



Use of a Power of Attorney to facilitate business continuity during times of travel restrictions

By Geoffrey E. Odongo



The Coronavirus (COVID-19) pandemic has led to authorities around the world imposing travel restrictions, lock-downs, curfews and international travel bans. As a consequence, commercial transactions have been severely impacted.

With no end in sight to some of the measures and regulations imposed to reduce the spread of the virus, it is advisable to make adaptations to enable business transactions continue. In this regard, a power of attorney can be used to formally delegate authority to handle transactions to persons that are physically present where business needs to be conducted hence managing the challenges arising from restrictions imposed by the pandemic.

A power of attorney is a legal instrument giving someone the right to act on someone else's behalf. The person giving authority is known as the donor while the person to whom authority has been delegated is known as the donee. Broadly, there are two types of powers of attorneys; general power of attorneys and specific powers of attorneys.

A specific power of attorney delegates someone's authority to another for a specific activity while a general power of attorney can authorize the donee to do any legal thing that the donor can do.

A company or an individual can appoint another individual to execute documents relating to commercial transactions on its behalf. A power of attorney is signed by the donor and donee and witnessed by their legal counsel. The part of the power of attorney describing the powers donated/delegated should be prepared by legal counsel and should be clear for avoidance of doubt.

A power of attorney can be revoked in a number of ways such as by a written notice by the donor, by lapse of the time specified in the power of attorney, fulfillment or frustration of the purpose for which the power of attorney was executed or upon the death, mental incapacity, bankruptcy of the donee (where it is an individual or winding up or insolvency of the donee for legal entities).