



The Middle East conflict: Practical steps for businesses

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As the conflict in the Middle East continues to have operational and commercial consequences, DLA Piper recognizes this is an unprecedented time for its partners and business colleagues across the region. Our leadership remains committed to the firm's investments and relationships and commends regional and business leaders for demonstrating remarkable resilience in operations, security, and stability through this time. Our thoughts are with our clients, their employees, and the families affected.

Against this backdrop, this update outlines practical, business-focused considerations for companies navigating disruption, while prioritizing safety, continuity,

and legal risk management – and preparing for the opportunities that will continue to arise.

Business impacts

Businesses operating in, trading with, or routing people, goods, and capital through the region face significant impacts. Also affected are entities headquartered outside the region with contractual, financing, supply chain, or investment exposure to the Middle East. Reports indicate significant disruption to regional airspace affecting major hubs across the region, functional closure of international shipping around the Strait of Hormuz, pressure on war-risk insurance markets, cybersecurity attacks, and dislocation in energy and logistics flows.

For affected businesses, a coordinated operational, contractual, and risk-management approach may be key: Protect people first, preserve rights early, document impacts in real time, and review the key contracts and insurance arrangements most likely to come under stress.

Immediate priorities

The first priority should be the safety and well-being of employees, contractors, customers, and other affected stakeholders. Businesses are encouraged to continuously review travel and site-access arrangements, closely monitor official foreign and local government notices and advisories, assess whether staff relocations or remote working are required, and ensure crisis teams and communications

channels are functioning effectively. Practical measures taken now to protect people and stabilize operations may be documented as mitigation efforts to insurers, counterparties, or tribunals and when responding to regulatory, employment, or duty-of-care scrutiny. This may be especially relevant for multinational employers.

Contracts and notices

Timing may be key. Businesses are encouraged to compile lists of key commercial contracts that may be affected, as well as existing supply agreements, charterparties, logistics contracts, project documents, leases, financing documents, customer arrangements, and insurance policies. Companies may further identify any notice

provisions that may have been triggered or may soon require consideration, including force majeure notices, extension-of-time notices, notifications to lenders, and notifications to insurers. Late or defective notices can materially weaken an otherwise valid position.



Key considerations for force majeure

Companies are encouraged to:

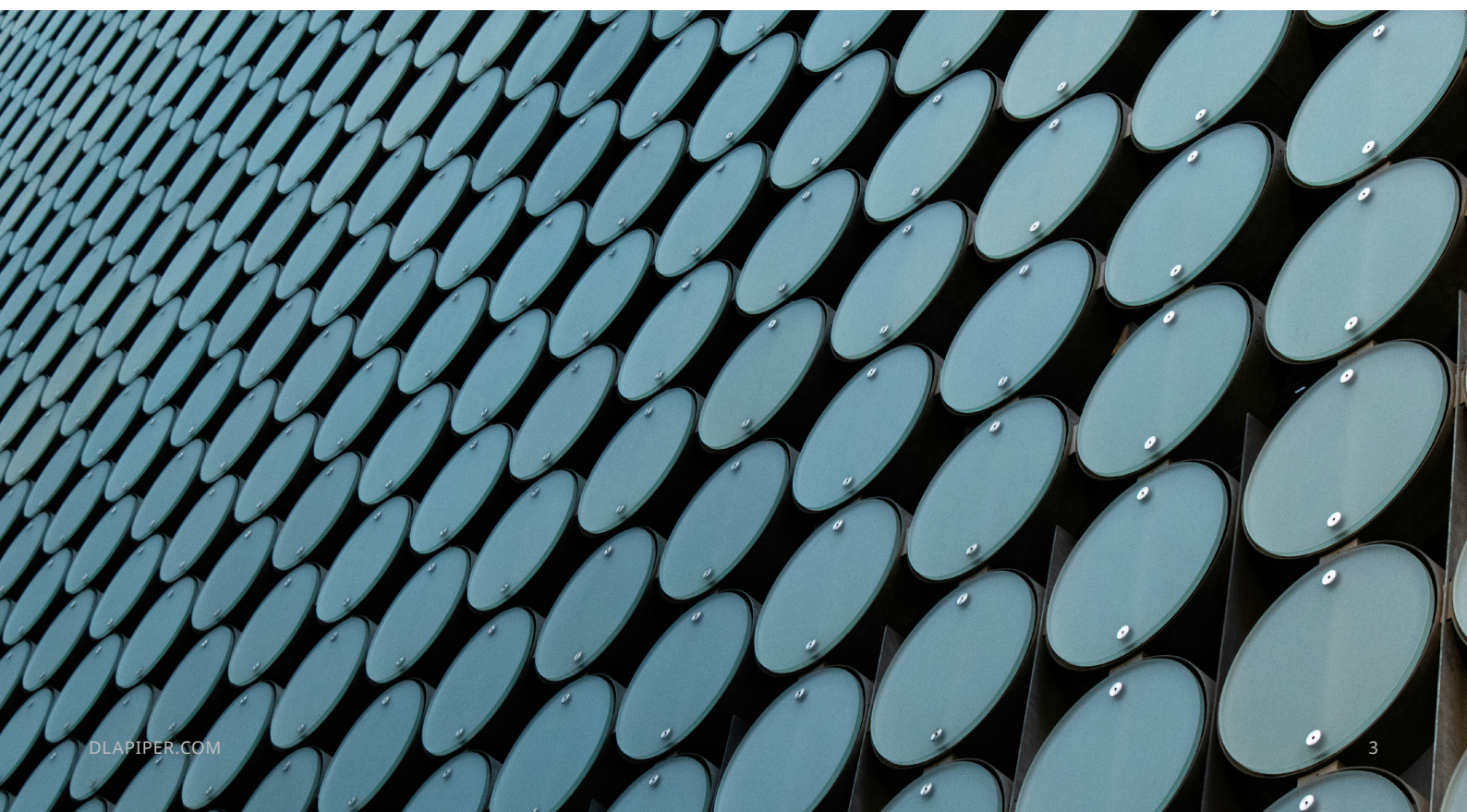
- **Review their contracts carefully.** The availability of force majeure relief depends entirely on the precise wording of the clause. Some clauses require an event to “prevent” performance (a generally high threshold), while others apply where performance is “hindered” or “delayed.”
The governing law matters significantly: Under English law, force majeure is strictly a matter of contract, and relief is confined to the express terms of the clause. Under United Arab Emirates and other Gulf Cooperation Council laws, statutory provisions may provide relief even without an express force majeure clause.
- **Comply strictly with notice requirements.** Force majeure typically must be notified in accordance with the terms of the clause. Failure to provide timely notice, or to comply with requirements regarding the content and method of notice, may affect your ability to rely on the clause. If you are unsure when the event began to affect your contract, consider notifying at the earliest opportunity and issuing periodic updates.
- **Document evidence.** Maintain and collate evidence of the conflict’s impact, including official government announcements, press releases from reputable news agencies, and records of how the event has affected your operations. This evidence may be key, whether you are bringing a claim or defending against one.
- **Continue to mitigate.** Even if you have triggered a force majeure clause, you must continue to take reasonable steps to mitigate the event’s impact on your performance. Failure to do so may undermine your claim.

- **Respond promptly to notices received.** If you receive a force majeure notice from a counterparty, failure to respond on time may constitute acceptance of the claim. Consider reviewing your subcontracts and supply contracts immediately to assess whether you need to issue notices upstream.
- **Avoid overreaching.** Businesses are encouraged to avoid sending generic notices without first reviewing relevant wording, governing law, and evidential basis. Equally, exercise caution before taking unilateral termination steps. The thresholds for frustration, impossibility, and certain material adverse change (MAC) arguments are often high, and wrongful termination carries significant risk.

For parties involved in ongoing transactions,

MAC clauses may also be engaged. If a transaction or target business may be affected by the conflict, consider reviewing the clause carefully and begin gathering data on the anticipated financial and operational impact. MAC clauses often exclude changes affecting the wider economy, so careful analysis is often required.

- **Audit insurance early on.** Insurance may be one of the earliest pressure points. Some marine insurers have withdrawn coverage for vessels transiting the Persian Gulf, and aviation war markets could follow. Premiums have increased materially in some cases, and insurers may issue cancellation or modification notices on short notice.



Next steps for businesses across industries

All businesses are encouraged to:

- Immediately gather all potentially responsive policies and review them holistically. These include policies related to war and allied-perils cover, political risk cover, commercial property and business interruption insurance, contingent business interruption, cargo and marine product policies, event cancellation policies, cyber cover, travel cover, and specialist aviation or energy market protections.
- Promptly notify potentially responsive insurers, even where loss figures are still developing, as early notice may be key to preserving rights.
- Carefully check territorial limits, endorsements, sub-limits, exclusions, and cancellation rights.
- Review any notices from insurers seeking to cancel or amend geographic limits of coverage, ensuring they comply with relevant cancellation terms.
- Engage promptly with brokers and coverage counsel to ensure coverage gaps or notification deadlines are addressed.
- Extend the insurance review to leases, finance documents, and other contracts that require specified insurance to remain in place.

Evidence and documentation

Evidence could matter as much as – or more than – formal legal labels. Businesses are encouraged to preserve contemporaneous evidence showing how the conflict is affecting performance, including internal decision records, correspondence with suppliers and customers, notices from authorities, shipping disruptions, cost increases, staffing impacts, and mitigation steps including crisis management materials and relevant board or committee records. Where losses may become material, companies are encouraged to designate responsible individuals or cost centers to track developing impacts in real time.

Evidence may be particularly relevant as many relevant legal routes, including force majeure, hardship, MAC arguments, disruption claims, business interruption claims, or frustration-style arguments require clear proof of causation, materiality, and mitigation. Increased cost or inconvenience alone may not be enough, unless the contract expressly confirms this or the governing law provides otherwise.



Sector-specific considerations

Aviation

Operators, lessors, and businesses with aviation exposure are encouraged to review fleet location, airport exposure, insurance arrangements, and lease obligations as immediate priorities. Major transfer hubs including Abu Dhabi, Doha, and Dubai have experienced significant disruption due to airspace closures.

Aviation companies are encouraged to:

- Provide immediate notice to insurers of potential exposure, even where losses have not yet been quantified. Early notice may be key to preserving coverage rights under most aviation insurance policies.
- Review all insurance policies carefully, including hull, war, and allied-perils coverage and any political risk insurance.
- Where operationally and legally feasible, evaluate whether aircraft can be repositioned or evacuated from high-risk airspace or airports. This generally requires coordination with lessees, lessors, insurers, and local authorities.
- Consider that insurer notices could cancel or modify coverage for affected territories. Cancellations may take effect within as little as seven days.
- Consider notifying political risk carriers.

Shipping and maritime

The Strait of Hormuz, a major trade corridor, is currently associated with heightened commercial risk. Iran's Revolutionary Guard has stated that the Strait is closed, and many commercial vessels are reportedly avoiding the area. As of the time of writing, shipments equivalent to approximately ten days of traffic are reported to be delayed within the Persian Gulf.

Maritime and shipping companies are encouraged to:

- Immediately review charterparties and financing arrangements. Many require vessels to be insured to specified levels, and, where war-risk coverage is withdrawn, owners and charterers face decisions regarding whether voyages can proceed.
- Assess whether failure to maintain required insurance could constitute a breach under charter, loan, or sale agreements.
- Review all insurance policies, including notice requirements, navigation warranties, and geographic exclusions.
- Consider alternative routing options, such as diversions around the Cape of Good Hope. Note that such alternative routing could add up to two weeks to voyage times and materially increase freight rates.
- Assess force majeure and hardship provisions in light of the closure of the Strait and the withdrawal of insurance coverage.



Hospitality, tourism, and events

Hotels, resorts, event venues, and tourism businesses – particularly those with property investments in or near affected regions – face distinct vulnerabilities.

Hospitality companies are encouraged to:

- Gather and map all potentially responsive insurance policies, including commercial property and business interruption, contingent business interruption, event cancellation, political risk, and general liability.
- Provide prompt written notice to all potentially responsive insurers, even where losses have not been quantified or coverage is uncertain.
- Carefully review war exclusions, endorsements, and write-backs. War and hostilities exclusions may apply, but there may be separate coverage available under stand-alone war policies or political violence policies.
- Document all mitigation efforts, including guest safety measures, evacuation decisions, staff relocations, and temporary suspension of operations.
- Track all cancellations, business trends, and financial data for business interruption claims. Consider designating a dedicated person and cost center to capture potential loss amounts as they develop.
- For those with event exposure, review event cancellation and contingency insurance and provide notice for potential cancellations as early as possible.

Construction and infrastructure

Companies involved in the development and construction of local projects could face significant challenges, including related to the delivery of goods to site and potential price-escalation claims.

Construction companies are encouraged to:

- Review extension of time and disruption provisions in their contracts. Contractors could claim relief linked to force majeure notices.
- Consider early involvement of delay experts to assist with assessing the validity and quantum of claims.

- Engage early with partners throughout the supply chain and review contracts to understand obligations notwithstanding the conflict.

Employers are encouraged to:

- Carefully review contractor notices.
- Require proper detail and substantiation.
- Assess genuine entitlement under the contract.
- Consider genuine entitlements that contractors may have and ensure strict compliance with notice requirements, including requiring sufficient detail from contractors.

Contractors are encouraged to:

- Ensure that notices comply strictly with contractual requirements and that proper substantiation is provided where possible.
- Keep records to support causation, critical-path impact, and quantum.

Energy and energy-intensive sectors

Businesses exposed to LNG, oil, fuels, chemicals, aluminum, fertilizers, and other energy-sensitive inputs are encouraged to stress-test supply continuity, pricing exposure, and downstream contractual commitments. QatarEnergy has declared force majeure on LNG shipments. Energy prices have risen sharply, and natural gas prices have increased by almost 50 percent following attacks on Qatari facilities.

Energy companies are encouraged to:

- Assess whether existing contracts contain provisions that address the current disruption, including force majeure, price adjustment, and change in law provisions.
- Review documentary requirements in letters of credit, trade finance facilities, and commodity sale contracts, as compliance may be affected by revised routing arrangements or modified insurance programs.
- Monitor sanctions developments closely. Governments could adjust existing sanctions regimes to facilitate alternative supply flows.



Key priorities for businesses

1

Protect employees, contractors, customers, and guests.

2

Identify the contracts, policies, and financing arrangements most exposed to disruption.

3

Issue any required notices promptly and correctly.

4

Audit insurance and monitor cancellation or amendment notices closely.

5

Preserve contemporaneous evidence and track costs and losses in real time.

6

Assess alternative routing, sourcing, staffing, and operational workarounds.

7

Engage early with key counterparties to explore commercial solutions before positions harden.



Looking ahead

Once the immediate situation stabilizes, companies are encouraged to assess their supply chain contracts to identify counterparties likely to be affected by similar future events.

Consider whether force majeure clauses in existing and future contracts clearly and expressly allocate risk. Further, consider engaging with counterparties to plan for future disruptions.

How DLA Piper can help

DLA Piper has offices in the UAE (Abu Dhabi and Dubai), Saudi Arabia (Riyadh and Al-Khobar), Qatar (Doha), Bahrain (Manama), and Oman (Muscat). Professionals from across the firm, including from its Insurance, Construction and Engineering, Regulatory and Government Affairs, Employment, International Trade, Projects and Project Finance, Banking, Tax, and Corporate teams, can help companies protect their people, preserve their legal position, and respond quickly to operational disruption across the region and beyond.

The firm provides practical, business-focused advice informed by local knowledge, sector insight, and cross-border execution. We are positioned to assist clients with:

- Contract review and risk assessment
- Force majeure and MAC clause analysis
- Insurance policy review and claims support
- Dispute resolution and arbitration
- Supply chain and operational contingency planning
- Employment and duty-of-care issues

Please do not hesitate to contact your usual DLA Piper contact if you have any questions or require assistance.

This update is based on publicly available information as of March 2026 and is provided for general guidance only. It does not constitute legal advice. Given the rapidly evolving nature of the situation, we recommend seeking specific advice tailored to your circumstances.



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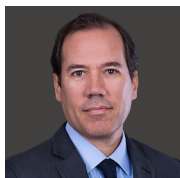
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