Content:

No. V.1.1 - Place of performance

(a) If the place of performance is neither fixed by, nor determinable from, the contract, a party has to perform:

i) a monetary obligation, at the obligee’s place of business;
ii) any other obligation, at its own place of business.

(b) If a party has more than one place of business, the place of business for the purpose of the preceding paragraph is that which has the closest relationship to the contract, having regard to the circumstances known to or contemplated by the parties at the time of conclusion of the contract.

(c) A party must bear any increase in the expenses incidental to performance which is caused by a change in its place of business subsequent to the conclusion of the contract.

Commentary:

1 The Principle provides a default rule for those infrequent cases in which the parties have not fixed the place of performance in their contract. In that case, the place of performance depends on whether the debtor is to perform a monetary or non-monetary obligation. In the first case, the debtor must perform at the creditor’s place of business. In the second case, the debtor can perform at its own place of business.

2 Subsection (b) provides a rule for cases in which a party has more than one place of business, Subsection (c) contains a rule related to the carrying of costs caused by a party’s change of business which occurs after the contract was concluded.