

Peter Lynn & PARTNERS

Solicitors

During these unprecedented times, we want to reassure people that no matter the legal need, we are here for you. Our staff are available remotely to continue offering expert legal advice, so contact us via the details below to make contact.

COVID-19 ADVICE FOR BUSINESSES:

Breach of Contract Implications

Please note this is accurate at the point of writing. This is a fast-moving situation, and regular updates will be required.

Contractual arrangements are likely to be impacted upon by the spread of Coronavirus.

What happens, for example, if your key supplier simply cannot get the goods to you, or worse still, has sent the goods but you have not received them?

What happens if you cannot perform a contract because of staff or geographic areas being quarantined?

There are likely to be financial losses as a result of the disruption, but **who should foot the bill?**

Where a party cannot perform its contractual obligations, there is a real danger that they will become liable for breach of contract.

Two ways that this may be avoided are force majeure and frustration.

Force majeure is a term that may be incorporated into the contract and deals with how the parties' obligations are affected when one of the parties cannot perform the original contract. Whilst this term may offer some options to the parties involved, it is not necessarily going to apply, in certain situations.

Does the definition of force majeure in your contract include an epidemic?

What if it falls short of an epidemic, or it is thought that the parties could have taken reasonable steps to deal with the situation so that it could have been avoided?

Don't have a force majeure term? All is not lost; you could potentially rely on the common law principle of frustration.

Frustration refers to the situation where one party to the contract seeks to set aside the contract as it has become commercially impossible to perform.

As this would mean that the other party cannot then claim breach of contract, there is a very high threshold to be reached for the court to accept that the contract is truly frustrated, simply being harder or more costly is not sufficient to claim frustration.

The implications of Coronavirus are likely to go far beyond the immediate medical care requirements and businesses would be wise to consider their contractual relationships and how they are going to tackle these disturbances in trade which are almost inevitable during this uncertain time.

For expert advice on this or similar matters, call our company and commercial legal team on 01792 450010 or email Advice@plandp.co.uk

We are able to offer advice, review existing employment contracts and help you through this challenging period without the need for a face-to-face meeting, so get in touch and arrange an initial consultation.

"Preventing Legal Problems"

01792 450010 www.peterlynnandpartners.co.uk Advice@plandp.co.uk



SA1 | WALTER RD. | MUMBLES | MORRISTON | PONTARDAWE | YSTRADGYNLAIS | CARDIFF