■ honert + partner

31. March 2020

IMPACT OF THE PANDEMIC ON EXISTING CONTRACTS AND THE DESIGN OF FU-TURE CONTRACTS

IN CASE OF DISTURBANCES IN EXISTING CONTRACTUAL RELATIONSHIPS DURING THE CURRENT PANDEMIC, BOTH CONTRACTING PARTIES MAY LOOK FOR APPROACHES TO AVOID HAVING TO DELIVER, TO PAY, TO DEMAND OR REFUSE COMPENSATION. IF CONTRACT NEGOTIATIONS CURRENTLY TAKE PLACE, ONE WILL BE REFLECTING UPON HOW TO DRAFT THE CONTRACT, IN ORDER TO BE ADEQUATELY SECURED IN THE FUTURE.

ENTRY POINTS ARE IN BOTH CASES FORCE MAJEURE CLAUSES, MATERIAL ADVERSE CHANGE (MAC) CLAUSES OR RESERVATIONS OF SELF-DELIVERY. IF SUCH CLAUSES ARE MISSING, CONTRACTUAL PARTIES MAY POSSIBLY APPEAL TO THE IMPOSSIBILITY OF PERFORMANCE OR TO THE SO CALLED INTERFERENCE WITH THE BASIS OF THE TRANSACTION. (more...)