

How we can help with ....

## Supply of Goods and Services Conditions of Business

### Why Standard Conditions of Business?

The key objective for any business when entering into a contract with a customer or a supplier is to ensure that all relevant terms are clearly agreed and recorded.

Whilst ideally, a detailed written agreement would be prepared for each contract, this is not practical when dealing with large volume sales. Accordingly, businesses frequently adopt standard conditions of sale for their customers and may also adopt standard conditions of purchase for contracts with their suppliers.

Standard conditions can be used for both business to business and business to consumer sales and also for online sales.

### Key benefits of Standard Conditions of Business

- Allow suppliers to standardise contracting procedures with potential cost savings;
- Minimise supplier's obligations and risks whilst, at the same time, seek to ensure that customers perform their obligations. Accordingly, conditions of sale will seek to:
  - o Define what goods are to be supplied and their specification;
  - o Allow maximum flexibility to the supplier in respect of delivery times and the quantity of goods to be delivered;
  - o Provide a method to determine:
    - § price and
    - § time for payment.
  - o Encourage prompt payment by:
    - § offering a prompt payment discount (in appropriate cases);
    - § providing for interest on late delivery;
  - o In the event of non-payment:
    - § suspend any further obligations on the supplier to make further deliveries;
    - § retain title in the goods, allowing for their recovery.
  - o In business to business cases seek, as far as is possible, to limit the liability of the supplier;

By utilising standard conditions of sale, many of the benefits of a detailed agreement can be achieved. At the same time, the detailed negotiations often associated with the preparation of agreements can be avoided, thereby providing potential for reduction of costs and thus, increasing competitiveness.

### Like to find out more?

To discuss any of the issues outlined above or to arrange a meeting with one of our Solicitors in the Corporate Services Team please contact us on 01635 521212 or by email:

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