having verified their truth, and with the representations subsequently being revealed as false – is deemed to be equivalent to misrepresentation of circumstances.

(3) The person who carried out the transaction may declare it void if the transaction was carried out under the influence of fraud.

(4) Where fraud was committed by a third party for whom the other party to the transaction is not responsible, the party influenced by the fraud may declare the transaction void if the other party was or should have been aware of the fraud. Where the other party was not, nor should have been, aware of the fraud, the transaction may be declared void if a right accrued under the transaction to the third party who committed the fraud.

(5) In the case of a unilateral transaction, the person for whom the manifestation of intention contained in the transaction is intended – as well as the person to whom a right accrues under the transaction – are deemed to be the other party to the transaction within the meaning of subsection 4 of this section.

§ 95. Duty of notification

In order to ascertain whether circumstances must be notified to the other party in situations mentioned in §§ 92 and 94 of this Act, consideration must be given, above all, to whether the circumstances are manifestly important for the other party, to any specialised knowledge that the parties possess, to reasonable opportunities available to the other party to obtain the necessary information and to the amount of necessary costs that the other party has to incur in order to obtain the information.

§ 96. Threat and violence

(1) A person who carried out a transaction under the influence of an unlawful threat or of violence may declare the transaction void provided that, under the circumstances, the threat or violence was so direct and serious as to leave the person who carried out the transaction no reasonable alternative. Consideration must be given, above all, to who the person using the threat or violence – and who the other party to the transaction – is, and to the situation in which the threat or violence was used.

(2) The threat is unlawful if:

- 1) the act or omission with which the person who carried out the transaction was threatened is unlawful;
- 2) the aim of the transaction carried out under the influence of the threat is unlawful;
- 3) the use of the act or omission with which the person was threatened to influence them to carry out the transaction is unlawful.

§ 97. [Repealed – RT I 2009, 18, 108 – entry into force 01.05.2009]

§ 98. Rules for declaring the transaction void

(1) The transaction is declared void by making a corresponding declaration to the other party. Where there is no other party, the transaction is declared void by making a corresponding declaration to the public.

(2) The right to declare the transaction void passes to a legal successor or, in situations provided for by law, to another person.

§ 99. Time limits for declaring the transaction void

(1) The transaction may be declared void:

- 1) where a threat or violence was used, within six months following the time when the influence of the corresponding circumstance ceased;

[RT I 2009, 18, 108 – entry into force 01.05.2009]

- 2) where fraud or mistake occurred, within six months following the time when the person learned of the fraud or mistake.

(2) Regardless of the provisions of subsection 1 of this section, the transaction may not be declared void after three years have elapsed from the time when it was carried out. Where the ground for declaring the transaction void is fraud or violence, the time limit provided by this subsection extends to ten years.

(3) The time limits provided by subsections 1 and 2 of this section become suspended on the grounds and for the periods mentioned in §§ 163, 165 and 166 of this Act.

§ 100. Validating the transaction

(1) The right to declare a transaction void is extinguished when the person entitled to void the transaction validates it. Validation does not need to be in the same form as the transaction. Where the person who is entitled to declare the transaction void, while aware of the grounds for voiding it, performs the transaction, the transaction is deemed to have been validated.

(2) Where the transaction was carried out under the influence of a threat or of violence, validation is effective only if granted after the circumstances that influenced the carrying out of the transaction have ceased to be present.

[RT I 2009, 18, 108 – entry into force 01.05.2009]

(3) Where a party to the transaction makes a proposal to the other party, after the time limit for declaring the transaction void has begun to run, to validate or void the transaction, the right to void the transaction is extinguished if the person entitled to void it does not give notice within a reasonable period following receipt of the proposal of whether they elect to void the transaction.

§ 101. Compensation for harm

(1) The person who declares the transaction void on the grounds and following the rules provided by this Subchapter may require the other party to compensate them for the harm suffered. The purpose of compensation for harm is to put the person who voided the transaction in the same position in which the person would have been if the person had not carried out the transaction.

(2) The other party to the transaction is not required to compensate for harm if that party did not know, nor should have known, of the mistake, fraud, threat or violence.

Chapter 6

Conditional Transactions

§ 102. Transaction including a suspensive or resolutive condition

- (1) 'Conditional transaction' means a transaction that is carried out with a suspensive or resolutive condition.
- (2) A transaction is carried out with a suspensive condition where realisation of the legal consequences envisaged by the transaction is contingent upon an uncertain event (suspensive condition).
- (3) A transaction is carried out with a resolutive condition where the end of the legal consequences envisaged by the transaction is contingent upon an uncertain event (resolutive condition).

§ 103. Transaction including several suspensive or resolutive conditions

Where several mutually dependent conditions have been set by the transaction, fulfilment of all the conditions is required for the realisation or end of the legal consequences envisaged by the transaction. If the conditions have been set as disjunctive, fulfilment of at least one is required.

§ 104. Hindering or promoting fulfilment of the condition

- (1) The condition is deemed to have been fulfilled also where its fulfilment was hindered contrary to the principle of good faith by the party who stands to lose from the fulfilment.
- (2) The condition is deemed not to have been fulfilled where its fulfilment was promoted contrary to the principle of good faith by the party who stands to win from the fulfilment.

§ 105. Time of creation and extinguishment of rights and obligations

- (1) Under a transaction carried out with a suspensive condition, the rights and obligations envisaged by the transaction are created – and, under a transaction carried out with a resolutive condition, extinguished – on fulfilment of the condition.
- (2) Where a transaction prescribes that, on fulfilment of the relevant condition, the rights and obligations envisaged by the transaction are created or extinguished at a specified time prior to such fulfilment, the parties must, when the condition is fulfilled, perform the obligations arising from the transaction as of the time specified by the transaction.

§ 106. Disposals during the period of pendency

- (1) 'Period of pendency' means the period of time from the carrying out of the transaction until fulfilment of the condition or until the impossibility of such fulfilment becomes manifest.
- (2) A disposal made during the period of pendency by a person who has carried out a conditional transaction is rendered void on fulfilment of the condition insofar as the disposal precludes or restricts realisation of the legal consequence linked to the condition. A disposal that precludes or restricts realisation of the consequence is also void when made in enforcement proceedings, in the course of interim relief in relation to a court claim or by a trustee in bankruptcy.
- (3) The provisions of subsection 2 of this section do not restrict or preclude any rights acquired by third parties in good faith.
[RT I 2003, 78, 523 – entry into force 27.12.2003]

§ 107. Compensation for harm

- (1) Where a transaction has been carried out with a suspensive condition, the party whose rights are contingent on fulfilment of the condition may demand compensation for harm from the other party upon such fulfilment if the right contingent on the condition does not arise or does not arise as prescribed owing to circumstances due to the other party.
- (2) Where a transaction has been carried out with a resolutive condition, the right to claim compensation for harm lies with the party who stands to win from restoration of the previous legal situation.

§ 108. Impossible condition

- (1) A condition is impossible where, at the time of carrying out the transaction, it is known that the condition will not be fulfilled.
- (2) Where creation of the rights or obligations envisaged by a transaction is made contingent on an impossible condition, the transaction is void.

(3) Where the ceasing of the rights or obligations envisaged by a transaction is made contingent on an impossible condition, the transaction is deemed to have been carried out without that condition.

§ 109. Condition that is contrary to law

(1) Where a suspensive condition contained in a transaction is contrary to law, good morals or public order, the transaction is void.

(2) Where the ceasing of the rights or obligations envisaged by a transaction is made contingent on a condition that is contrary to law, public order or good morals, the transaction is deemed to have been carried out without that condition.

§ 110. Determining the due date

Where a due date has been prescribed for creation or ceasing of the legal consequences envisaged by the transaction, the provisions of this Chapter concerning suspensive or resolutive conditions apply accordingly.

Chapter 7 Consent to Carry out a Transaction

§ 111. Manifestation of consent

(1) Where the validity of a transaction is contingent on the consent of a third party, the third party may manifest their consent or their refusal to grant it to the person who carried out the transaction or, in the case of a multilateral transaction, also to a party to the transaction. Consent may be granted prior to the carrying out of the transaction or afterwards (ratification).

(2) Where the law prescribes a certain form for a transaction, consent for carrying out the transaction must be in that form. In the exercise of public authority, an administrative authority grants its consent in the form provided for by § 55 of the Administrative Procedure Act (RT I 2001, 58, 354; 2002, 53, 336; 61, 375).
[RT I 2003, 13, 64 – entry into force 01.07.2003]

§ 112. Revocability of prior consent

Prior consent may be revoked until the carrying out of the transaction unless the person who granted the consent has waived their right to revoke it when the consent was granted. The declaration by which the consent is revoked may be made to the person who intends to carry out the transaction or, in the case of a multilateral transaction, also to a party to the transaction.

§ 113. Retroactive effect of ratification

Unless otherwise provided for by law or agreement of the parties, the legal consequences of ratification, once it has taken place, apply from the time the transaction was carried out.

§ 114. Disposal by a person lacking authority

(1) Where a person lacking the relevant authority has made a disposal concerning a property object, such a disposal is valid provided it had the prior consent of the person who had the authority.

(2) Where the person lacking the relevant authority did not have the prior consent of the person who had the authority, the disposal made concerning the property object by the person lacking authority becomes valid when the person who has the authority ratifies the disposal.

Chapter 8 Representation

§ 115. Carrying out a transaction through a representative

(1) A transaction may also be carried out through a representative. A transaction carried by a representative is valid in respect of the principal provided it was carried out by the representative in the name of the principal and provided the representative possessed the corresponding authority of representation.

(2) A transaction that by law or mutual agreement must be carried out in person may not be carried out through a representative.

(3) This Chapter does not regulate the rights and obligations that arise from the legal relationship on which the representation is based.

§ 116. Carrying out a transaction in the name of the principal

(1) The representative may carry out a transaction directly in the name of the principal – or, the fact that the transaction is carried out in the name of the principal may flow from the circumstances related to the transaction.

(2) Where a transaction is carried out by an employee of a person engaged in an economic or professional activity or by any other person for whom the person engaged in such an activity is responsible, and the transaction is related to the activity, the transaction is presumed to have been performed in the name of the person engaged in the activity.

§ 117. Authority of representation

(1) ‘Authority of representation’ means a body of rights that sets the scope within which the representative can act in the name of the principal.

(2) The authority of representation may be granted by transaction (authority to represent the principal) or may arise by virtue of law (statutory representation).

§ 118. Grant of authority to represent the principal

(1) The principal grants the authority for their representation by making a corresponding manifestation of intention to the representative, to the person with whom the transaction that requires the authority is to be carried out, or to the public.

(2) Where the representations or conduct of the person acting as the representative lead another person reasonably to believe that the person acting as the representative has been granted authority by the principal to carry out a certain transaction, and the principal knows or should know that the person is acting as the principal’s representative and the principal permits such conduct, the principal is deemed to have granted the person the corresponding authority.

(3) Where the law prescribes a certain form for a transaction and failure to follow such form would render the transaction void, the authority to represent the principal in carrying out the transaction takes the same form.

§ 119. Delegation of authority to represent the principal

(1) The representative has the power to delegate the authority to represent the principal where such a power emerges from that authority. Where the authority was granted for carrying out a transaction that cannot reasonably be expected to be carried out by the representative personally, the representative is presumed to have the power to delegate the authority.

(2) The statutory representative may delegate the authority to carry out a transaction to another person.

§ 120. Scope of authority of representation

(1) The scope of the statutory authority of representation is determined by law.

(2) The scope of authority to represent the principal is determined by the principal. Such an authority is interpreted to have the meaning that the manifestation of intention or conduct of the principal had to be understood to convey by the person who was granted the authority or by the person who relies on the manifestation of intention intended for the public or on the representations or conduct of the principal.

§ 121. Special rules for representation of persons engaged in an economic or professional activity

(1) Where a person holds authority to represent the principal in carrying out all transactions that are usual in the principal’s economic or professional activity, the person still may not transfer or encumber any item of immovable property, or enter into loan agreements, without specific authority to do so.

(2) A person who has been commissioned by the principal to sell goods or provide services as part of the principal’s economic or professional activity is deemed to have authority to represent the principal in carrying out all transactions that are usually required for the sale of such goods or the provision of such services.

(3) Where the scope of the authority of representation has been limited compared to what is provided for by subsections 1 and 2 of this section, the limitation applies in respect of a third party only if the party was or should have been aware of the limitation.

(4) The provisions of subsections 1–3 of this section do not apply to procurators.

§ 122. Representation where there are several representatives

(1) Where substantively identical authority to represent the principal has been granted to several persons, the presumption is that each person may represent the principal independently.

(2) Where several representatives may only represent the principal jointly (joint representation), each representative may still severally accept manifestations of intention on the principal's behalf.

§ 123. Awareness of circumstances by representative and principal

(1) Where, at the time the transaction was carried out, a mistake, fraud, threat, violence or other circumstances that make the transaction voidable occurred, or where the legal consequences of the transaction depend on whether the person was or should have been aware of certain circumstances, such circumstances must be assessed by reference to who the representative, as opposed to the principal, is.

(2) Where, on authority to represent the principal, the representative acts according to the principal's instructions, the principal may not rely on the representative's ignorance of the circumstances that the principal knew or should have known.

§ 124. Representation by person of limited active legal capacity

With the exception of statutory representation, the representative may be a person of limited active legal capacity.

§ 125. Grounds for the authority of representation coming to an end

(1) Statutory representation ends on the grounds and following the rules prescribed by law.

(2) The authority to represent the principal ends when:

- 1) the representative has carried out the transaction for which the authority was granted;
- 2) carrying out the transaction for which the authority was granted becomes impossible;
- 3) the period for which the authority was granted expires;
- 4) the resolutive condition on whose fulfilment the end of the authority is contingent occurs;
- 5) it is revoked by the principal;
- 6) it is waived by the representative;
- 7) the end of the authority has been provided for by the transaction by which the authority was granted;
- 8) the contract under which the authority was granted is discharged;
- 9) the principal dies;
- 10) the corporate principal or representative is dissolved;
- 11) the principal is declared bankrupt;
- 12) any other ground provided by law as ending the authority is present.

(3) The authority to represent the principal does not end on the death of the principal unless the contract of mandate on which the representation is based is discharged.

(4) The authority to represent the principal is presumed to end also when the representative is declared bankrupt, dies or is placed under legal guardianship.

(5) Where a written instrument (power of attorney) is issued concerning the authority to represent the principal, the instrument is returned to the principal on the authority's coming to an end. Where the obligation to return the power of attorney applies, the right to refuse to perform an obligation mentioned in § 110 of the Law of Obligations Act may not be exercised.

[RT I, 13.03.2014, 3 – entry into force 23.03.2014]

§ 126. Revocation of authority to represent the principal

(1) The principal may revoke the authority to represent them at any time, even where the authority was granted for a specified period. The authority is revoked by making a corresponding manifestation of intention to the representative, to the third party with whom the transaction for which the authority was granted was to be carried out, or to the public.

(2) When granting authority to represent them in the carrying out of a transaction that is in the interests of the representative or of a third party, the principal may stipulate that the authority is irrevocable.

(3) Where a valid reason is present, the principal may revoke an authority to represent them that was issued as irrevocable.

§ 127. Authority to represent the principal – validity with regard to third parties

(1) Where authority to represent the principal is granted by a manifestation of intention made to a third party or to the public or where the principal notifies the third party or the public of the grant of such authority, the authority is deemed to be valid with regard to the third party or the public until it is revoked by the same method or until notice is given of its having come to an end.

(2) The provisions of subsection 1 of this section apply, accordingly, where there is a limitation of the scope of the authority to represent the principal.

(3) Where a power of attorney has been issued regarding the authority to represent the principal, the authority is deemed to be valid until the power of attorney has been returned to the principal or announced to be invalid.

(4) Regardless of the provisions of subsections 1–3 of this section, the authority to represent the principal is deemed to have been limited or to have come to an end in respect of any person who, at the time the transaction was carried out, knew or should have known that the representative's authority had come to an end or had been limited.

§ 128. Unilateral transaction on behalf of the principal by a person without the authority to represent that principal

(1) A unilateral transaction carried out in the name of the principal without the authority to represent them is void.

(2) The provisions of §§ 129 and 130 of this Act apply, accordingly, to a unilateral transaction that is offered to a specific person and is carried out in the name of the principal without the authority to represent that principal – if the person to whom the transaction was offered did not contest its carrying out although the person knew or should have known of the absence of such authority.

§ 129. Multilateral transaction on behalf of the principal by person without the authority to represent that principal

(1) A multilateral transaction carried out in the name of the principal without the authority to represent them is void unless subsequently ratified by the principal in whose name the person without the authority to represent them carried out the transaction.

(2) A multilateral transaction carried out in the name of the principal in excess of the limits of the authority of representation is valid with regard to the principal in the part concerning which the representative had the authority of representation, provided that the transaction is divisible and it can be presumed that the transaction would have been carried out also without the part for which the representative lacked authority.

(3) Where a person has carried out a transaction in the name of another person without the authority of representation or in excess of the limits of such authority, the other party to the transaction may make a proposal to the other person to ratify the transaction. A ratification is valid when it has been manifested to the person who made the proposal.

(4) If the other person does not grant ratification within two weeks following receipt of the proposal mentioned in subsection 3 of this section, they are deemed not to have ratified the transaction.

(5) Before ratification of the transaction, the other party to the transaction may revoke their manifestation of intention to carry out the transaction, unless the party knew or should have known of the absence of the authority of representation when it carried out the transaction.

(6) Where authority to represent the principal must be granted in a certain form, ratification must be issued following the same form.

§ 130. Liability of a person lacking authority of representation

(1) Where a person, lacking the authority of representation, carries out a transaction in the name of another person that the other person does not ratify, they must compensate the other party to the transaction for the costs incurred in preparation of the transaction as well as for any other harm that that party has suffered in connection with the transaction on account of believing the authority to be present.

(2) Where the person who carried out a transaction in the name of another person knew or should have known that they did not have the authority of representation, they must, in addition to the harm mentioned in subsection 1 of this section, compensate the other party for the harm suffered on account of non-performance of the transaction.

(3) The person who lacked the authority of representation is not liable under the provisions of subsections 1 or 2 of this section if the other party to the transaction knew or should have known of the absence of the authority; the same applies if the person who lacked the authority is of limited active legal capacity and acted without the consent of their statutory representative.

(4) The provisions of subsections 1–3 of this section apply accordingly also where the person in whose name the transaction was carried out does not exist.

§ 131. Declaring a transaction void due to violation of the representative's obligations

(1) A transaction carried out by the representative may be declared void by the principal where, in carrying out the transaction, the representative violated the obligations arising from the legal relationship on which the representation was based and the transaction was contrary to the interests of the principal – provided the other party knew or should have known of the violation of the obligations. Where the representative also acted as the representative of the other party or where they are the other party, the presumption is that, when carrying out the transaction, the representative violated the obligations arising from the legal relationship on which the representation was based.

(2) In a situation mentioned in subsection 1 of this section, the principal may not declare the transaction void if:

- 1) they knew or should have known of the circumstances that gave rise to the right to declare the transaction void under subsection 1 of this section and granted consent for such a transaction to be carried out by the representative;

- 2) they have not declared the transaction void within a reasonable period following their having been informed by the representative of the circumstances that make the transaction voidable under subsection 1 of this section.

(3) The principal may declare a transaction void under subsection 1 of this section within six months following the time when they became aware of the circumstances that give rise to the right to declare the transaction void under subsection 1 of this section. The transaction may not be declared void when three years have elapsed after it was carried out.

(4) In a situation of joint representation, the provisions of subsections 1–3 of this section apply also where the obligations arising from the legal relationship on which the representation is based have been violated by one representative.

(5) The provisions of subsections 1–4 of this section apply accordingly in a situation where the representative carries out the transaction through a person to whom authority to represent the principal was delegated.

Part 5 Vicarious Liability

§ 132. Vicarious liability

(1) Where a person, in their economic or professional activities, uses another person on a continuous basis and the conduct of and circumstances due to the other person are related to those economic or professional activities, the person is liable for the conduct of and circumstances due to the other person as if that conduct was their own or those circumstances were due to themselves.

(2) A person is liable for the conduct of and circumstances due to another person also if they use the other person for the performance of their obligations and the conduct of or circumstances due to the other person are related to the performance of those obligations.

§ 133. Attribution of another's knowledge

(1) Where a person, in their economic or professional activities, uses another person on a continuous basis, they are deemed to be aware of the circumstances that are known to the other person, except where the duties of the other person do not include relaying the corresponding information to the person or where the other person – having regard to their duties in the economic or professional activities – cannot be reasonably expected to relay such information.

(2) Where a person uses another person for the performance of their obligation, they are deemed to be aware of the circumstances that are known to the other person, provided that those circumstances relate to such performance.

Part 6 Time Limit and Due Date

§ 134. Definition of time limit

(1) 'Time limit' means a specified period of time that has legal consequences.

(2) A time limit is fixed in years, months, weeks, days, hours or shorter units of time or by reference to an event that is certain to occur.

§ 135. Beginning and end of a time limit

(1) Unless otherwise provided for by law or by contract, a time limit begins to run on the day following the calendar day or occurrence of the event that was used to fix the beginning of the time limit.

(2) The time limit ends with the arrival of the due date.

§ 136. Due date

(1) Arrival of the due date is fixed by means of a time limit or by a specific event.

(2) Where arrival of the due date has been fixed by means of a time limit expressed in years, the due date arrives on the corresponding day and month of the last year.

(3) Where arrival of the due date has been fixed by means of a time limit expressed in months, the due date arrives on the corresponding day of the last month.

(4) Where the arrival of the due date fixed according to the rules provided by subsection 1 or 2 of this section falls on a month that does not have the corresponding day, the due date is deemed to be the last day of that month.

(5) Where arrival of the due date has been fixed by means of a time period expressed in weeks, the due date arrives on the corresponding day of the last week.

(6) Where arrival of the due date has been fixed by means of a time period expressed in days, the due date arrives on the last day.

(7) Where arrival of the due date has been fixed by reference to a specific date or hour or to the occurrence of a specific event, the due date arrives on that date, at that hour or on the occurrence of that event.

(8) Where the due date that has been fixed for making a manifestation of intention or performing an obligation falls on a public holiday or any other non-working day, the due date is deemed to have arrived on the first working day that follows the non-working day.

(9) For the purposes of fixing a time limit, a day is deemed to be the period of time from midnight to next midnight.

(10) Where arrival of the due date has been fixed by means of a time limit expressed in units of time shorter than a day, the due date arrives when the unit of time arrives.
[RT I 2003, 78, 523 – entry into force 27.12.2003]

§ 137. Expiry of the time limit

(1) Where arrival of the due date has been fixed by means of a time limit expressed in days or longer units of time, such a time limit expires at 24:00 on the due date, unless otherwise provided for by law.

(2) A manifestation of intention that must be transmitted to a person engaged in economic or professional activities within a certain time limit must be transmitted to the person – and any operation that is to be performed with respect to the person within the time limit must be performed – at the latest on the due date by the end of the usual working hours of the place where the manifestation of intention must be transmitted or the operation performed.

Part 7 Exercise of Civil Rights

Chapter 9 Principles Governing Exercise of Civil Rights

§ 138. Principle of good faith

(1) Any exercise of rights or performance of obligations must be carried out in good faith.

(2) A right is not allowed to be exercised by a method contrary to law or such that the objective of the exercise is to cause harm to another person.

§ 139. Presumption of good faith

Where the law links legal consequences to good faith, the latter must be presumed unless otherwise provided for by law.

§ 140. Self-defence

An act performed in self-defence is not unlawful if the limits of self-defence were not exceeded when performing it.

§ 141. Necessity

(1) A person who causes harm in order to repel a threat to oneself or another person or to property does not act unlawfully if the causing of the harm is necessary for repelling the threat and the harm is not unreasonably great compared to the threat.

(2) The person who caused harm when repelling the threat must compensate for the harm if the threat that was repelled was due to a circumstance that arose because of the person.

(3) Where this is reasonable under the circumstances, compensation for harm that was caused in a situation of necessity may be claimed from the person in whose interests it was caused.

Chapter 10 Limitation Periods

Subchapter 1 Consequences of Expiry of the Limitation Period

§ 142. Expiry of the limitation period: definition

(1) The right to require performance, or omission, of an act from another person (claim) lapses on expiry of a period of time provided by law (limitation period). Once the limitation period has expired, the obligated person may refuse to perform the obligation.

(2) In situations provided for by law, the claim remains unaffected by expiry of the limitation period.

§ 143. Consideration of expiry by court

The court or any other dispute resolution body only has regard to expiry of the claim's limitation period where the corresponding motion is made by the obligated party.
[RT I 2005, 39, 308 – entry into force 01.01.2006]

§ 144. Expiry of the limitation period for claims arising from accessory obligations

Where the limitation period of the claim arising from the principal obligation has expired, this also applies to any claim arising from an accessory obligation – even if the limitation period for the latter claim separately would not yet have expired.

§ 145. Agreement concerning expiry of the limitation period

(1) The requirements for expiry of a claim's limitation period may be alleviated by transaction – in particular, the duration of the limitation period may be reduced. The alleviated requirements for expiry of the limitation period are not applied if the obligated party intentionally violated their obligations.

(2) By agreement of the parties, a limitation period of less than ten years may be extended but not to more than ten years.

(3) A waiver of the right to require that expiry of the limitation period be given effect is void.

§ 145¹. Expiry of the limitation period: consequences for the security

(1) Expiry of the limitation period of a claim protected by a security interest does not deprive the secured party of the right to satisfy their claim for the principal amount out of the security property.

(2) Where the right of ownership has been reserved, the owner may claim for the property to be handed over even if the limitation period for the claim secured by the reserved right has expired.
[RT I 2003, 78, 523 – entry into force 27.12.2003]

Subchapter 2

Expiry of the Limitation Period: Claims Arising from Transactions

§ 146. Expiry of the limitation period for claims arising from transactions

(1) The limitation period for a claim arising from a transaction is three years.

(2) The limitation period for a claim arising from a contract for services due to defects in a construction work is five years. A claim arising from a sales contract due to defects in a construction work remains unaffected by expiry of the limitation period until five years have elapsed from its completion.

(3) Where the defect of the construction work is due to defects in the raw material or other supplies that were used to produce the construction work according to their intended purpose, the limitation period for a claim arising from the defects of such material or supplies is five years.

(4) The limitation period for the claims mentioned in subsections 1–3 of this section is ten years if the obligated party violated their obligations intentionally.

(5) The limitation period for claims for the transfer of immovable property, for encumbering immovable property with a property right, for assignment or discharge of a property right or for modifying the substance of a property right is ten years.

§ 147. Beginning of the limitation period

(1) Unless otherwise provided by law, the limitation period begins when the claim falls due. Where the entitled party has a claim against another party for omission of a certain act, the limitation period for the claim begins when the corresponding obligation is violated.

(2) A claim falls due at the moment when the right accrues to the entitled party to require performance of the obligation that corresponds to the claim.

(3) The limitation period for a claim for the payment of agreed-upon remuneration begins from the end of the year during which the claim fell due. Where a claim falls due on presentation of the invoice, the limitation period for the claim begins from the end of the calendar year during which the right to present the invoice accrued to the entitled party.

(4) [Repealed – RT I 2003, 78, 523 – entry into force 27.12.2003]

§ 148. Expiry of the limitation period for a claim arising from pre-contractual negotiations

The provisions of this Subchapter apply also to expiry of the limitation period for a claim arising from violation of an obligation arising from pre-contractual negotiations.

Subchapter 3

Expiry of the Limitation Period: Claims Provided for by Law

§ 149. Limitation period for claims provided for by law

Unless otherwise provided by law, the limitation period for a claim provided for by law is ten years following the time when the claim fell due. The limitation period for a claim to obtain omission of a certain act begins when the corresponding obligation is violated.

§ 150. Limitation period for claims arising from the unlawful causing of harm

(1) The limitation period for a claim arising from the unlawful causing of harm is three years following the time when the entitled party became or should have become aware of the harm and of the person obligated to compensate for the harm.

(2) Where the person obligated to compensate for harm has enriched themselves at the expense of the entitled party in connection with having caused the harm, the person is obligated to return that by which they were enriched – even after expiry of the limitation period provided by subsection 1 of this section – in accordance with the provisions governing unjustified enrichment.

(3) The provisions of subsections 1 and 2 of this section notwithstanding, the limitation period for a claim arising from the unlawful causing of harm expires not later than ten years following performance of the act or occurrence of the event that caused the harm.

§ 151. Limitation period for claims arising from unjustified enrichment

(1) The limitation period for a claim arising under the law of unjustified enrichment is three years from the time when the entitled party became or should have become aware of the claim's accrual to the party. Where a right has been violated, the limitation period for the claim that lies under the rules of unjustified enrichment for restitution of the value of the benefit gained by the violation begins when the entitled party becomes or should become aware of the violation and of the obligated party.

(2) Regardless of the provisions of subsection 1 of this section, the limitation period for a claim arising under the law of unjustified enrichment expires not later than ten years after the occurrence of the enrichment.

§ 152. Expiry of the limitation period: competing claims

(1) Where a claim that is substantially the same may be filed on a ground provided by law or on one that arises under a transaction, the expiry of such a claim's limitation period is governed by the provisions of Subchapter 2 of this Chapter.

(2) The provision of subsection 1 of this section does not apply to expiry of the limitation periods for claims mentioned in Subchapter 4 of this Chapter.

Subchapter 4 Limitation Period: Special Cases

§ 153. Expiry of the limitation period for claims arising from the causing of a person's death, from bodily injury or harm to a person's health or from deprivation of liberty

(1) The limitation period for a claim arising from the causing of a person's death, from bodily injury or harm to a person's health or from deprivation of liberty – regardless of the legal basis of the claim – is three years following the time when the entitled party became or should have become aware of the harm and of the person obligated to compensate for that harm.

(2) The limitation period of the claims mentioned in subsection 1 of this section expires at the latest when thirty years have elapsed after performance of the act or occurrence of the event that caused the harm.

§ 154. Expiry of the limitation period for a claim for performance of recurring obligations

Unless otherwise provided by law, the limitation period for a claim for the performance of recurring obligations, regardless of the legal basis for the claim, is three years for each of the obligations. The limitation period commences when the calendar year in which the claim corresponding to the obligation became due has elapsed.

[RT I, 22.03.2021, 1 – entry into force 01.04.2021]

§ 155. Expiry of the limitation period for claims to hand over an item of property that arise from the right of ownership and for claims that arise from family law or the law of succession to a decedent's estate

(1) The limitation period for claims to hand over an item of property that arise from the right of ownership and for claims that arise from family law or the law of succession to a decedent's estate is thirty years from the time when the claim falls due unless otherwise provided by law.

(2) A claim to hand over an item of property that arises from the right of ownership and lies against an unauthorised possessor remains unaffected by expiry of the limitation period.

§ 156. Expiry of the limitation period in relation to legal succession

Expiry the limitation period for a claim to hand over an item of property that arises from the right of ownership or for a claim for the protection of possession is not affected by a change of the item's possessor provided the item has passed into the possession of another person due to legal succession.

§ 157. Expiry of the limitation period for enforcing a claim which has been recognised by a judicial disposition that has entered into effect or which is inherent in another enforceable title

[RT I, 22.03.2021, 1 – entry into force 01.04.2021]

(1) The limitation period for enforcing a claim which has been recognised by a judicial disposition that has entered into effect or which is inherent in another enforceable title is ten years.

(1¹) Where the enforceable title mentioned in subsection 1 of this section recognises a claim arising from the unlawful causing of harm or a claim filed by means of a court claim made within criminal proceedings, the limitation period for enforcing such a claim is 20 years.

(2) The limitation period for the claims mentioned in subsections 1 and 1¹ of this section starts to run from the entry into effect of the judicial disposition or from the issue of the enforceable title but not before the claim becomes due.

(3) The limitation period for a claim recognised in bankruptcy proceedings is ten years from conclusion of the proceedings.

(4) The limitation period for enforcing a claim which arises from performance of recurring obligations, whose due date is yet to arrive and which has been recognised by a judicial disposition or is inherent in another enforceable title is three years for each separate obligation. The limitation period begins when the calendar year during which the claim corresponding to the obligation became due ends.

(5) The limitation period for enforcing a claim on the obligation to maintain a child is ten years for each separate obligation. The limitation period begins when the calendar year during which the claim corresponding to the obligation became due ends.

(6) In addition to other grounds provided by this Act, the running of the limitation period for enforcement is suspended by operation of law also for the duration of judicial proceedings that concern the debtor's property or the ascertainment of such property and that are based on the court claim, application or petition filed during enforcement proceedings by the party seeking enforcement. The end of the suspension is subject to the provisions of subsections 3 and 4 of § 160 of this Act.

[RT I, 22.03.2021, 1 – entry into force 01.04.2021]

Subchapter 5

Interruption and Suspension of the Limitation Period

§ 158. Interruption of the limitation period by admission of the claim

(1) The limitation period is interrupted by operation of law and resumes from the beginning when the obligated party admits the claim.

(2) Admission of the claim may take the form of partial payment of what is owed to the entitled party, of the payment of interest, of the grant of a security or of the performance of other acts.

(3) The limitation period is not deemed to have been interrupted where, during enforcement proceedings, a partial payment or the payment of interest is made or a security is granted to the party seeking enforcement or other acts are performed in favour of that party.

[RT I, 22.03.2021, 1 – entry into force 01.04.2021]

§ 159. Interruption of the limitation period on presenting an enforceable title for enforcement

[RT I, 22.03.2021, 1 – entry into force 01.04.2021]

(1) The limitation period for enforcing a claim which has been recognised by a judicial disposition that has entered into effect or which is inherent in another enforceable title is interrupted by operation of law and resumes from the beginning when the enforceable title is presented for enforcement for the first time.

(2) Where enforcement of the enforceable title is rejected, the limitation period is not deemed to have been interrupted.

[RT I, 22.03.2021, 1 – entry into force 01.04.2021]

§ 160. Suspension of limitation period on the filing of a court claim

(1) The running of the limitation period is suspended by operation of law when the entitled person files a court claim for satisfaction or recognition of their claim.

(2) The following are deemed equivalent to the filing of a court claim:

- 1) the filing of the claim in bankruptcy proceedings;
- 2) the filing of an application for interim relief before the filing of the court claim, provided a decision is made to grant the application;
- 3) the filing of a petition for expedited order-for-payment proceedings or for any other action-by-petition proceedings;

[RT I 2008, 59, 330 – entry into force 01.01.2009]

3¹) the filing, in respect of the debtor, of a petition for reorganising its business, or of an insolvency petition;
[RT I, 20.06.2022, 1 – entry into force 01.07.2022]

4) the filing of an application for pre-action proceedings provided for by law, regardless of whether or not the decision rendered in those proceedings represents an enforceable title;

[RT I 2005, 39, 308 – entry into force 01.01.2006]

5) the set-off, in judicial proceedings, of another claim against the claim whose satisfaction is sought by means of the court claim;

[RT I 2005, 39, 308 – entry into force 01.01.2006]

6) the addition to proceedings, as a third party, of the party against whom the claim lies;

[RT I 2005, 39, 308 – entry into force 01.01.2006]

7) the filing of an application for proceedings for preliminary taking of evidence;

[RT I 2005, 39, 308 – entry into force 01.01.2006]

8) the first-time filing, in the case, of an application for proceedings on the grant of financial aid before commencement of judicial proceedings.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(3) The suspension of the claim's limitation period ends when proceedings that triggered the suspension are concluded by a disposition that has entered into effect.

[RT I 2008, 59, 330 – entry into force 01.01.2009]

(4) Where judicial proceedings have been suspended, suspension of the claim's limitation period ends when three years have elapsed from the performance of the last procedural operation by the principal parties or the court. When proceedings are continued, suspension of the limitation period resumes.

§ 161. Suspension of the limitation period: arbitration proceedings

(1) The provisions of § 160 of this Act apply also where a claim is filed with an arbitral tribunal under an arbitration clause.

(2) Where arbitrators have not been appointed by the arbitration clause or where appointment of an arbitrator is required for other reasons or where recourse to the arbitral tribunal is permitted only after other prerequisites that have been agreed upon are fulfilled, suspension of the limitation period becomes operative already when the entitled party has performed the operations required for appointment of the arbitrator or for fulfilment of any other prerequisites for recourse to the tribunal.

§ 162. Suspension of the limitation period when there is a right to refuse performance of the obligation

The limitation period is suspended by operation of law for the period of time during which the obligated party, under an agreement with the entitled party, has a right to temporarily refuse performance of the obligation, in particular, where an additional time limit for performance of the obligation has been granted to the obligated party.

§ 163. Suspension of the limitation period: *force majeure*

The limitation period is suspended by operation of law where, during the last six months of the period and due to *force majeure*, the entitled party has not been able to seek a remedy in court – or seek any other remedy provided for by law – to redress their rights. Suspension of the limitation period ends when the effect of the *force majeure* is no longer present.

§ 164. Suspension of the running of the limitation period for family reasons or during the period of legal guardianship

(1) The running of the limitation period for any claims between the spouses remains suspended for the period of their marriage.

(1¹) The running of the limitation period for any claims between registered partners remains suspended for the period of their partnership.

[RT I, 06.07.2023, 6 – entry into force 01.01.2024]

(2) The running of the limitation period for any claims between parents and their children remains suspended until the child concerned attains full age.

(3) The running of the limitation period for any claims between the legal guardian and the ward is suspended for the period of the guardianship.

(4) The running of the limitation period for any claims between the person exercising guardianship of another person's property and that person remains suspended for the period of the guardianship.

§ 165. Suspension of the limitation period: persons of limited active legal capacity

(1) Where a person of limited active legal capacity has no statutory representative, the limitation period for any claims by and against the person is suspended until the person re-establishes their active legal capacity or a statutory representative is appointed to them.

(2) The claims mentioned in subsection 1 of this section remain unaffected by expiry of the limitation period until six months have elapsed from the time when the person re-established their active legal capacity or a statutory representative was appointed to them.

§ 166. Suspension of the limitation period: succession to a decedent's estate

(1) The limitation period for a claim that is part of a decedent's estate or that lies against such an estate is suspended until the time when the heir or beneficiary accepts the estate or the estate is declared bankrupt or a conservator is appointed to the estate.

(2) The claims mentioned in subsection 1 of this section remain unaffected by expiry of the limitation period until six months have elapsed from acceptance of the estate by the heir or beneficiary, from the estate's having been declared bankrupt or from appointment of a conservator to the estate.

§ 167. Suspension of the limitation period during negotiations

(1) Where negotiations are held between the entitled and the obligated party concerning a claim or concerning a circumstance that may give rise to a claim, the limitation period for the claim is suspended by operation of law for the duration of negotiations. Where a person refuses to continue negotiations, the negotiations are presumed to have ended.

(2) Where the entitled party grants an additional time limit to the obligated party for performance of the obligation, this suspends the limitation period until expiry of the additional time limit or until the obligated party conclusively refuses to perform their obligation.

(3) The running of the limitation period is suspended by operation of law until the expert assessment agreed upon by the parties has been carried out or until conclusion of any conciliation procedure that has been agreed upon.

§ 167¹. Suspension of the limitation period where the legal person has been removed from the register

(1) Where the legal person is reinstated in the register, the running of the limitation period for any claims against the person is suspended from the person's removal from the register until their reinstatement in it.

(2) The limitation period of a claim against the legal person – the running of which has been suspended by operation of law under subsection 1 of this section – does not expire before six months have elapsed from the person's reinstatement in the register.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

§ 168. Effect of suspension

(1) The period of time during which a limitation period is suspended is not included in the limitation period.

(2) A claim remains unaffected by expiry of the limitation period until two months have elapsed after the end of suspension – unless the law prescribes a longer period during which the claim remains unaffected.

§ 169. Suspension of the limitation period: competing claims

Where a claim that is substantially the same may be filed on a ground provided by law or on one that arises under a transaction and the limitation period is suspended or interrupted either for the claim provided for by law or for the claim arising from the transaction, the suspension or interruption operates regarding both claims.

Part 8 Implementation of this Act

§ 170. Entry into force of this Act

This Act enters into force at the time provided by the Act to implement this Act.

¹RT = Riigi Teataja = the State Gazette, ² Ametlikud Teadaanded = Official Announcements