

Sample Business Letter for Mutual Termination of Business Contract

This document provides a **sample business letter for mutual termination of business contract**, designed to formally and professionally communicate the agreement between two parties to end their contractual relationship. It outlines the essential elements such as the date of termination, mutual consent, termination terms, and a summary of obligations settled or waived. This letter helps ensure clarity, prevent misunderstandings, and maintain positive business relations while legally documenting the mutual decision to terminate the contract.

Sample Letter

[Your Company Letterhead]

Date: [Insert Date]
To: [Other Party's Name]
Company: [Other Party's Company Name]
Address: [Other Party's Address]

Subject: Mutual Termination of Business Contract
Contract Reference Number: [Insert contract number or details]

Dear [Other Party's Name],

This letter confirms the mutual agreement between [Your Company Name] and [Other Party's Company Name] to terminate the business contract dated [Original Contract Date], referenced above, effective as of [Effective Termination Date].

Both parties have agreed to this termination by mutual consent, and acknowledge that, as of the effective date, all respective rights, duties, and obligations under the contract will cease. Any outstanding obligations as of the termination date have been fully satisfied, waived, or otherwise resolved as mutually agreed.

This termination is executed in good faith, and both parties agree to release each other from any further claims, liabilities, or demands arising from the now-terminated contract.

Please indicate your agreement by signing below and returning a copy of this letter for our records.

Thank you for your cooperation and the business relationship shared to date. We wish you continued success in your future endeavors.

Sincerely,

[Your Name]
[Your Title]
[Your Company Name]

Agreed and Accepted by:

[Other Party's Name]
[Other Party's Title]
[Other Party's Company Name]