

A new shape of lawyer

I am hoping to complete a deal to buy a business in the coming months but I am a bit daunted by the legal requirements. What sort of things do I need to bear in mind?



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There are so many different things you will need to think about as you prepare to buy a business, including a whole range of legal issues.

Even before you sign the agreement to buy the business the seller may want you to sign a confidentiality agreement – that will oblige you to keep the information they give to you before the sale secret.

Then there are the Heads of Terms – a non-binding document which sets out the key terms of the proposed agreement. This will be followed by “due diligence”. This is when the seller proves they own all the assets he/she is claiming and that there aren’t any existing contracts or ongoing disputes which could pose a problem for you at some point in future.

Depending on the type of sale, you may be required to continue to employ some or all of the existing workforce. You may need to consult with them and let them know of any planned changes that might affect them.

The Transfer of Undertakings (Protection of Employment) Regulations (or TUPE for short) protects the present terms and conditions of employment of employees transferring to you. You may find that you cannot easily change contracts of employment, make redundancies or dismiss current employees.

You may also have to consider how the assets of the business will transfer to you. Is there a lease on the building? How long is it for and can it be transferred to you?

Finally, there is the actual sale agreement itself. Is the seller giving you the correct assurances? What guarantees and indemnities are being provided and do they adequately protect you?

Whilst all this might seem intimidating, seeking expert legal advice can ensure that you avoid any unwanted problems once you have assumed control of the business. Hethertons specialise in making the whole process as easy as possible, allowing you to get on with running your new business.

For further information or advice please call our Business Support team on 01904 528 200 and speak to Jess, Jo or David.