



Your Contracts on Brexit

While the withdrawal of the UK from the EU will take several years to formally go into effect, there are changes ahead that could significantly impact your business and contracts. Here are several items to consider:

1. **Keep Calm And Carry On.** Nothing is happening yet. The exit still has to be negotiated, and is likely to take two years or longer, with many aspects of the exit containing additional time under transitional arrangements.
2. **Revisit standard practices** in your next international contract involving Europe. A number of provisions that you may not think about all the time may need to be revisited -- territorial definitions, choice of law, termination provisions, etc. Now is a good time to take a fresh look at these provisions.
3. **Distribution arrangements** may need to be revisited if the same distribution network handles UK and Continental Europe. As the situation evolves, consider whether your current structure is ideal.
4. **Watch Ireland.** There has been much press about potential developments in Scotland, but Ireland may see significant fallout from the Brexit. For a U.S. company with the bulk of its business on the continent, Ireland will now be the only remaining English-speaking option to locate a European headquarters. For a company that has the bulk of its business in the UK, but has put its headquarters in Ireland for tax or wage reasons, the economics are going to change. Expect big upheavals in Ireland, with companies both investing and divesting. Some operations may become more attractive in Ireland after Brexit, and some less attractive. All operations should be revisited as the terms of Brexit become more clear.
5. **Pay attention to details** as the regulatory environment separates. The UK has expressed an intent to loosen regulations, which could create, as an unintended consequence, the need to differentiate products between UK-destined products and other EU destinations. Also, while privacy rules are not likely to be impacted, that could change over time.

John Symington and Joe Page in our Houston office and others in the firm have substantial EU and international experience and can be consulted with any further questions you may have regarding the impact of the Brexit on your business.

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