

CONTRACTS ACT 1950  
An Act relating to contracts.  
Act 136

**Section 10 & 11 of the Contracts Act 1950**

**PART III**

**OF CONTRACTS, VOIDABLE CONTRACTS AND VOID AGREEMENTS**

**What agreements are contracts**

**10.**

(1) All agreements are contracts if they are made by the free consent of parties competent to contract, for a lawful consideration and with a lawful object, and are not hereby expressly declared to be void.

(2) Nothing herein contained shall affect any law by which any contract is required to be made in writing or in the presence of witnesses, or any law relating to the registration of documents.

**Who are competent to contract**

**11.**

Every person is competent to contract who is of the age of majority according to the law to which he is subject, and who is of sound mind, and is not disqualified from contracting by any law to which he is subject.

What is a sound mind for the purposes of contracting  
12.

(1) A person is said to be of sound mind for the purpose of making a contract if, at the time when he makes it, he is capable of understanding it and of forming a rational judgment as to its effect upon his interests.

(2) A person who is usually of unsound mind, but occasionally of sound mind, may make a contract when he is of sound mind.

(3) A person who is usually of sound mind, but occasionally of unsound mind, may not make a contract when he is of unsound mind.

**ILLUSTRATIONS**

(a) A patient in a mental hospital, who is at intervals of sound mind, may contract during those intervals.

(b) A sane man, who is delirious from fever, or who is so drunk that he cannot understand the terms of a contract, or form a rational judgment as to its effect on his interests, cannot contract whilst such delirium or drunkenness lasts.

