



Brexit FAQ: Commercial contracts

Be prepared for Brexit: The questions you need to ask

Life sciences companies with operations in the UK or Europe are wondering where to even start when it comes to Brexit-related legal issues.

To give you a jumpstart, our colleagues from different practice groups across multiple countries have prepared a series of questions you should ask to better understand how Brexit will impact your business and to clarify what steps need to be taken.

In this edition, we share questions to ask when reviewing existing contracts and negotiating new agreements:

Territory:

- How many of your contracts:
 - Involve parties, activities or products in the UK?
 - Are governed by English law or another law of the UK?
- How is Territory defined? Is the UK referred to individually, or as part of the EU?
- Does the contract refer to the EU in any other context?

Payments:

- Who is responsible for any increased costs, such as trade tariffs, that may apply post-Brexit?
- Is there a mechanism to deal with material currency fluctuations?
- Are there any milestone payment triggers that could be impacted by Brexit?

Dual regimes:

- Does your interpretation clause cover equivalent new laws that will be enacted in the UK post-Brexit and future legislative developments?
- Who will be responsible for ensuring compliance if UK and EU regulatory requirements differ post-Brexit?

Brexit effect:

- Might Brexit trigger a price change or termination event in existing contracts (e.g. through a material adverse change clause)?
- Do you need to future proof your agreements to include a “Brexit clause” to deal with the potential consequences of Brexit?
- Could the contract be affected if people and/or products are not able to move freely between the UK and EU post-Brexit?

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Supply chain impact:

- Are active ingredients, components, bulk or finished products transported to and from the UK as part of your supply chain?
- How much existing stock do you hold? Where is it located?
- What is your lead time for ordering new labelling and packaging, if changes are required?
- Who is responsible for complying with any additional border control requirements?

Key contacts



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