Construction and implication: In defence of *Belize Telecom*

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In *Attorney-General of Belize v Belize Telecom Ltd* the Privy Council, in a judgment delivered by Lord Hoffmann, held that the task for a court in determining whether a written contract contains an implied in fact term is essentially no different than that involved in interpreting the express terms of the contract. His Lordship said that implication is part of the process of determining the objective meaning of the contract — the meaning that the document would convey to a reasonable person who has knowledge of all the relevant background to the contract. This view has been accepted by the English and New Zealand courts but rejected by the Singapore Court of Appeal. It has also attracted criticism from some academic commentators, particularly insofar as it relegates the well-known “business efficacy” and “officious bystander” tests to the status of mere aids to resolution of objective meaning. This article argues that the criticisms are unconvincing and that Lord Hoffmann’s judgment is to be preferred because it has simplified the law of implied terms and put it on a sounder conceptual footing.