

## Contract Language: Coming into force clause

(Source: adapted from "Boilerplate" - Christou - FT Law & Tax)

*Read this "coming into force" clause and try to predict the missing elements. Then find out which phrases (a-i) belong in which space.*

Notwithstanding signature by the parties hereto, this Contract will not come into force until - (1)- have been fulfilled:

1. The contractor must notify the Customer that the Contractor has obtained -(2)- confirmation of their approval of the financing conditions of the Contract.
2. The Letter of Credit in favour of the Contractor in respect of the advance payments referred to in clause [#] must be received in London -(3)- .
3. The Customer must notify the Contractor that the Customer has obtained from the competent authorities of [#] all necessary approvals for performance of the Contract, and together with such notification delivered to the Contractor -(4)- satisfactory to the Contractor.
4. The Contractor has received a guarantee of all payments due under this Contract from the [#] Bank or -(5)- .
5. The Contractor has confirmed to the Customer that it has received from the Customer all - (6)- the contract, including but not limited to technical specifications.
6. The parties have agreed the detailed acceptance tests in accordance with -(7)- in Clause [#].

The start date in the Contractor's implementation plan set out in Schedule [#] will be the day the Contract comes into force as provided above.

In the event that the Contract does not come into force within six months of the date of signature of the Contract -(8)- .

Upon such withdrawal by a party hereto this contract will thereupon terminate (and neither party -(9)- ).

- a. notarially certified copies of such approvals or other evidence of their grant
- b. will be under any liability to the other by reason of such termination
- c. both parties shall be free to withdraw from this Agreement
- d. other bank acceptable to the Contractor
- e. all of the following conditions precedent
- f. from the competent financial authorities in the United Kingdom
- g. in a form satisfactory to the Contractor
- h. the procedure set down
- i. necessary documentation and information to enable the Contractor to proceed with

Key: 1 – e; 2 – f; 3 – g; 4 – a; 5 – d; 6 – i; 7 – h; 8 – c; 9 – b

Exercise: *Which of the above provisions could be expressed using 'shall' as a modal of obligation?*