Title:
IV.6.6 - Time is of the essence

Content:
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Unless otherwise agreed by the parties or contrary to the intrinsic nature of the contract, time limits and other contractual stipulations as to the timely performance of the parties’ obligations have to be strictly complied with (“time is of the essence”).

Commentary:
The Principle takes account of the fact that time and costs are essential elements in the dealings of international businessmen. The time factor dominates contractual performances by international traders. For that reason, stipulations as to the timely performance of the parties' contractual obligations must be strictly complied with. Thus, a provision that stipulates that performance must be rendered "on" May 2 does not mean that performance may be rendered "around" May 2. Also, businessmen acting on a global scale must take the effect of the different time zones on the timely performance of their contractual obligations into account.