

# The English High Court Again Declines to Apply the Prevention Principle to a Shipbuilding Contract

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**PRACTICES** Energy, Power and Natural Resources, Litigation, Shipping

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The “prevention principle” has been a popular argument run by shipyards in English law shipbuilding disputes in recent years. This enthusiasm for the prevention principle has not been shared by English Courts and tribunals, and prevention principle arguments rarely, if ever, succeed.

The judgment handed down last week in *Jiangsu Guoxin Corp v Precious Shipping Public Co Ltd* is a further example of the English Court declining to apply the prevention principle to a shipbuilding contract.

## What is the prevention principle?

In brief, the prevention principle applies where one party to a contract prevents the other party from complying with the contract timetable and the contract does not contain a mechanism for extending time in those circumstances.

If the prevention principle applies, the preventing party cannot require compliance with the contract timetable. Instead, time is “at large”, meaning that the obligation to complete the work by the contractual completion date is replaced by an obligation to complete within a reasonable time.

Read the full article [here](#).