



BOOST4youth

online Business and e-cOmmerce cOaching for
increasing entrepreneurShip among youTh

IO1/A5-CONTRACTING

Lead Organisation:

CCSDE



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(*) Action: C = Creation, I = Insert, U = Update, R = Replace, D = Delete

REFERENCED DOCUMENTS

ID	Reference	Title
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APPLICABLE DOCUMENTS

ID	Reference	Title



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REAL ESTATE

2.2 CONTRACTING

2.2.1 Online contract formation

ABSTRACT

Are online contracts legally binding? When is the contract formed? Do people need a uniform regulatory regime?

In any case, there are few processes available for e-contract formation including new modes of communication, such as e-mail, internet, etc. However, technological infrastructure must be taken seriously in order to form an effective and valid online contract.

GENERAL DESCRIPTION OF THE SPECIFIC ACTION

All business agreements should be finalised and validated with a contract. Electronic contracts are revolutionising the legal industry as they are becoming increasingly popular establishing a new way of contracting. Real estate is one of the fields where e-contracts are widely used.

E-contracts can have many forms and can be used in different ways. A typical example of an electronic contract is one that you write on your computer, you email it to a client or to a business partner and they email it back to you with an electronic signature indicating acceptance. Alternatively, you can use a website to create, distribute, sign, manage, and store electronic contracts (*see 2.2.2*).

Regarding the real estate field, e-contracts have been gaining popularity. It's an easy, quick, and reliable way to improve efficiency in the process of renting and selling property, preventing the regular delays and challenges of the manual process.

In the real estate field, e-contracts are viewed as a necessary stage in the move towards the total digitisation of the industry. It is, however, highly important that the contract is carefully written and follows the law and regulations of the country.

How to create the e-contract

The content of an electronic contract does not differ significantly from an agreement written out in ink. You can use previous contracts, type them on your computer and distribute them online to your clients and partners. Additionally, there is a wide range of platforms to support the creation of an e-contract (*see 2.2.2*).

It is important that you make sure you are complying with the law and regulations of your country. We recommend that you consult a qualified business lawyer to guide you throughout the process. In general, as mentioned above traditional contract law principles apply to e-contracts as well. An electronic contract with an electronic signature is as valid and enforceable as a traditional paper contract. Usually, the same

basic requirements of a legally binding agreement are required in both cases: an offer, an acceptance, consideration, capacity, etc.

ACTION TYPE

Simple actions that can be implemented immediately without an investment.

TIME REQUIRED TO IMPLEMENT A SOLUTION AND WHEN POSSIBLE ASSOCIATED COST

A couple of days are required to prepare the contract. The cost of the lawyer varies depending on the country and the legal system.

POSITIVE AND NEGATIVE PART OF THE SOLUTION

Benefits

- Electronic contracts are a useful and very suitable solution for the real estate industry. More specifically, they are convenient for prospective clients that are located abroad or in the case of high turnover clients.
- Additionally, there are fast and effective compared to the regular delays and challenges of the manual process.

Drawbacks

- Some clients may view e-contracts with suspicion and may not be willing to sign a document online.
- You must make sure that you follow all the laws and regulations of the country so that the contract is legally binding.

ESTIMATED EXPLOITATION

Once you have created the first e-contract, you have learned how to comply with certain formalities, and you have found the most suitable for your business way to manage the process you can use the know-how in future agreements. That will save your business valuable time and resources.

ICT COMPETENCE

Medium

ENGLISH LANGUAGE SKILLS

Advanced

WEBSHOP LEVEL

Established

REFERENCES

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(2018, October 29). When emails or texts are binding real estate contracts. Retrieved from
<https://www.cresinsurance.com/real-estate-electronic-client-communication/>
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<https://www.upcounsel.com/types-of-real-estate-contracts>

ADDITIONAL RESOURCES

<https://blog.ipleaders.in/all-that-you-should-know-about-e-contracts/>
<https://www.lawteacher.net/free-law-essays/contract-law/electronic-contracts.php>

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2.2.2 E-contract management software

ABSTRACT

While online contracting is rapidly developing as a focal point of e-commercial transactions, the validity and effectiveness of e-offers and acceptance is sometimes regarded as an issue for debate. In order to overcome any obstacles, there are quite a few tools out there changing the concept and formation of e-contracts and can help enhance confidence in online contracting.

GENERAL DESCRIPTION OF THE SPECIFIC ACTION

It is still surprising how many businesses manage their contractual processes by a clumsy combination of emails and printed documents. However, the digitalization of contracting can be a challenging process especially if you are not particularly IT savvy. Luckily, you can find a wide range of websites that can help you with forming the contract, gathering signatures, and storing them. It is safer, easier, and faster to generate, track, maintain secure access, manage identities, verify transactions, and protect assets through an online platform. This will create a sense of security and reliability to your client.

A contract management software gathers all the parties and contracts involved in the negotiations in a trusted medium. All the parties can see changes and past versions from the inception of the contract to signing. These platforms also provide detailed reporting and analytics, notifications, and a variety of features.

Some examples of such platforms are:

[ContractWorks](#)

[Conga](#)

[ContracRoom](#)

[Concord](#)

[Onit Contract Management](#)

In order to find the most suitable site for your business you will have to define your needs, capabilities, and resources. Then, walk through the abovementioned websites (or search for something that suits you better) and decide on the one that works best for your business. Many of these platforms have a free trial option, this can help you decide without paying a fee.

You will probably have older clients whose contracts and agreements you want to move on the platform. It is advisable to first have a discussion with them about the process and the reasons why you chose to use a website to manage contracting in your business.

ACTION TYPE

Actions that have prerequisites and require an investment.

CONNECTED ACTIONS

2.2.1 Online contract formation

TIME REQUIRED TO IMPLEMENT A SOLUTION AND WHEN POSSIBLE ASSOCIATED COST

A few hours are required to research and decide on the website that is most suitable for you and your business. Regarding the cost it varies depending on the platform you choose. You may have to pay per contract or a fixed fee every month.

POSITIVE AND NEGATIVE PART OF THE SOLUTION

Benefits

- It's a fast and easy way to create, track, distribute, and maintain a contract
- It gives a sense of validity and security
- You can manage more easily the transactions
- You can avoid problems of traditional paper contract management such as misfiling, losing contracts, etc.

Drawbacks

- Relatively high cost
- It needs some basic technical knowledge

ESTIMATED EXPLOITATION

Using a contract management software can significantly reduce time and resources spent.

ICT COMPETENCE

Medium

ENGLISH LANGUAGE SKILLS

Advanced

WEBSHOP LEVEL

Established

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ADDITIONAL RESOURCES

<https://www.coursesforsuccess.com/products/certificate-in-contract-management-online-course>
<https://www.calliduscloud.com/contract-lifecycle-management-clm/cp/online-contract-management>

CROSSBORDER REMARKS

2.2.3 E-signatures & Digital signatures

ABSTRACT

Getting a real estate contract signed is a very exciting moment for a new real estate agent. The signature makes it official and you will soon have your commission!
So, what about digital signatures?

GENERAL DESCRIPTION OF THE SPECIFIC ACTION



The signature is the most important part of the contracting process. When it comes to online contracts there are many ways that you can sign an electronic document. Some of them are:

- Typing your name into the signature area
- Pasting a scanned version of your signature
- Clicking an “accept” button
- Or using cryptographic technology

Not all these methods are equally reliable and secure. For example, typing one’s name into a signature area and scanning an on-paper signature are quite insecure ways although they are both legally binding.

A safe and secure type of signature is digital signatures. They are more reliable as they use digital identification to authenticate the person signing. Then, the signature is electronically bound to the document through encryption. In order to create a digital signature, you can use one of the many software available, such as [DocuSign](#), [SignNow](#), [HelloSign](#), [dotloop](#) that can make the process easy and secure and help prevent fraud.

Such softwares let the real estate agent send a contract to a client via email highlighting the areas where they can sign using the software. Usually, these types of services require access through a PIN code and they are integrated into the email system.

It is advisable before you decide on a website to take some time to read reviews online from previous users. This will help you chose a software that is reliable and to secure that your documents are safe.

Lastly, you should fully inform your clients on the tools that you are using and on what their signature means. It is important that they have a clear image of what they are agreeing to be bound to.

ACTION TYPE

Actions that have prerequisites and require an investment.

CONNECTED ACTIONS

2.2.1 Online contract formation

TIME REQUIRED TO IMPLEMENT A SOLUTION AND WHEN POSSIBLE ASSOCIATED COST

You will spend some time researching the best software for you. The implementation is instant. The cost varies depending on the software that you will use. It would be approximately between 30\$ to 40\$/month.

POSITIVE AND NEGATIVE PART OF THE SOLUTION

Benefits

- Quick
- Legally binding
- Saves you time and resources
- Mainly secure

Drawbacks

- People are still suspicious towards digital signatures, especially older clients that are not familiar with technology. It is thus, possible that they may ask you to sign on paper or that they could even withdraw their offer.
- Depending on the type of electronic signature you use, some may be more susceptible to fraud than others.

ESTIMATED EXPLOITATION

Implementing e-signatures can help your business save resources, time, and energy. Additionally, it can improve your brand image as a trusted and digitalised business and thus, help expand your clientele.

ICT COMPETENCE

Medium

ENGLISH LANGUAGE SKILLS

Advanced

WEBSHOP LEVEL

Established

REFERENCES

The Growing Trend of Digital Signature Tools for Real Estate. (2018, October 16). Retrieved from <https://www.hondros.com/resources/blog/digital-signature-tools-real-estate/>

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O'Connell, A. (2014, April 9). Electronic Signatures and Online Contracts. Retrieved from <https://www.nolo.com/legal-encyclopedia/electronic-signatures-online-contracts-29495.html>

ADDITIONAL RESOURCES

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