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Articles 6:265 & 6:271 DCC



Termination of the contract and the obligation to reverse obligations already performed

Step 1

Assess the nature of the breach of contract and notify the debtor



✓ The obligation is due and has not been performed.

✓ Breach is either attributable to debtor or not attributable, but sufficiently serious to justify termination.

- ! **Action:** object to debtor regarding the fault in the performance within a reasonable period of time after discovering the fault or after the fault should reasonably have been discovered.
- ! **Action:** Check the contract for special provisions on termination (i.e. termination clause).

Step 2

Determine whether a notice of default is necessary



Permanently impossible?

NO

Notice of default is **required**.

YES

Notice of default is **not required**.

! **Action:** declare debtor in default by final, written notice with additional period for performance "ingebrekestelling";

! **Final notice exception**

Step 3

Terminate the breached contract



! **Action 1:** terminate the contract in whole or in part by written notification to debtor and request the reversal of obligations already performed, such as payment.

Does the debtor comply with the request to reverse obligations already performed?

YES

NO

! **Action 2:** request the court to rule that the contract has been terminated and that already performed obligations must be reversed.

YES