Smart Supplier Series: exploring tech and transactions

2 October 2025: Geographical differences in tech transactions across Europe, Middle East and Asia

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Cultural dynamics in technology contracting

Germany

- Direct, blunt but open negotiation style with a general approach of being honest. Can be perceived as harsh by international counterparties.
- Data protection is a core focus for businesses.
- Dispute resolution preferences vary based on cultural dynamics, with some procedures/bodies being viewed as more efficient - should be accounted for in agreements.

Italy

- Notaries are critical and visible in transactions such as in M&A or Funds (e.g., signing off deeds and having criminal liability), they have excellent knowledge of the law and transaction structures.
- Public officers (e.g., Competition/Commercial Authorities) provide valuable guidance on interpretation of local rules.
- Italian lawyers do not witness documents but provide legal assistance.

The Netherlands

- Direct and substance-oriented negotiation style which harbours trust but can be perceived as confrontational by international counterparties.
- Punctuality is important, and importance placed on quality of delivery.
- Public tenders with the Government often use inflexible standard terms.
- Focus on performance alongside relationship-building.

Middle East

- Deals are multicultural/lingual with unclear hierarchies within counterparties.
- Longer supplier cycles for sale, delivery and payment.
- Cultural history influences "irrational concerns" of international vendors, so an overlay of understanding is required.
- Understanding interregional dynamics (e.g., Dubai, Abu Dhabi, Free Zones) is crucial.
- Distinctions between public/private sectors should be noted.

Singapore

- Small market, but a business-friendly jurisdiction.
- Popular for dispute resolution due to efficiency, including IT/Tech trained arbitration which can take less than a year depending on the parties' jurisdictions.
- Ministry of Law is business-minded, making Singapore a preferred choice for governing law as a product.

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Regulatory and compliance challenges

Germany

- Liability and warranty clauses must be reasonable and balanced and not fully excluded.
- Statutory regime applies if liability is not properly negotiated and can result in full liability for businesses.
- Parties should negotiate reasonable and balanced liability clauses and distinguish between wilful misconduct and gross negligence.
- New regulations (e.g., DORA, Data Act) are relevant for tech outsourcing.

Italy

- Foreign direct investment (FDI) laws impacts tech transactions due to Local Authority consent being required.
- Clearance from Local Authorities is mandatory for certain deals.
- Clients encouraged to engage in the relevant 45-day term procedure to avoid sanctions.
- Increased use of warranty and indemnity coverage which can be subcontracted to insurance companies.

The Netherlands

- FDI controls apply to tech/telecoms sector M&A transactions where control of Dutch entities is acquired by foreign investors.
- Active regulators (Competition Authority, Data Protection Authority, etc.) scrutinise big tech and emerging technologies and can impose penalties (e.g., chatbots).
- Indirect and consequential damages not a defined legal concept, requires detail as to types of damages.
- Focus on (strict) performance rather than damages in event of breach.

Middle East

- Fragmented legal system (Shariah Principles, Common Law, and different arbitration mechanisms).
- Vendors typically have a lighter regulatory burden compared to FIs and energy businesses and are expected to shoulder some burden, which can lead to discomfort.
- There are emerging AI and data protection regulations, with some regulators playing an enablement role and policing emerging technology innovation.

Singapore

- Business-friendly, and similar to UK law in general commercial negotiations.
- Prohibition of certain clauses such as ‘ipso facto’ clauses in insolvencies.
- Escrow of software a last resort.
- AI-specific clauses are gaining recognition.
- Personal data schedules can be complicated when cross border transfers are required.

Key takeaways

Germany

- Avoid one-sided clauses; negotiation is key.
- Negotiation style is honest and efficient.
- Stay updated on new laws to ensure compliance.

Italy

- IT transition post-closing is critical.
- Contracts do not terminate automatically in case of bankruptcy; receivers decide on future of contracts.
- Increase in the earn- out setting as linked to data monetization post closing

The Netherlands

- Long history of international agreements; contract law is easily navigable.
- Netherlands Commercial Court can be a venue for international disputes.

Middle East

- Adopt a partnership model and research thoroughly.
- Read and understand where you fit into the strategic sovereign plans (e.g. Vision 2030 for KSA).
- Limited formal guidance; decisions are not widely published.

Singapore

- Singapore law is business-friendly and widely accepted so is recommended.
- Working with government agencies can be very difficult.

Explore our resources

Digital Regulation Tracker

Our Digital Regulation Tracker is designed to keep you informed aboout the latest developments in technology regulations that could impact your operations. Latest version released in

Use the QR code

Or go to www.simmons-simmons.com/digital-regulation-tracker

AI & Data Protection Webinar Series

We are hosting a webinar series focusing on the interaction between artificial intelligence (AI) and data protection. The sessions in this series aim to provide you with in-depth knowledge and insights on the latest developments, regulatory considerations, and practical implications of AI in the realm of data protection.

Upcoming sessions:

- 21 October: AI and biometric data/special category data
- 4 November: AI and data security
- 18 November: GDPR considerations in contracting for AI solutions
- 27 Nov: Enforcement of AI issues under data privacy law

Register

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