Submission from Weir Group plc

The Weir Group ("Weir") is a global engineering solutions provider, headquartered and registered in Scotland. Our business is focused on designing, manufacturing and supplying innovative products and expert engineering solutions. The Group has more than 15,000 employees operating in 70 countries through more than 200 manufacturing and service facilities. Activities are divided into three divisions:

• Minerals - designs, manufactures and supports products used in mining, oil & gas and general industrial markets

• Oil & Gas - designs, manufactures and supports products used in upstream pressure-pumping, pressure control and downstream refining operations

• Power & Industrial - designs, manufactures and supports valves, pumps and turbines for the power, industrial and oil and gas markets.

Having reviewed the Bill and related documentation, Weir consider the proposed Bill as a positive development of Scots law. In our business environment, and given the countries in which we operate, transactions are increasingly time critical with often multiple parties involved in different locations. Therefore, both the virtual signing facilitation and clarity and certainty around the law on execution in counterpart, will allow our business to utilise Scots law more as a preferred law of choice.

We have noticed a tendency with the parties we generally contract with, to move away from Scots law and to select other legal systems in contracts, (such as English law). This is possibly as a result of the inflexibility regarding the execution of documents. It has been difficult to counter this approach in our own contractual negotiations.

Weir consider it helpful, through the Committee’s endeavours and through this legislative change, that a contract execution by counterpart can satisfy the requirement of the formal validity and probativity under Scots law. Most commercial transactions we are involved in require flexibility, and as stated above, we often have had to select English law instead of Scots law in order to facilitate this counterpart signing aspect. In addition, it is advantageous to form a valid and probative contract by exchanging an electronic version of the original. In our experience, over 90% of our contracts involve multiple parties, located across the world and the certainty with electronic exchange will expedite matters greatly when Scots law has been contractually agreed.

A possible future addition to the Bill could involve an electronic contract repository (in a similar way to the Land Register or Books of Council & Session). This could allow parties to lodge significant electronically agreed contracts, to ensure that a formal record of a contract is recorded. Whilst we have not encountered this in other jurisdictions, there may be a good case in the Scottish legal environment to provide further contractual certainty between contracting parties. There would clearly need to be some consideration to contract confidentiality in such a repository.
Our view with regards to any financial implications of the Bill will principally be evidenced in reduced costs, both direct and indirect to our business and to those we transact with. We can only see positive financial implications with the Bill.

Similarly in the context of environmental implications, the electronic exchange facility will certainly reduce travel needs of those involved.

Weir has no observations in relation to equality issues arising from the Bill.

We trust the Committee find our observations of use in the progression and consultative process of the Bill. We feel that the Bill will potentially increase the selection of Scots law as a jurisdiction of choice in contracts as well as provide legal certainty in some of the areas where currently contract law remains unclear.