



BELIZE

**CONTRACT ACT
CHAPTER 166**

REVISED EDITION 2000
SHOWING THE LAW AS AT 31ST DECEMBER, 2000

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Laws of Belize, Revised Edition 1980 - 1990.

This edition contains a consolidation of the following laws-	Page
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Amendments in force as at 31st December, 2000.	



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CHAPTER 166

CONTRACT

ARRANGEMENT OF SECTIONS

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CHAPTER 166

CONTRACT

[24th December, 1953]

Ch. 204.
 R.L., 1958.
 CAP. 128,
 R.E. 1980-1990.
 40 of 1963.
 15 of 1975.
 3 of 1978.

PART I

Preliminary

- 1. This Act may be cited as the Law of Contract Act.

Short title.

PART II

General Provisions Relating to Contracts

- 2.-(1) A covenant, and a contract under seal, and a bond or obligation under seal, made with two or more jointly, to pay money or to make a conveyance, or to do any other act, to them or for their benefit, shall be deemed to include, and

Effect of covenant with two or more jointly.

shall by virtue of this Act imply, an obligation to do the act to, or for the benefit of, the survivor or survivors of them, and to, or for the benefit of, any other person to whom the right to sue on the covenant, contract, bond or obligation devolves, and where made after the commencement of this Act shall be construed as being also made with each of them.

(2) This section applies only if and as far as a contrary intention is not expressed in the covenant, contract, bond or obligation and has effect subject to the covenant, contract, bond or obligation, and to the provisions therein contained.

(3) Except as otherwise expressly provided, this section applies to a covenant, contract, bond or obligation made or implied after 31st December, 1881.

Covenants and agreements entered into by a person with himself and another or others.

3.-(1) Any covenant, whether express or implied, or agreement entered into by a person with himself and one or more other persons shall be construed and be capable of being enforced in like manner as if the covenant or agreement had been entered into with the other person or persons alone.

(2) This section applies to covenants or agreements entered into before or after the commencement of this Act, and to covenants implied by statute in the case of a person who conveys or is expressed to convey to himself and one or more other persons, but without prejudice to any order of the court made before such commencement.

Stipulations not of the essence of a contract.

4. Stipulations in a contract as to time or otherwise, which according to rules of equity are not deemed to be or to have become of the essence of the contract, are also construed and have effect at law in accordance with the same rules.

Statute of Frauds.

5. No action shall be brought whereby to charge-

- (a) any executor or administrator upon any special promise to answer damages out of his own estate; or
- (b) the defendant upon any special promise to answer for the debt, default or miscarriage of another person; or
- (c) any person upon any agreement made in consideration of marriage; or
- (d) any person upon any agreement which is not to be performed within the space of one year from the making thereof,

unless the agreement upon which such action shall be brought, or some memorandum or note thereof shall be in writing, signed by the party to be charged therewith or some other person thereunto by him lawfully authorised.

6. No special promise to be made by any person to answer for the debt, default or miscarriage of another person, being in writing and signed by the party to be charged therewith or some other person by him thereunto lawfully authorised, shall be deemed invalid to support an action, suit or other proceeding to charge the person by whom it was made by reason only that the consideration for such promise does not appear in writing, or by necessary inference from a written document.

Written guarantee not to be invalid by reason that the consideration does not appear in writing.

7. Every person who, being surety for the debt or duty of another or being liable with another for any debt or duty, pays such debt or performs such duty, shall be entitled to have assigned to him or to a trustee for him every judgment, specialty or other security held by the creditor in respect of such debt or duty whether such judgment, specialty or other security is or is not deemed at law to have been satisfied by the payment of the debt or performance of the duty, and such person shall be entitled to stand in the place of the creditor, and to use all the remedies and, if need be and upon a proper indemnity, to use the name of the creditor, in any action or other proceeding at law or in equity, in order to obtain from the principal debtor or any co-surety, co-contractor or co-debtor,

Surety who discharges the liability to be entitled to assignment of all securities held by the creditor, and to stand in the place of the creditor.

as the case may be, indemnification for the advances made and loss sustained by the person who has so paid such debt or performed such duty, and such payment or performance so made by such surety shall not be pleadable in bar of such action or other proceeding by him:

Provided that no co-surety, co-contractor or co-debtor shall be entitled to recover from any other co-surety, co-contractor or co-debtor, by the means aforesaid, more than the just proportion to which, as between those parties themselves, such last-mentioned person is justly liable.

Lord Tenterden's
Act.

1828 c. 14.

8. No action shall be brought whereby to charge any person upon or by reason of any representation or assurance made or given concerning or relating to the character, conduct, credit, ability, trade or dealings of any other person to the intent or purpose that such other person may obtain credit, money or goods thereupon, unless such representation or assurance is made in writing signed by the party to be charged therewith.

PART III

Infants' Marriage Settlements and Other Contracts

Marriage
settlements by
infants.

3 of 1978.

9. It shall be lawful for every infant, upon or in contemplation of his or her marriage, with the sanction of the court, to make a valid and binding settlement or contract for a settlement of all or any part of his or her property, whether real or personal, and whether in possession, reversion, remainder or expectancy. Every conveyance, appointment and assignment of such real or personal estate, or contract to make a conveyance, appointment or assignment thereof, executed by the infant, with the approbation of the court, for the purpose of giving effect to the settlement, shall be as valid and effectual as if the person executing the same were eighteen years:

Provided that this enactment shall not extend to powers of which it is expressly declared that they shall not be exercised by an infant.

10.-(1) The sanction of the court to any such settlement or contract for a settlement may be given upon petition presented by the infant or his or her guardian in a summary way, without the institution of a suit, and if there is no guardian, the court may require a guardian to be appointed or not, as it thinks fit, so to do.

Sanction of court to marriage settlements.

(2) The court may, if it thinks fit, direct that any persons interested or appearing to be interested in the property be served with notice of such petition.

11. Nothing in sections 9 and 10 shall apply to any infant under the age of seventeen years.

Restricted application of sections 9 and 10. 3 of 1978.

12. All contracts, whether by speciality or by simple contract, henceforth entered into by infants for the repayment of money lent or to be lent, or for goods supplied or to be supplied, other than contracts for necessaries, and all accounts stated with infants, shall be absolutely void:

Infants' contracts, except for necessaries, void.

Provided that this enactment shall not invalidate any contract into which an infant may, by any existing or future statute, or by the rules of common law or equity, enter except such as now by law are voidable.

13. No action shall be brought whereby to charge any person upon any promise made after full age to pay any debt contracted during infancy, or upon any ratification made after full age of any promise or contract made during infancy, whether there is or is not any new consideration for such promise or ratification after full age.

No action to be brought on ratification of infant's contract.

14. If anyone, except under the authority of the court, solicits an infant to make an affidavit or statutory declaration for the purpose of or in connection with any loan, he shall be liable-

Penalty for soliciting infant to make affidavit in connection with loan.

(a) on summary conviction, to a fine not exceeding two

hundred and fifty dollars or to imprisonment for a term not exceeding six months, or to both such fine and term of imprisonment;

- (b) on indictment, to imprisonment for a term not exceeding one year, or to a fine not exceeding five hundred dollars or to both such fine and term of imprisonment.

Contract for payment of loan advanced during infancy void.

15.-(1) If an infant who has contracted a loan which is void in law agrees after he comes of age to pay any money which in whole or in part represents, or is agreed to be paid in respect of, that loan and is not a new advance, that agreement and any instrument, negotiable or otherwise, given in pursuance thereof or for carrying it into effect, or otherwise in relation to the payment of money which represents or is payable in respect of the loan and is not a new advance, shall be void absolutely as against all persons.

(2) For the purpose of this section any interest, commission or other payment in respect of the loan shall be deemed to be a part of the loan.

PART IV

Gaming Contracts and Securities

Gaming securities.

16. All notes, bills, bonds, judgments, mortgages or other securities or conveyances whatever given, granted, drawn or entered into or executed by any person or persons where the whole or any part of the consideration of such conveyances or securities is for any money or other valuable thing whatever, won by gaming, or by betting on the sides or hands of such as do game at any of the games aforesaid or for the reimbursing or repaying any money knowingly lent or advanced for such gaming or betting as aforesaid, or lent or advanced at the time and place of such play to any person so gaming or betting as aforesaid, or that shall during such play so play or bet, shall be deemed and taken to have been made, drawn, accepted, given or executed for an illegal consideration.

17.-(1) Subject to the provisions of the Lotteries Act, Computer Wagering Licensing Act and the Gaming Control Act, all contracts or agreements, whether by parole or in writing, by way of gaming or wagering, shall be null and void.

Contract by way of gaming to be void and wagers or sums deposited with stakeholders not to be recoverable at law - Saving for subscriptions for prizes. CAP. 151. CAP. 149. CAP. 152.

(2) Subject to subsection (1), no suit shall be brought or maintained in any court of law or equity for recovering any sum of money or valuable thing alleged to be won upon any wager, or which shall have been deposited in the hands of any person to abide the event on which any wager shall have been made.

(3) This enactment shall not be deemed to apply to any subscription or contribution, or agreement to subscribe or contribute, for or towards any plate, prize or sum of money to be awarded to the winners of any lawful game, sport, pastime or exercise.

18. Any promise, express or implied, to pay any person any sum of money paid by him under or in respect of any contract or agreement rendered null and void by section 17, or to pay any sum of money by way of commission, fee, reward or otherwise in respect of any such contract or of any services in relation thereto or in connection therewith, shall be null and void, and no action shall be brought or maintained to recover any such sum of money.

Promises to repay sums paid under contracts void by the Gaming Act 1845, c. 109 to be null and void.

19. The provisions of sections 16 to 18 inclusive of this Act are subject to the Lotteries Control Act, the Gaming Control Act and the Computer Wagering Licensing Act.

Saving of Lotteries Control Act, Gaming Control Act and Computer Wagering Licensing Act. CAP. 151. CAP. 152. CAP. 149.

PART V

Frustrated Contracts

Adjustment of rights and liabilities of parties to frustrated contracts.

20.-(1) Where a contract governed by English law has become impossible of performance or been otherwise frustrated, and the parties thereto have for that reason been discharged from the further performance of the contract, the following provisions of this section shall, subject to the provisions of section 21 of this Act, have effect in relation thereto.

(2) All sums paid or payable to any party in pursuance of the contract before the time when the parties were so discharged, in this Act referred to as “the time of discharge”, shall, in the case of sums so paid, be recoverable from him as money received by him for the use of the party by whom the sums were paid and, in the case of sums so payable, cease to be so payable:

Provided that, if the party to whom the sums were so paid or payable incurred expenses before the time of discharge in, or for the purpose of, the performance of the contract, the court may, if it considers it just to do so having regard to all the circumstances of the case, allow him to retain or, as the case may be, recover the whole or any part of the sums so paid or payable, not being an amount in excess of the expenses so incurred.

(3) Where any party to the contract has, by reason of anything done by any other party thereto in, or for the purpose of, the performance of the contract, obtained a valuable benefit, other than a payment of money to which subsection (2) applies, before the time of discharge, there shall be recoverable from him by the said other party such sum, if any, not exceeding the value of the said benefit to the party obtaining it, as the court considers just, having regard to all the circumstances of the case, and in particular-

- (a) the amount of any expenses incurred before the time of discharge by the benefited party in, or for the purpose of, the performance of the contract, including any sums paid

or payable by him to any other party in pursuance of the contract and retained or recoverable by that party under subsection (2); and

- (b) the effect, in relation to the said benefit, of the circumstances giving rise to the frustration of the contract.

(4) In estimating, for the purposes of the foregoing provisions of this section, the amount of any expenses incurred by any party to the contract, the court may, without prejudice to the generality of the said provisions, include such sum as appears to be reasonable in respect of overhead expenses and in respect of any work or services performed personally by the said party.

(5) In considering whether any sum ought to be recovered or retained under the foregoing provisions of this section by any party to the contract, the court shall not take into account any sums which have, by reason of the circumstances giving rise to the frustration of the contract, become payable to that party under any contract of insurance unless there was an obligation to insure imposed by an express term of the frustrated contract or by or under any enactment.

(6) Where any person has assumed obligations under the contract in consideration of the conferring of a benefit by any other party to the contract upon any other person, whether a party to the contract or not, the court may, if in all the circumstances of the case it considers it just to do so, treat for the purposes of subsection (3) any benefit so conferred as a benefit obtained by the person who has assumed the obligations as aforesaid.

21.-(1) This Part shall apply to contracts, whether made before or after the commencement of this Act, as respects which the time of discharge is on or after 1st July, 1943, but not to contracts as respects which the time of discharge is before the said date.

Provision as to application of this Part.

- (2) This Part shall apply to contracts to which the Crown is a party in

like manner as to contracts between subjects.

(3) Where any contract to which this Part applies contains any provision which, upon the true construction of the contract, is intended to have effect in the event of circumstances arising which operate, or would but for the said provision operate, to frustrate the contract, or is intended to have effect whether such circumstances arise or not, the court shall give effect to the said provision and shall only give effect to section 20 to such extent, if any, as appears to the court to be consistent with the said provision.

(4) Where it appears to the court that a part of any contract to which this Part applies can properly be severed from the remainder of the contract, being a part wholly performed before the time of discharge, or so performed except for the payment in respect of that part of the contract of sums which are or can be ascertained under the contract, the court shall treat that part of the contract as if it were a separate contract and had not been frustrated and shall treat section 20 as only applicable to the remainder of that contract.

(5) This Part shall not apply-

(a) to any charter-party, except a time charter-party or a charter-party by way of demise, or to any contract, other than a charter-party, for the carriage of goods by sea; or

(b) to any contract of insurance, except as is provided by section 20 (5) ;

CAP.261.

(c) to any contract to which section 9 of the Sale of Goods Act, which avoids contracts for the sale of specific goods which perish before the risk has passed to the buyer, applies, or to any other contract for the sale, or for the sale and delivery, of specific goods, where the contract is frustrated by reason of the fact that the goods have perished.