MoU and Lol

English has undoubtedly become the world's language of business.

In business, the English concepts of Memorandum of Understanding (MoU) and Letter of Intent (LoI) usually designate **non-legally binding** written acts whose purpose is to outline a common vision or to facilitate the conclusion of commercial contracts.

However, in French law, these concepts often lead to confusion.



In the world of international business, a Memorandum of Understanding (MoU) is a joint declaration of intent of two or more parties with ethical value but **no binding legal effect**.

It allows signatories to express common objectives in writing.

In French, "Memorandum of Understanding" is often translated as « Protocole d'accord ».

However, under French law, a protocole d'accord is a **legally binding** agreement, such as a promise to transfer securities or goodwill...



In the world of international business, the Letter of Intent is a written document declaring the willingness of one party to do business with another. The letter outlines the main terms of the upcoming potential deal.

It is usually intended to be non-binding.

In French, "Letter of Intent" is translated "lettre d'intention".

However, under French law, the letter of intent is defined as a **legally binding** "commitment to do or not to do"...

LETT

OF

INTENT

During commercial negotiations, the intervention of a legal professional often allows the parties to avoid disputes relating to the legally binding or nonbinding nature of the documents involved.



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