

Force Majeure and Frustration in English Law M&A Agreements in the Context of COVID-19

“The current outbreak of the coronavirus (also known as COVID-19), recognized by the WHO as a global pandemic, has already had a significant effect on certain businesses and appears likely to have an even greater impact, raising concerns about parties’ ability to meet contractual obligations and parties’ willingness to perform obligations where it is no-longer commercially beneficial to do so,” discusses Paul Rosen, Edward A. Tran and David Wood in ***The National Law Review***.

“Unique and critical considerations are raised for parties to M&A transactions operating in these uncharted waters, both those who exchanged on a deal before the crisis unfolded which is yet to complete and those looking to enter into a transaction in the near future. With a focus on M&A agreements governed by English law, this advisory summarizes the concept of force majeure and discusses whether force majeure clauses in contracts could be triggered by the ongoing coronavirus outbreak and the global containment measures imposed. Frustration, an alternative legal avenue for relief from contractual performance is also discussed and practical steps parties may wish to consider are set out.”

Read the article.