

Factum principis – The effect of emergency measures on contracts with the government

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The measures adopted by government in connection with the COVID-19 emergency can make it difficult or even impossible to perform contracts with the government.

Some of the government measures adopted in the context of the COVID-19 pandemic, such as restrictions on the entry and exit of persons to and from Brazil, whether by air, sea, or land (see, for example, Interministerial Directives 120/2020, 125/2020, 126/2020, 132/2020, 133/2020, 47/2020 – Portuguese only) can make it difficult if not impossible for suppliers to perform their obligations under contracts with the government.

Referred to as factum principis (act of the prince, literally translated), these measures are usually related to the government's police powers and, once proved, they will excuse suppliers' non-performance.

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