



BREXIT: COMMERCIAL CONTRACTS

The UK's decision to leave the European Union could impact on many of the commercial contracts that organisations have in place to underpin their commercial relationships. This applies not just to contracts with organisations elsewhere in the EU, but also to contracts with other organisations within the UK.

How Brexit will impact on contracts will clearly vary from contract to contract but provisions that will require careful scrutiny include those that require parties to comply with EU legislation and regulation (either expressly or through applicable law provisions), geographic and other restrictions (for example the scope of a licence, agency or distribution arrangement), change control, data protection, force majeure, termination, governing law and dispute resolution. There may also be commercial issues for supply chains where suppliers are located in other EU member states, or in countries where the loss of free trade arrangements secured through the EU may have an impact.

Uncertainty on this issue will continue as the UK negotiates its exit from the EU; we know the contractual landscape could change, but not by how much, or by when. Until then, it is business as usual. You do not need to make any immediate changes to the agreements you have in place, though you may wish to consider the possible consequences of Brexit on any contracts currently under negotiation.

There are things you can do now by way of basic planning.

- Start by ensuring that all of your contracts are identified and located so they can be analysed for Brexit impact.
- Consider conducting high level Brexit reviews to identify contracts that might be impacted, especially high risk/priority ones.
- Consider the strategic options for affected contracts and what steps you might take to mitigate the impact when the time comes.

Our commercial contract specialists can help you prepare.

Helping you prepare for Brexit

Contract identification and organisation

We can help support the contract identification phase of a Brexit project through our innovative contract management solution, BOrganised.

BOrganised allows you to store all of your contracts and related information in a single secure location and manage them more efficiently and effectively. Key features include full text searching (including the ability to search PDF documents), the ability to link related contracts, bespoke reporting and event reminders to diarise key activity.



With all of your contracts in one easily searchable location you can quickly and easily identify contracts that will need to be reviewed, categorise and prioritise them according to the results of the review and then track subsequent actions on those contracts that may be affected.

BOrganised is much more than a Brexit tool, however. By using our dedicated contract management service, you will additionally benefit from:

- An organisational view of contractual commitments and liabilities, providing greater transparency for senior management



- Appropriate controls to manage contractual risk and costs more effectively, reducing the likelihood of unnecessary contractual spend, costly disputes and litigation
- A more efficient way of managing contracts and sharing information within your organisation and with external advisers, freeing up valuable time to focus on more pressing or complex matters.

BOrganised is provided as a standalone service so you don't need to be a client of Brodies to use it.

You can view a short video about BOrganised on our website: brodies.com/borganised

Expert Brexit advice

Working with specialists from our firm-wide Brexit Advisory Group, we can provide expert advice in the following areas:

- The impact on your supply chain
- Import and export controls, market restrictions, new tariffs and customs
- Currency exchange risk and the impact on pricing
- VAT and tax treatment
- Procurement law
- Data protection
- Intellectual Property
- Contract interpretation and references to the EU and EU laws

We can help you identify the key issues for your organisation and develop a tool kit to help you identify the level of risk for each of your contracts and the areas that may need to be addressed.

Contract review service

Contract reviews can be resource-intensive exercises. We can also provide a fixed price contract review service, to review your key contracts and provide you with a report identifying potential issues.

We can develop a bespoke solution that provides the level of resource and support that you need.

More information on Brexit

You can keep up to date with the latest Brexit developments by visiting our Brexit Hub: brodies.com/news/brexit

To discuss how Brodies can assist, please get in touch with one of our commercial contract experts or your usual Brodies contact.

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