

A Leap of Good Faith? Practical Implications of the Supreme Court of Canada's Decision in *Bhasin v. Hrynew* for Contracting Parties

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By

In *Bhasin v. Hrynew*, the Supreme Court of Canada recognized a new general duty of honesty in contractual performance. Writing for the unanimous Court, Justice Cromwell stated that the new duty falls under the “broad umbrella of the organizing principle of good faith performance of contracts.” In the Court’s view, this decision is not a leap for Anglo-Canadian contract law, but rather a timely and incremental development which “will make the law more certain, more just and more in tune with reasonable commercial expectations”. The practical implications of this case are potentially wide-ranging and parties will need to consider their performance obligations and behaviour in light of this ground-breaking decision. Download the PDF to read the entire newsletter, which also appeared in *Canadian Corporate Counsel Magazine’s* December 2014 issue.

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