IV.6.9 - Duty to notify / to cooperate

(a) Each party is under a good faith obligation to notify in a timely fashion the other party of any problems that occur in the performance of the contract and of any other facts or circumstances on whose knowledge the other party is discernibly dependent, provided that such information can reasonably be expected from that party.

(b) Each party is under a good faith obligation to cooperate with the other party when such cooperation can reasonably be expected for the performance of that party's obligations.

Commentary:
1 This Principle is a direct consequence of the general Principle of good faith. The parties must accept that a contract is not merely a meeting point of conflicting interests, but also, to a certain and varying extent, a common project in which each party must cooperate with the other side. The intensity of the duty to notify and, in particular, the duty to cooperate, depends on the nature of the contract, the professional sophistication of the parties and, in particular, on whether one is dealing with a long-term or one-off contract.

2 The goal of the duty to cooperate in international contracts is to promote and advance contractual performance, to show sincere efforts to further the contractual relationship and to achieve its goals and to refrain from any conduct that would obstruct the contract's implementation, even if these actions are contrary to a party's immediate short term interests. This duty is not without limits. It exists only within the confines of the legitimate expectations of the parties and the standard of reasonableness.