

Brexit - Reviewing your Business Contracts after the EU Referendum

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What we are covering

- Likely legal changes
- Loss or difficulty performing contracts
- What we should do now

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The Current Situation

- 43 years of UK membership of the EU
- 350 Directives currently in the course of implementation
- Timing for Brexit not clear- Supreme Court appeal.
- Parliament may need to vote.



Changes to Legislation

- Environmental
- Goods & Services
- Health & Safety
- Public Procurement
- VAT & Tax

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The Problem: *'Material Adverse Change'*

- Effect of Legislative Change
- Sterling
- Available staff and resources
- Cost of materials & energy
- Import tariffs & permits
- Q. What is a **MAC** in your world?



Contracts

- New contracts
- Terms of business with clients/ customers
- Terms with your suppliers and sub- contractors/ associates
- Existing contracts



The Solution

- Clauses to deal with MAC issues:
 - Change in legislation
 - Renegotiate part
 - Suspend
 - Terminate part- Alternative arrangement
 - End contract



New Contracts & Updating your Standard Terms

- Do you understand the document?
- Does it reflect the deal?
- Does it need changing? **MAC clauses**
- **Basics:** Can you perform it; Payment; Termination; Liability



The Court will decide what's fair won't it?

- ... No
- You are deemed to be aware of possible Brexit issues
- Court won't rewrite contracts to make them fair

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Existing Contracts

- Framework Contracts- Special terms?
- Signed agreements: Put MAC clauses in
- Mutual gain or Give to get



'Hope for the best and plan for the worst'

- What is a MAC to you?
- Look at contracts
- Put in appropriate clauses to deal with Brexit and other events

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