



# What Are Calderbank Offers and Offers Of Compromise?

They are two methods of sanctioning costs against a party who unreasonably fails to accept an offer of settlement.

By using a Calderbank Offer or Offer of Compromise, you as the Offeror have the advantage of creating potentially adverse cost consequences on the Offeree if your offer is reasonable and not accepted.

This then encourages an environment for settling proceedings prior to or during court proceedings, as it affords a measure of relief to the party who incurs costs unnecessarily as a consequence of unreasonable conduct.

**Offer of Compromise:** An Offer of Compromise must be in writing and drafted in accordance with the rules of the particular court/tribunal. An Offer of Compromise will automatically provide for favourable costs consequences where the Offeree fails to beat the offer.

Calderbank Offers: Alternatively, Calderbank Offers are less formal and have more flexibility. As long as the offer is clearly set out and the Offeree is put on notice regarding the potential cost consequences, they are deemed to be in force. Calderbank Offers do not automatically ensure favourable cost consequences but leave the onus on the Offeror to persuade the court to exercise its discretion and order costs due to an unreasonable rejection of the offer by the Offeree.

At CKL Lawyers, our Litigation Lawyers are able to assist you in choosing the best settlement pathway depending on the issues in your dispute. It does not matter if your proceedings have commenced, whether there is a monetary claim or not, and whether there is potential for multiple parties/defendants to the proceedings, we can draft the necessary documentation to comply with the court requirements and have your case move forward to settlement, not court.

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