

Helen Conybeare Williams in Drydock Magazine: Force Majeure Resolution During the Coronavirus Pandemic

June 2, 2020

PRACTICES Shipping

Over the last weeks, many companies may have issued or received force majeure notices suspending performance where permitted by force majeure clauses in the relevant contracts based on the COVID-19 outbreak. As the crisis continues with deepening business disruption, many parties may also be looking to see if they are entitled to terminate their contracts without penalty based on continuation of the force majeure event.

If the relevant contract provides for termination for force majeure, a party looking to terminate will need to consider whether the event is covered by the specific terms of the force majeure clause, and the parties' obligations with respect to the same, as is necessary when invoking force majeure to suspend performance, but will also need to be able to demonstrate how the force majeure gives rise to the right to terminate, as well as when that termination right arises.

Parties always need to be careful when looking to exercise rights of termination since the consequences of getting it wrong can be very costly; but terminations based on force majeure require special consideration, which are highlighted in this article.

Excerpted from *Drydock Magazine*. To read the full article, click [here](#).