

Commercial.
Decisive.
Expert.

COVID-19 – Force Majeure in Commercial Contracts

There is a significant misunderstanding out there now about the concept of force majeure which, in the vast majority of cases, is unlikely to have any application at all!

A contract is a contract and whether it is difficult to perform or not. Once it exists, if it is not completed in accordance with its original terms, someone is going to be in breach and someone else will suffer damages as a consequence.

It will only be if the contract is 'frustrated' as described in the Law Reform (Frustrated Contracts) Act (1943) that the parties might be totally relieved of their obligations to perform the contract as agreed without penalty.

That is going to be a very rare occurrence indeed but public misconception at the moment seems to be that if action is taken in compliance with a government announcement, all bets are off and the parties taking the action will be immune from claims for breach of contract.

That analysis is fundamentally wrong, and it would be an extremely dangerous philosophy to apply!

Our Company and Commercial Team Members are standing by to help you analyse the commercial situations in which you find yourselves, the law as it applies to you and to give practical advice on how best to proceed and to protect your business going forward.

If you think we can help – give one of us a call.

01924 234 200
boxhr@chadlaw.co.uk
www.chadwicklawrence.co.uk

BOXHR
FROM
Chadwick Lawrence