



THE RECENT FIRE INCIDENT AT HAZRAT SHAHJALAL INTERNATIONAL AIRPORT (HSIA) HAS CAUSED SIGNIFICANT DISRUPTION TO LOGISTICS, SUPPLY CHAINS, AND COMMERCIAL OPERATIONS ACROSS BANGLADESH.¹ UNDERSTANDING YOUR LEGAL POSITION, CONTRACTUAL OBLIGATIONS, AND INSURANCE RIGHTS IS PARAMOUNT TO MITIGATING LOSSES AND ENSURING BUSINESS CONTINUITY.

KEY DISRUPTIONS & BUSINESS CHALLENGES

The aftermath of the HSIA fire presents critical operational and contractual hurdles for businesses:

- **Logistical Paralysis:** The fire has severely disrupted logistics, halting the flow of goods and creating delays in supply chains across the country.²
- **Performance Impairment:** Businesses may be immediately unable to meet delivery deadlines or receive necessary goods, potentially exposing them to claims for breach of contract.
- **Complex Liability:** Determining who holds liability for lost or damaged goods is complicated, depending on custody (airline, freight forwarder, or ground handler).
- **Limited Carrier Liability:** The liability of air carriers is often significantly limited by international conventions (like the Montreal Convention) and Air Waybills, emphasizing the critical need for separate cargo insurance.³
- **Regulatory Backlogs:** Expect delays and complications with Bangladesh Customs regarding the handling of damaged goods, assessing duties, or rerouting urgent shipments.



THE RISK FACTORS: LEGAL IMPLICATIONS

The incident presents a complex interplay of insurance, contract, and transportation law, demanding immediate attention to the following areas:

Risk Area	Key Issues Requiring Review
1. Insurance Claims and Coverage	Coverage Verification: Identify all applicable policies (Cargo/Marine, Property All Risks and Business Interruption). Understand scope, exclusions, and deductibles. Timely Notification: Insurance policies strictly require prompt formal notification of the loss or potential claim to all relevant providers. Documentation of Loss: Meticulously compile documentation (inventory lists, commercial invoices, and shipping documents) to quantify financial loss, as the burden of proof is on the insured.
2. Contractual Obligations and Force Majeure	Impact on Performance: Will inability to perform expose your company to claims for breach of contract? Invoking Force Majeure: The specific requirements of the contractual Force Majeure clause (e.g., timing, evidence) must be strictly adhered to. Contract Review: Scrutinize notices received from counterparties to ensure the fire is the direct cause of their non-performance. Suspension/Termination: Determine what rights and remedies are available under your key agreements.
3. Supply Chain and Logistics Liability	Custody and Control: Determine who had custody of the goods when the loss occurred to assign liability (airline, freight forwarder, ground agent). Limitations of Liability: Be aware that carrier liability limits (e.g., under the Montreal Convention) may be far lower than the actual value of your goods.
4. Potential Third-Party Liability	Negligence: Monitor the official investigation into the cause of the fire. If negligence by the airport authority (CAAB) or another entity is revealed, there may be grounds to pursue recovery for losses not covered by insurance (e.g., deductibles or consequential losses).

MANAGING RISK: IMMEDIATE ACTION CHECKLIST

We advise all affected businesses to take the following proactive measures immediately:

- **NOTIFY Insurers:** Issue formal written notification to all relevant insurance providers immediately, even if the full extent of the damage is yet unknown.
- **DOCUMENT Losses:** Compile detailed inventories, Air Waybills, Bills of Lading, packing lists, and commercial invoices related to the affected cargo.
- **REVIEW Contracts:** Identify force majeure clauses and notification obligations in all critical contracts.
- **ISSUE Notices:** If performance is impossible or delayed, issue formal force majeure notices to counterparties, strictly following contractual procedures.
- **MITIGATE Losses:** Take all reasonable steps to minimize further disruption and loss (e.g., rerouting shipments, sourcing alternatives), and document these efforts.⁴





CHAMBERS INITIATIVES | AIRPORT FIRE INCIDENT

Avoid exposure to unknown legal and business risks arising from the disruption at this crisis. Manage your business efficiently and skillfully.

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¹ The Al Jazeera

² The Al Jazeera

³ Ramos Law

⁴ Jansen/Adjusters International

