



The Weekly Business Briefing - Functional Note 6 March 2026

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Editorial

Tomorrow will mark a week since CCI France UAE paused its regular activities and events to fully dedicate itself to supporting our business community. Our goal has been to provide a platform for members to exchange ideas, share insights, and access real-time information.

In addition, we have decided to produce this synthesis note for our entire community, aiming to help companies navigate the current uncertain context. This includes guidance on human resources management, communication strategies, and perspectives across multiple sectors of activity.

We would like to extend our sincere thanks to Marie Agnès Descrozaille for her valuable contribution regarding the recognition of force majeure.

We also wish to remind our members that CCI France UAE is part of a global network, and we continue to work closely with our colleagues and partners in the region. Their contact details are included in this document for your reference.

Finally, we strongly encourage all members to follow the directives issued by both UAE and French authorities. We sincerely thank our interlocutors in both countries for their mobilization and professionalism.

CCI France UAE remains at your disposal – calm, mobilized, and pragmatic. It is together that we will overcome this crisis, and we will emerge stronger. This is precisely the lesson that the United Arab Emirates, our host country, has taught us through its vision and pragmatism.

HR & Operation Management

An online meeting was held on the afternoon of March 5, bringing together more than 40 HR Directors from member companies of CCI France UAE to discuss the current situation. Below are the key takeaways.

Employee Management & Business Continuity

On-site presence / Remote work

- Minimal on-site presence is maintained by some companies.
- Remote work (WFH) has been implemented for most employees whenever possible.
- In some cases, employees located in more sensitive areas have been temporarily relocated depending on the country's situation.
- Companies are allowing flexibility to work from home or from abroad (up to several weeks) depending on the situation and internal policies.
- In the event of repatriation, companies with expatriate contracts highlight the need to carefully monitor potential tax implications.

Leave & Standby

- Employees are encouraged to take annual leave when operations slow down or stop.
- Employees outside the country without access to their work laptop are generally considered to be on leave to ensure consistency.

New hires

Some companies have delayed start dates for new hires to reduce exposure and simplify logistics.

Operations

- Some companies, particularly in the retail sector, are experiencing operational disruptions as shipping capacity is significantly affected.
- A general increase in logistics costs is expected in the coming weeks and months for this sector.

Security & Evacuation

- Safety first
- A limited number of companies have organized evacuations to safer countries, sometimes through multi-step routes.
- The majority of companies have prepared evacuation plans, but these remain backup measures and are not activated at this stage of the crisis.

- Many companies rely on external providers (e.g., International SOS or local security providers) for monitoring and guidance.

Wellbeing & Psychological Support

Digital platforms

Employees have access to psychological support in multiple languages through specialized providers (e.g., Eutelmed).

Medical insurance

Some insurance policies may include additional psychological support services.

Internal communication

- Many companies have implemented daily town halls or crisis meetings, with key updates communicated regularly to employees.
- Additional tools include internal FAQs, crisis communication channels, guidance for families, and stress-management support.
- Communication is also prepared for employees' relatives abroad, who may be particularly concerned.

Wellbeing

Special attention is given to employee stress, isolation, and family concerns.

Hardship / Danger allowance

Some companies are considering hardship or danger allowances for employees required to remain on-site, particularly in higher-risk operational locations (e.g., airports or ports).

Mobility & Travel

- Many companies allow up to 10 days of remote work from abroad.
- Employees choosing to travel during the upcoming school holidays do so at their own decision and responsibility.
- Employees who wish to temporarily return to their home countries to feel safer may be allowed up to two weeks of remote work, after which annual leave may be required.
- Exit routes through Oman and Saudi Arabia remain operational, with possible delays at Muscat Airport due to high passenger volume. Authorities have issued guidance to facilitate passenger flows.
- In cases where employees request repatriation, companies are assessing whether flight costs should be borne by the employee, shared, or covered by the company.

Common Best Practices

- Flexible approaches to remote work, leave, and travel while maintaining operational continuity.
- Individual monitoring of employees based on nationality, contractual status (expat/non-expat), and family situation.
- Clear and regular communication regarding safety measures, travel guidance, and evacuation options.
- Use of digital tools and external providers to support employee wellbeing and crisis monitoring.
- Employee and family data are being collected or updated to help prepare or adjust evacuation plans if the situation evolves.
- Back-office management teams are rotating on-site to meet front-line staff and provide support.
- Back-up payroll systems

Common Trends

- Remote work and flexible leave policies remain key levers to manage stress while maintaining operations.
- Evacuation and security plans are primarily preventive and adaptive, rather than reactive.
- Compensation mechanisms related to employee risk exposure (such as hardship allowances or travel support) are increasingly being considered as part of crisis management frameworks.

Communication

An online meeting was held on the afternoon of March 5, bringing together Marketing and Communication Directors from member companies of CCI France UAE to discuss the current situation.

French companies operating in the region have quickly activated crisis cells and implemented dedicated communication strategies to anticipate potential developments.

The objectives are twofold:

- Ensure the safety and support of employees.
- Maintain business continuity, whether commercial, industrial, or operational.

Internal Communication as a Priority

Internal communication has become the primary lever to support teams.

Key measures include:

- Early messaging to employees, reminding them of emergency contacts and procedures.
- Structured monitoring mechanisms, including:
- Detailed census of employees in the region (location, phone numbers, administrative details, family information).
- Regular meetings (mostly daily) to monitor the situation and adjust measures.
- Creation of WhatsApp groups or dedicated messaging channels for operational updates and practical advice.
- Country-specific communication to reflect local conditions and varying risk levels.
- The tone is factual and reassuring, sharing only necessary information to reduce employee stress.

Some companies have further structured communications for clarity:

- Categorization of messages by urgency using email headers such as “Update”, “Important”, and “Urgent”.
- Weekly situation summaries prepared by external PR agencies and shared with management teams.
- Messages from company leadership or HQ chairpersons sent globally to reaffirm company support.

Managerial support:

- Frequent check-ins and team updates.
- Rotation of management teams on-site to support employees.
- Organization of evening activities or team engagement initiatives.

Employee Support Mechanisms

- Companies have strengthened support mechanisms, including:
- Access to mental health and wellbeing platforms.
- Dedicated employee support hotlines.
- Online counseling or support services for individual guidance and stress management.

Limited External Communication

Most companies have limited or temporarily suspended external communication to avoid multiplying public messages.

Measures include:

- Pause of social media publications.

- Suspension of marketing campaigns.
 - Temporary halt of collaborations with influencers and partners.
 - Minimal brand visibility maintained only through existing channels (e-commerce, retail outlets) to ensure business continuity.
 - Preparation of standardized responses for journalists.
 - Guidance provided to employees who might be contacted by the media.
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Legal Guidance for Businesses in the Current Regional Crisis : Force Majeure and Hardship in the GCC

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Legal Note - 05 March 2026

EXECUTIVE SUMMARY

The escalation of regional tensions since 28 February 2026 may affect the execution of many commercial contracts involving companies operating in the Gulf region.

From a legal perspective, two main contractual mechanisms may apply depending on related contractual and operational situation:

1. Force Majeure

When the crisis makes contractual performance **objectively impossible**, contractual obligations may be temporarily suspended and the contract may eventually be terminated without liability if the situation persists.

2. Hardship

When contractual performance **remains possible** but becomes excessively difficult or economically unbalanced, the affected party may request renegotiation of the contract in order to restore equilibrium.

3. Key Distinction: Force Majeure vs Hardship

Situation	Legal Concept	Consequence
Contract cannot be executed	Force Majeure	Contract suspended then possibly terminated
Contract still possible but much more difficult or expensive	Hardship	Contract renegotiation

Understanding the distinction between these two mechanisms is essential for Managers and their legal and operational teams managing contractual risks in the current environment.

4. What should You do In Practice

Companies operating in the GCC should:

- Review affected contracts immediately, in particular force majeure, hardship and notification clauses.
- Notify contractual partners promptly where contract performance is affected.
- Document operational disruptions and their impact on contractual performance.
- Prepare for possible outcomes: suspension or termination under force majeure, or renegotiation under hardship.

I. CURRENT REGIONAL CONTEXT: POTENTIAL IMPACT ON CONTRACT EXECUTION

In the current regional context resulting from the escalation of tensions and military operations involving Iran since **28 February 2026**, several Gulf countries, including the UAE, may experience operational disruptions affecting business activities.

Such disruptions may include:

- security-related evacuation or repatriation of staff
- temporary closure or restricted access to operational sites
- disruptions in supply chains and logistics
- maritime transport risks in the Strait of Hormuz
- restrictions affecting transportation, ports or airspace

In practice, most contractual situations arising from such disruptions generally fall into **two legal categories**.

II. FORCE MAJEURE AND HARDSHIP: THE TWO RELEVANT LEGAL MECHANISMS

1. Temporary Suspension and Possible Termination : Force Majeure

This situation arises where the crisis renders performance of the contract objectively impossible.

In such cases, contractual obligations may be temporarily suspended for the duration of the force majeure event. If the situation continues beyond a defined period, usually set in the contract or considered a reasonable suspension period, the contract may ultimately be terminated without liability for either party.

2. Operational Disruption Requiring Renegotiation: Hardship

In other situations, the contract may remain technically executable but under significantly more difficult or costly conditions.

In these circumstances, the concept of hardship may apply. The contract continues to exist, but the parties may request renegotiation of its economic or operational terms in order to restore a fair balance between their obligations.

III. LEGAL FRAMEWORK GOVERNING FORCE MAJEURE AND HARDSHIP

1. Force Majeure in International Commercial Law and National Laws

Force majeure is a widely recognised concept in international commercial law and international arbitration practice. It refers to an external, unforeseeable and unavoidable event that prevents contractual performance. Many national legal systems reflect the same principles:

UAE law recognises force majeure under Article 273 of the UAE Civil Code (Federal Law No. 5 of 1985).¹

French law defines force majeure under Article 1218 of the French Civil Code².

The French definition mirrors the same three criteria used in international instruments and UAE jurisprudence: (i) External event beyond the parties' control; (ii) Unforeseeable at the time of contracting; and (iii) Irresistible effect preventing performance.

Typical Examples Include:

- war, armed conflict or military operations
- governmental restrictions, sanctions or embargoes
- closure of airspace or suspension of commercial flights
- maritime disruptions, port closures or blockage of shipping routes
- closure of borders or major transport corridors
- destruction, damage or inaccessibility of critical infrastructure

¹ Article 273 – UAE Civil Code

1. In contracts binding on both parties, if force majeure supervenes which makes the performance of the contract impossible, the corresponding obligation shall cease, and the contract shall be automatically cancelled.

2. In the case of partial impossibility, that part of the contract which is impossible shall be extinguished, and the same shall apply in the case of temporary impossibility in continuing contracts, and in those two cases it shall be permissible for the obligee to cancel the contract provided that the obligor is aware.

² Article 1218 – French Civil Code (Force Majeure)

“There is force majeure in contractual matters when an event beyond the control of the debtor, which could not reasonably have been foreseen at the time of the conclusion of the contract and whose effects cannot be avoided by appropriate measures, prevents performance of his obligation by the debtor.

If the impediment is temporary, performance of the obligation is suspended unless the resulting delay justifies termination of the contract. If the impediment is permanent, the contract is terminated by operation of law and the parties are discharged from their obligations under the conditions provided for in Articles 1351 and 1351-1

Legal Consequences

Where force majeure applies, contractual obligations are **suspended** for the duration of the event and, neither party is **liable for non-performance during this period**

Most commercial contracts provide for a **suspension period**, often between **60 and 90 days**.

If the situation persists beyond this period and performance remains impossible, the contract may be **terminated**.

Termination due to force majeure usually means:

- no damages or penalties are payable
- payments received for services already performed remain acquired
- invoices for completed services must still be paid
- remaining obligations under the contract cease.

2. Hardship in International Commercial Law and National Laws

Hardship is another recognised concept in international contract law. It arises where exceptional and unforeseen events fundamentally **alter the economic balance of the contract**, while performance remains possible but becomes excessively onerous for one party.

Many legal systems and international instruments recognise this mechanism, UNIDROIT Principles of International Commercial Contracts³; UAE law - Article 249 of the UAE Civil Code (Federal Law No. 5 of 1985)⁴; French law - Article 1195 of the French Civil Code⁵,

Despite differences in wording, these instruments rely on the same underlying principle: when exceptional circumstances fundamentally disrupt the contractual equilibrium, the parties must first attempt renegotiation before other remedies may be considered.

Typical situations may include:

- major increases in transportation or logistics costs
- severe supply chain disruptions
- shortages of key materials or equipment
- significant regulatory or security-related operational costs

³ Articles **6.2.2 and 6.2.3**, which allow a party facing hardship to request renegotiation and, failing agreement, to seek judicial adaptation or termination of the contract

⁴ **Article 249 of the UAE Civil Code (Federal Law No. 5 of 1985)** which allows a judge to reduce an excessively onerous obligation to a reasonable level when exceptional and unforeseeable circumstances occur.

⁵ **Article 1195 of the French Civil Code**, which allows a party to request **renegotiation of the contract when an unforeseeable change of circumstances makes performance excessively onerous**

In such circumstances, the affected party may **request renegotiation** of the contract in order to restore its economic balance.

IV. WHAT SHOULD YOU DO ?

In the current environment, companies should act **proactively** to protect both their legal position and their commercial relationships.

1. Review Affected Contracts Immediately

Companies should carefully review contracts that may be impacted by the crisis, particularly:

(i) the Force Majeure clause; (ii) any Hardship or renegotiation clause, (iii) notification requirements (iv) the duration of suspension periods, and (v) the conditions for termination or amendment.

Where the contract contains a force majeure or hardship clause, its specific conditions will govern the parties' rights and obligations.

Where no such clause is provided, parties may still rely on applicable law and widely recognised international principles of force majeure or hardship. While the legal position may be weaker in such cases, these principles can still provide a valid basis for notifying the situation and initiating discussions with contractual partners.

2. Notify Your Contractual Partners as Soon as Practicable

Where the crisis prevents or seriously disrupts the execution of the contract, companies should formally notify the force majeure event to their contractual partners as soon as practicable, in accordance with the notification requirements set out in the contract or, if the contract is silent on notification, within a reasonable timeframe.

Such notification should explain how the event affects the performance of the contract, including any operational disruptions (e.g. airspace closures, maritime transport disruptions, evacuation of personnel or supply chain interruptions).

It is important to remember that force majeure requires impossibility of performance, not simply increased difficulty.

3. Document the Operational impact

Companies should carefully document all circumstances affecting contractual performance, including: (i) internal reports on operational disruptions; (ii) communications with suppliers or logistics providers; (ii) government announcements affecting operations; and (iii) records of staff evacuation or site closures.

Such documentation may prove critical in the event of subsequent contractual renegotiation, suspension or termination, or in the context of any future dispute.

4. Prepare for Possible Next Scenarios

Depending on how the situation evolves, two outcomes are possible.

If the situation improves within the suspension period, contract performance may resume.

If the situation persists and performance remains impossible, the parties may need to discuss termination under the force majeure provisions.

Where performance remains possible but economically disrupted, renegotiation discussions should be initiated under the hardship provisions.

V. FINAL PRACTICAL CONSIDERATION

Each contractual situation must ultimately be assessed **case by case**, taking into account:

- the wording of the contract
- the governing law of the agreement
- the actual operational impact of the crisis

Early legal review and proactive communication with contractual partners are generally the most effective ways to limit risks and preserve commercial relationships in exceptional circumstances.

VI. KEY TAKEAWAYS

1. Not every disruption is Force Majeure

Force Majeure applies only when contractual performance becomes **objectively impossible**, not merely more difficult or more expensive.

2. Hardship may apply when performance becomes excessively burdensome

If the contract can still technically be performed but the crisis has **seriously altered its economic balance**, renegotiation of the contract may be justified.

3. The contract wording is decisive

The applicability of Force Majeure or Hardship will primarily depend on the **specific clauses included in the contract** (Force Majeure clause, Hardship clause, notice requirements, suspension period).

4. Act early and communicate

Companies should **promptly review affected contracts and notify contractual partners** where necessary, explaining clearly how the crisis impacts performance.

5. Document everything

Maintaining clear records of operational disruptions, logistics issues, staff evacuation, or regulatory restrictions is essential to **support any Force Majeure or Hardship claim.**

6. Prepare for two possible outcomes

Depending on how the situation evolves, companies should be ready either to resume contract performance, renegotiate contract terms, or terminate the contract in accordance with Force Majeure and/or hardship provisions.

Latest News: Qatar Energy Declares Force Majeure

<https://www.lexis.ae/2026/03/06/qatar-qatarenergy-declares-force-majeure/>