

JOINT VENTURE CONTRACT CHECKLIST

Though there is no legal definition, a Joint Venture is essentially a relationship between two or more parties sharing risks and rewards in a particular business enterprise. The joint venture is usually undertaken through the medium of a joint venture contracts or through a limited liability company.

The checklist that follows covers 20 of the more usual matters that parties wishing to venture together in a business enterprise must consider, negotiate and agree:

- **The Parties:** who are the parties and how will they contract: as individuals, existing companies or through a partnership or a new company?
- **Type of Joint Venture:** is this to be a partnership or a limited liability company?
- **Nature of the business:** what business is it that the Parties propose to undertake, and are any particular licenses, consents or professional qualifications required to undertake it?
- **Territory:** in what territory will the business operate?
- **Name:** the name of the joint venture is often of significance and is also often available only subject to compliance with local business laws and regulations.
- **Premises:** from where will the business operate and will the premises be leased or purchased?
- **Feasibility Studies and Business Plans:** are these to be prepared, and if so by whom?
- **Capital:** what is the capital of the joint venture to be and how and when will it be contributed? In what percentages will the Parties hold equity in the joint venture?
- **Funding:** how is the joint venture to be funded? Will it be by way of cash injections from the Parties in proportion to their respective equity participation?
- **Contributions of intangible assets:** is any particular contribution to the joint venture (Intellectual Property Rights, specialist expertise, etc.) to be made by any one or more of the Parties?
- **Pre-commencement expenditure:** how is this to be borne?; by the Parties in their proposed equity shares, or by the Party incurring the expenditure?

- **The taking of decisions:** will there be a board of directors? How many will there be? How will decisions be made? Will the chairman have a casting vote? What should the quorum for meetings be? How will they be appointed?
- **Employees:** are the Parties to second to the joint venture any of their own employees?
- **Profits and losses:** how should these be shared? Directly in proportion to equity participation or in some other ratio? Is there to be a minimum annual distribution of profits?
- **Transfers of shares:** are there to be pre-emption rights which oblige the Parties to offer their respective shares to the others before a disposal to third parties? How is the value of a Party's share in the joint venture to be ascertained; by agreement of the Parties, or by the auditors, and is a precise formula to be used?
- **Auditors:** who are to be the auditors?
- **Agreement not to compete:** is competition by one or more of the Parties with the new joint venture to be restricted and if so, for how long after termination of the joint venture arrangements should the anti-compete provisions endure and in what location?
- **Confidentiality:** do the Parties wish to maintain the confidentiality of their proposal to joint venture and any confidential information that they may exchange? If so, then a confidentiality agreement should be entered into between them.
- **Duration and Termination:** when will the joint venture terminate? Is the joint venture to be for a limited or open ended period? What are the consequences of termination to be? Should the Joint Venture be wound up or should the Parties have the right to buy the others' shares?
- **Law and Disputes:** in the event of a dispute would the Parties prefer to arbitrate the issue or simply proceed in the Courts? In what jurisdiction would the Parties wish disputes to be dealt with?



To obtain the International Joint Venture model in several languages, click [here](#).

CONTRACTS FOR THE INTERNATIONAL COMPANY

INTERNATIONAL CONTRACTS (ENGLISH, SPANISH, FRENCH & GERMAN)

- International Sale Contract
- International Distribution Contract
- International Commercial Agency Contract
- International Sales Representative Agreement
- Intermediary Contract for Trade Operations
- International Joint Venture Contract
- International Franchise Contract
- International Services Agreement
- International Consulting Agreement
- International License Contract
- International Supply Contract
- International Manufacturing Contract
- Expatriate Contract of Employment
- Pack 5 International Contracts English (Basic)
- Pack 12 International Contracts English (Premium)

COMMERCIAL CONTRACTS (ENGLISH, SPANISH, FRENCH & GERMAN)

- Distribution Contract
- Commercial Agency Contract
- Sales Representative Agreement
- Commission Contract
- Joint Venture Contract
- Services Contract
- Consulting Contract
- Technology Transfer Agreement
- Franchise Contract
- Supply Contract
- Manufacturing Contract
- Confidentiality Agreement
- Pack 5 Commercial Contract English (Basic)
- Pack 12 Commercial Contracts English (Premium)

CHINA CONTRACTS (ENGLISH-CHINESE DUAL VERSION)

- Distribution Contract China
- Agency Contract China
- Commission Contract China
- Supply Contract China
- OEM Manufacturing Contract China
- Confidentiality Contract China
- Memorandum of Understanding for Distribution Contract China
- Memorandum of Understanding for Joint Venture China

CONTRACTUAL LETTERS

- Letter Enclosing Contract for Signature
- Letter Proposing Amendments to Contract
- Letter Proposing Variation of Contract
- Letter Terminating Contract on Breach
- Letter Terminating Contract on Notice
- Letter Terminating Contract on Breach
- Pack 5 Contractual Letters

LETTERS OF INTENTS

- Letter of Intent for International Sale
- Letter of Intent for International Distribution
- Letter of Intent for International Joint Venture
- Pack 3 Letters of Intent