

Entering into Contracts in Multiple Countries? A Global Contracts Legal Risk Solution

International Counsel's Integrated Multi-Country Contracts Solution

International Counsel, with its multi-country team members, acts as an experienced and integrated global contracts solution to cost-effectively create, negotiate and manage contracts in multiple countries.

From its start as a law practice formed in the mid-1990s by former in-house international legal counsel to provide legal services to companies with business interests in multiple countries, International Counsel has been refining its methodologies and cost-reduction strategies, and formalizing relationships with its best in-country team members in Europe, Latin America, the Middle East and the Asia-Pacific.

Advice is implemented and invoiced through a single International Counsel point of contact to newly-expanding as well as established global companies.



We harness the combined insights of our years in-house and with substantial clients to better understand what really works in practice, makes sense as company policy and strikes the right balance in drawing on our in-country resources, whether as a supplement to a company's other legal resources, a partner to our colleagues at other law firms or a subject matter expert to other managed service legal solutions providers.

The Global Contracts Legal Risk Challenge

International expansion brings new and more complex contract obligations – from a few to many thousands of contracts in multiple countries. Contracts for sales and procurement, agency and distribution as well as licenses – all part of an effort to sell products and services, buy required components and raw materials, distribute through third parties and potentially license intellectual property. In far-flung locations with less familiar third parties.

While not the kind of highly-customized contracts required for international joint ventures and acquisitions, contracts with "mid-level" detail and commercial risk are critical to international success, are often required in large numbers, and have unexpected legal risk and complexity.

For such contracts, the internationally-expanding company faces new challenges:

- How to effectively create, negotiate, amend and manage contracts that are impacted by the laws of multiple countries with varying local requirements, restrictions, and potential fines and penalties? Laws that may call into question the very enforceability of the contracts, despite clear written obligations that would not be questioned in the domestic market
- What is the best approach to managing contract legal risk worldwide? There is a spectrum of corporate approaches – ranging from using a domestic agreement with little or no change, to re-creating contract terms for each country of use. (The creation of a best-practice master template that is then “localized” for the law and practice of target countries can yield good results)

Yet, who on the internal or external team is best positioned to implement this process of template creation and localization – and then the inevitable amendments, terminations and (yes) dispute resolution - and what level of foreign local counsel input is optimal?

Summary of Benefits – Our Global Contracts Solution

Global Contracts as a Core Competency	Cross-Country Consistency + Quality	Convenience and Efficiency	Sourcing Local Law/Practice at Scale	Reduces Cost Through Risk Balancing, Beyond Low Overhead/Rates
We give this our highest level of attention	Methodologies for resolving key contract terms in multiple countries	IC senior lead, integrating foreign law and practice, as one voice and one invoice	Integrates the right experts - not just many law firms in many countries	Knowing when the risk of “not enough” is outweighed by the cost of “too much”

Key Drivers of Our Solution – Efficient Methodologies Through an Integrated, Multi-Country Team

Efficient Contracting Methodologies, Not Just Lower Fees and Overhead. Beyond our low overhead and fee basis, we have developed methodologies that enable us to understand and resolve the 10 – 15 key issues in cross-border agency/distribution contracts and other forms of global contracts that diverge depending on the target country but that leverage from the same core contract risk and enforceability issues that are repeated across countries. Issues that are not part of the day-to-day practices of primarily domestic lawyers in their own countries, such as arbitration as a dispute resolution tool and foreign corrupt practices clauses, and with a special focus on assessing local laws that may override contract provisions.

- When these issues are understood, substantial time and effort is saved both by avoiding inefficiencies in looking at each contract as though it may face a unique set of legal variants in the mysterious unknown of each new country, and by limiting what needs to be updated or confirmed in each country
- Our solution translates into cost reductions far beyond a lower hourly rate, with savings of 50% or greater as compared to global law firms or even to operating through usual domestic counsel (and their international legal networks). When combined with software tools to efficiently process and modify large-volume international contracts matters, the savings can be even greater

How to effectively create, negotiate, amend and manage contracts that are impacted by the laws of multiple countries with varying local requirements, restrictions, and potential fines and penalties?

An Integrated Global Contracts Solution, Not Another Global Law Firm or Legal Network. Our solution does not offer fragmented expertise spread over multiple offices. It is a comprehensive legal solution acting more like an integrated international law department – solving cross-border contracts issues through a single International Counsel point of contact, billing and implementation for worldwide contracts needs.

- On-the-ground, multi-country legal input is integrated into our global contract solutions, not as yet another law firm office in a foreign jurisdiction, but as our tested and well-regarded experts in just the kinds of global contract issues that we are addressing, cultivated over our many years of working relationships, and able to add just the right limited input as needed

An Example – Appointing Dealers in Multiple Countries

What are the key issues in solving agent and distributor contract issues in multiple countries?

Issue	International Counsel Solution
Better to create a fully independent contract version for each target country, use a template with minor country variations, or something in between?	Create best-practice template based on version that company already uses (if available), then strategically localize taking into account projected revenues, company size and country risk.
Agents are usually more fully protected by local country laws, but not always. Issues include whether termination notice and compensation are mandatory, whether the territory can be fully restricted, etc.	Examples: The EU focuses on agents for termination protections, though distributors for how sales/territories can be restricted. The Mideast protects both agents and distributors with little distinction. Singapore is generally “freedom of contract” yet dispute resolution/governing law are important issues even in open economies.
Given possible greater protection of agents in some situations and not others, consider whether relationships are better structured as distributors or vice versa.	Address this issue with clients up front depending on key target countries and key company priorities.
Governing law and dispute resolution – better to use home country law and courts so that an agent/distributor is forced to resolve disputes where it is at a disadvantage?	Suppliers must consider their ability to enforce an award/judgment where an agent/ distributor has assets, as well as how to keep out of foreign courts. Arbitration often key.

Why Re-Invent the Wheel if Our Solution Works?

Since mid-level contracts are not considered to be the kind of strategic, high-value legal risk matters that in-house counsel are best suited for at their levels of salary and benefits, our value proposition to our in-house client segment is this: by freeing internal time for more critical issues such as joint ventures, M&A deals, foreign corrupt practices strategies and market entry legal risk management, internal resources are more strategically leveraged by leaving the mid-level international contracts to International Counsel, with client input as needed through issue escalation decision trees that are agreed to in advance.

Similarly, our law firm and managed service legal solutions partners can add great value to their own clients by delivering our global contracts solutions, and focusing instead on the solutions that they are optimized to solve.

How We Can Help

New Cross-Border Contracts	Contract Management and Life Cycle Changes	Assess Legal Risk in Existing International Contracts	Assess Legal Risk in M&A Contract Due Diligence
<p>From templates to localization</p> <p>Contract playbooks for template variations</p>	<p>Including contract termination counseling and local law implications</p>	<p>From a few to thousands of contracts through contract review software</p>	<p>For targets with multiple cross-border contracts</p> <p>We are backed by an award-winning M&A team</p>



Our Team

Our core International Counsel team has included senior attorneys with international in-house experience at major companies such as Abbott Laboratories, Kmart Corporation, Omnicom, Motorola, Arco Chemical and Corbis Corporation (Bill Gates-founded, for its former image licensing business).

Multi-country team members are recognized global contracts specialists that bring together commercial law, competition regulatory, and dispute resolution depth in their jurisdictions, and advice is provided, invoiced and implemented through a single International Counsel point of contact. Team members are integrated through member agreements with client-specific scopes of work and best-practice professional practice and ethical standards.

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