

Trading Agreements and COVID-19: Addressing Force Majeure, Market Disruptions, and Traders Working Remotely

April 15, 2020 Phil Lookadoo, Kim Mai, Brian Sung

PRACTICES Commodities, Financial Regulatory, Energy, Power and Natural Resources, Finance

The nearly global response to the spread of the deadly Coronavirus has led to governmental authorities at all levels issuing “stay-at-home orders,” “orders to close non-essential businesses,” and bans on gatherings of 10 people or more. The resulting shut-down, as well as the impact of widespread remote-working practices and displacement of personnel, may disrupt or interrupt trading and hedging activity. In the face of this uncertainty, financial counterparties, including swap dealers (“**SDs**”) and non-SDs (“**Financial Counterparties**”), and commercial end users (“**CEUs**”) are reviewing the potential impacts on derivatives markets and the availability of those financial markets to adequately hedge commercial risks and provide needed price discovery functions.

This alert highlights some key considerations that financial market participants should take into account in managing their hedging and trading activities, including when performance and regulatory obligations may be excused, what disruption fallbacks may be available, and strategies to address regulatory compliance when trading personnel are working remotely.

[Read the full article here.](#)