

Guidelines for contracts

Version 1

Mishcon de Reya

As the sector moves towards the day when we are able to open up for business, it is imperative that venue contracts and cancellation policies reflect the understandable reluctance of buyers to sign on the dotted line. The intention is there, but the threat of a further pandemic-related business interruption, still looms large and in many cases prevents that final signature.

With this in mind, and with the support of legal experts Mishcon de Reya, the mia has prepared contract and cancellation guidance for mia members. The guidance includes a COVID-19 contract clause, which you can safely add to your existing contracts. We strongly recommend you do this, or that you work with your own legal teams, to have an appropriate clause prepared for your business.

You can elect to use all or just part of the recommendations, but whatever you choose to do we ask that your contract terms are totally transparent, fair and reasonable. Always aim to satisfy the reasonableness test under the 'Unfair Contract Terms Act', particularly with regards to cancellation fees.

Best regards,

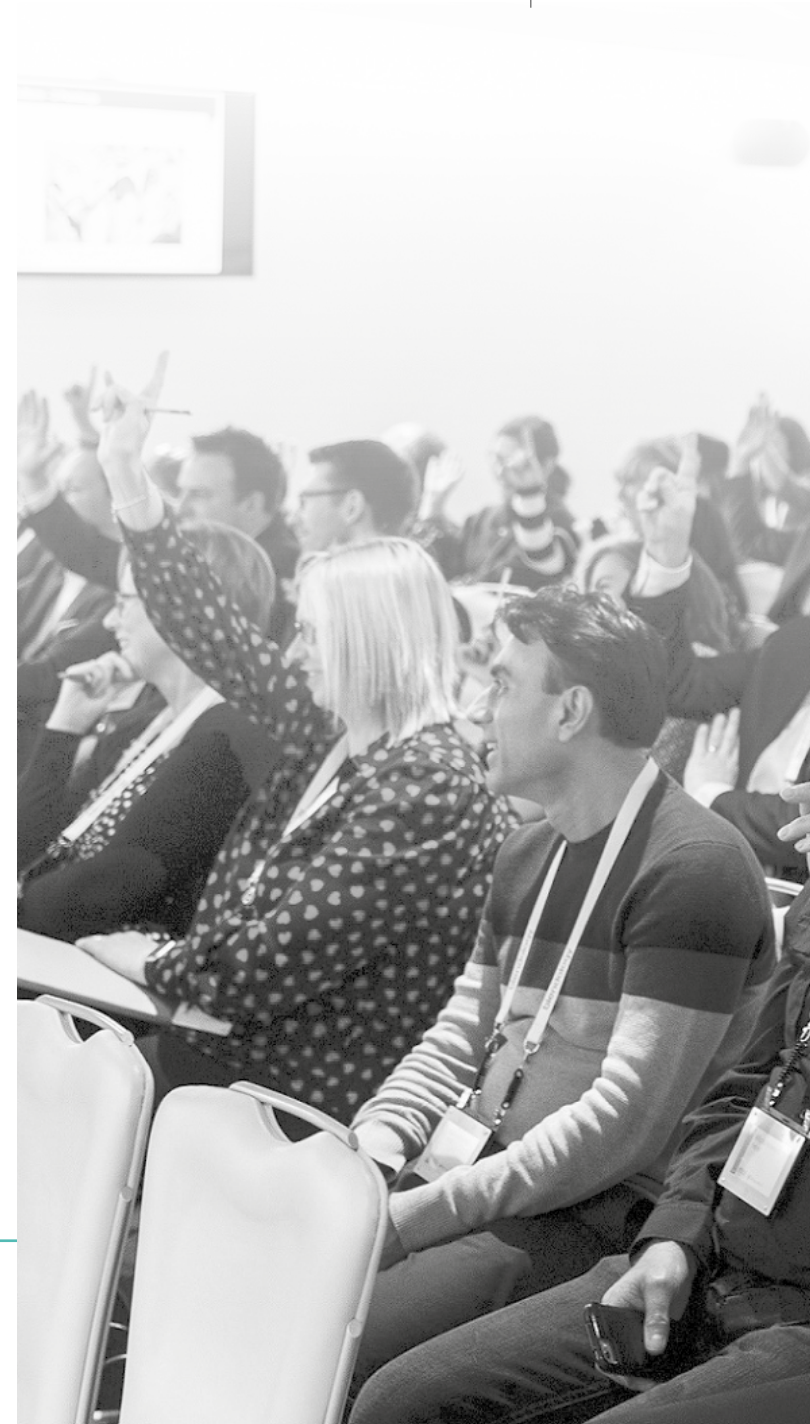


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For more information, you can register for regular updates at:

<https://www.mia-uk.org/Coronavirus>



Guidelines for contracts and dealing with cancellations

Guidelines for contracts

The Meetings Industry Association (mia) strongly recommends that you include pandemic wording in the booking conditions of your venue contracts.

The suggested wording protects all parties and ensures the actions that you as a venue operator may need to take are totally transparent and that your cancellation policy in all cases is fair and reasonable.

The following recommendations have been prepared on behalf of the mia by legal experts Mishcon de Reya:

COVID-19 Clause

Both parties acknowledge the ongoing COVID-19 crisis in the UK and accept their obligation to comply with any official guidance from UK Government. The parties agree to communicate without delay any issues they may have in performing their obligations under this agreement. You [organiser] acknowledge that COVID-19 may require us to take one or more of the following measures for the safety of our staff and the safety of delegates attending the event to which this booking relates:

- (i) impose maximum delegate numbers at the event;**
- (ii) limit food or drink availability;**

(iii) impose specific requirements regarding personal protective equipment such as the wearing of masks;

(iv) restrict the numbers of overnight stays if applicable; and/or

(v) limit any planned entertainment for your event;

(vi) designate alternative entrance and exit routes.

In some circumstances we might consider revising your booking fee.

If we are obliged due to specific Government restrictions, to close our venue, we may offer you an alternative date for the event but if that cannot be agreed the booking will be deemed cancelled and your deposit will be returned in full with no further payment required.

If you are unable to provide the agreed delegate numbers because of infections or travel restrictions, then we will offer you either a proportionate reduced fee for the event or agree to cancel the booking and return your deposit and any additional sums already paid in accordance with mia guidelines. If delegate numbers decrease below 70% of the contracted number (notified by the organiser in writing a minimum of 15 working days prior to event), we reserve the right to cancel the event.

Guidelines for contracts and dealing with cancellations

B2B contracts signed on standard terms of business – which most hotel/venue contracts are – must satisfy the reasonableness test under the ‘Unfair Contract Terms Act’ in regards to any exclusion or limitation of liability, which will include terms relating to cancellation fees. Therefore, it should be noted that while in theory a venue can refuse to return any monies to the organiser on cancellation by either party, in reality that might well be unenforceable.

If a deposit is non-refundable, this needs to be made very clear and the deposit should not be an unreasonably large percentage of the total booking fee.

It is reasonable to have a sliding scale of refunds that are dependent on the date of cancellation, but the time periods should bear some connection with the venues ability to resell the cancelled dates.

In the case of **consumer cancellations**, leisure, weddings and events, it is recommended that operators refer to **CMA Guidelines** [click to view](#) and ensure that consumer contracts are always totally transparent and fair.

Dealing with cancellations 2020/2021

Cancellations during 2020 and 2021 are likely to be for one of the following reasons:

1. UK in total lockdown
2. Regional lockdown
3. Client confidence/client choice
4. Failure to reach delegate numbers
5. Mandated delegate numbers

When dealing with any cancellation, the mia suggests the following, although it should be noted that this is not a prescriptive solution, it is recommended best practice.

ASSESS THE CONTRACT

STEP 1

If you are facing an organiser cancelling their booking, first ensure you know which contractual terms apply. Arm yourself with the facts:

- Was the contract actually signed?
- Check emails for any relevant statements that may have been made about cancellations
- Who signed what, and when?

The battle of the forms sometimes means that both parties believe their booking terms apply. But, in almost all cases the venue's terms should apply so don't accept a cancellation without checking what the cancellation terms say and, if these aren't clear, consider taking legal advice.

STEP 2

Discuss options with the organiser to amend or modify the booking on reasonable terms. This will generate goodwill and save money in terms of administering refunds or chasing for unpaid monies.



CONSIDERATIONS

For all cancellations the mia advises that you consider:

- The timing of the cancellation
- Your relationship with the client
- Where the booking has become impossible to perform by one or both parties, consider whether the contract has been “frustrated” under common law. (This will generally be a last resort once all other options have failed in terms of reaching agreement between the venue and the organiser.)
- The actual impact on your business
- The impact on your partners, AV providers and caterers, booking agents
- Alternative solutions before levying a cancellation charge
- The bigger picture, what's happening across the UK and what are the UK Government advising.

CANCELLATION GUIDELINES

The following guidelines can be considered when dealing with any contracted booking that does **not** include a COVID-19 Pandemic clause.

| FORCED | FORCED | FORCED | CLIENT CHOICE | CLIENT CHOICE |
|--|--|---|---|--|
| TOTAL OR REGIONAL LOCKDOWN VENUE CLOSED | REGIONAL LOCKDOWN VENUE OPEN | MANDATED DELEGATE NUMBERS | FAILURE TO MEET CONTRACTED DELEGATE NUMBERS DUE TO INFECTIONS OR TRAVEL | CLIENT CONFIDENCE* |
| <p>Option 1 Offer re-booking date to client at seasonal rate.</p> <p>Option 2 Refer client to accredited venue in other location.</p> <p>Option 3 Cancel booking without charge and refund deposit/all monies held.</p> | Charge reasonable cancellation fees in-line with your terms and conditions. If cancellation notice is sufficient, do not charge catering except in the case of a third-party commitment. | <p>Option 1 Be flexible about delegate numbers; offer a 50% reduction and share the impact with the client.</p> <p>Option 2 One free of charge move within a 12-month period of original booking subject to availability. Hold deposit and charge less than 15 working day catering. Contract: no further cancellation opportunity.</p> | <p>Option 1 Be flexible about delegate numbers; offer a reduction of up to 30%, if notified in writing 15 working days prior to event.</p> <p>Option 2 Cancel and refund deposit and any monies held.</p> | Charge 100% cancellation fee including catering according to your cancellation terms and conditions. |
| Offer a discretionary time limited loyalty re-book discount. | Offer a discretionary time limited loyalty re-book discount. | | | Offer a discretionary re-book discount as a gesture of goodwill. |

COMMITMENT TO BOOKING AGENTS

As a priority, always keep the booking agent informed of any changes to the negotiated contract

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|--|--|---|---|---|
| <p>For Option 1 Pay commission on new date at event point</p> <p>For Option 2 Commission to be paid by accepting venue (notify venue and booking agent on transfer).</p> <p>For Option 3 No commission payable.</p> | <p>Pay commission on cancellation fee and catering if charged.</p> | <p>Option 1 Pay commission on final delegate numbers.</p> <p>Option 2 Pay commission on held deposit and balance after event held date.</p> | <p>Option1 Pay commission on final delegate numbers.</p> <p>Option 2 No commission payable.</p> | <p>Pay commission on cancellation fee and catering, if charged.</p> |
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*Your organisations' commitment and adherence to cleaning, social distancing, food preparation and staff safety may help re-assure your clients. Be open and transparent about all of your protocols.



meetings industry association

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