Dracoulis and Morton in Mealey's International Arbitration Report: Disruption, Force Majeure and the English Law Disputes Arising From the Iran Conflict

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Haynes Boone Partner **Andreas Dracoulis** and Counsel **Jonathan Morton** co-authored an article for *Mealey's International Arbitration Report* examining the legal and commercial disputes arising from the conflict in Iran and the disruption of the Strait of Hormuz, including force majeure claims, insurance coverage issues and arbitration risks affecting the global shipping and energy sectors under English law.

Read an excerpt below.

The armed conflict engulfing Iran, and the near-total shutdown of commercial transit through the Strait of Hormuz since early March 2026, represents a disruption to international shipping and energy markets without meaningful precedent in the postwar era. The Strait has long served as a critical chokepoint in global energy logistics: roughly a fifth of the world's daily petroleum consumption and a comparable proportion of internationally traded LNG ordinarily moves through this narrow passage. Several of the region's largest energy producers, among them QatarEnergy, Kuwait Petroleum Corporation, Shell, and Bapco, have already invoked force majeure against their contractual counterparties. The knockon effect of this disruption is global, and energy and commodities markets around the world have been significantly impacted.

English law is central to this story for two practical reasons. First, it remains the dominant governing law for shipping contracts (charterparties, contracts of affreightment, bills of lading) and for many energy and infrastructure contracts (LNG sale and purchase agreements, EPC and O&M arrangements, drilling contracts). Secondly, London remains a major arbitral seat, with courts that are willing to act quickly to provide support, including through injunctive relief and procedural assistance. For practitioners advising across the shipping, energy, and insurance sectors, the crisis gives rise to a series of interconnected and often novel legal questions. This article identifies the core pressure points and the categories of dispute that are likely to dominate the commercial landscape in the months and years ahead.

Force Majeure: The Central Battleground

Force majeure is not a general legal principle under English Law. Unlike certain civil law systems, where the concept is embedded in the civil code, English law provides relief from contractual obligations on this ground only where the parties have expressly provided for it. The practical consequence is that the drafting of the relevant clause, its scope, its trigger language, and

any procedural requirements it imposes, are all key. A contract that omits a force majeure provision altogether affords a party no recourse to this form of relief, regardless of the severity of the external disruption (though wider concepts of frustration or impossibility may come into play).

Read the full article in *Mealey's International Arbitration Report* **here**.