# DISPUTE RESOLUTION ALERT

# IN THIS

## COVID-19

## Can you cancel a contract because of COVID-19?

Yes you can if it is objectively impossible to perform your contractual obligations and even in the absence of a *force majeure* clause in the contract.

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Claiming impossibility or force majeure incorrectly could be a breach of contract and could give rise to a damages claim against you.

# Can you cancel a contract because of COVID-19?

Yes you can if it is objectively impossible to perform your contractual obligations and even in the absence of a *force majeure* clause in the contract. Importantly, each situation will depend on its own facts and the wording of the contract. Also, in the COVID-19 crisis specifically, developments must be considered carefully before concluding that there is an impossibility of performance or the triggering of a *force majeure* clause. Claiming impossibility or *force majeure* incorrectly could be a breach of contract and could give rise to a damages claim against you. In particular any impossibility of performance must be absolute and it is any event, including COVID-19 and its consequences, that could bring about an impossibility or *force majeure* provided it is unforeseeable with reasonable foresight, unavoidable with reasonable care and not the fault of either party.

A force majeure clause in a contract will take precedence over the common law and care must be taken to comply with any agreed time limits or process requirements set out in the contract.



CDH is a Level 1 BEE contributor – our clients will benefit by virtue of the recognition of 135% of their legal services spend with our firm for purposes of their own BEE scorecards.





Pieter Conradie ranked by CHAMBERS GLOBAL 2019 - 2020 as Senior Statespeople: Dispute Resolution.

Julian Jones ranked by CHAMBERS GLOBAL 2017 - 2020 in Band 3: Restructuring/Insolvency.

Tobie Jordaan ranked by CHAMBERS GLOBAL 2020 as an up and coming Restructuring/Insolvency lawyer.

Jonathan Witts-Hewinson ranked by CHAMBERS GLOBAL 2017 - 2020 in Band 2: Dispute Resolution.

Willie van Wyk ranked by CHAMBERS GLOBAL 2020 in Band 3: Insurance.



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**BBBEE STATUS:** LEVEL ONE CONTRIBUTOR

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