

Contract Review Checklist for UX Agencies

Disclaimer: This is not legal advice. Use this as a guide to spot red flags before sending to your legal counsel.

1. Intellectual Property (IP) Rights

- ☐ **Ownership Transfer:** Does the contract state that **YOU** own the deliverables?
 - *Ideal:* "Client owns all deliverables upon full payment."
 - *Red Flag:* "Agency retains ownership, grants Client a license."
- ☐ **Source Files:** Are source files (Figma, Sketch, Code) explicitly listed as deliverables?
 - *Red Flag:* Agency delivers only "final exported images" or "compiled code."
- ☐ **Background IP:** If agency uses pre-existing libraries/code, is your license to use them perpetual and royalty-free?

2. Scope & Deliverables

- ☐ **Detailed Scope:** Is the Statement of Work (SOW) attached and detailed?
- ☐ **Exclusions:** Are "out of scope" items listed to prevent scope creep disputes?
- ☐ **Revisions:** Is the number of revision rounds explicitly defined? (e.g., "2 rounds per milestone").
- ☐ **Acceptance Criteria:** How is work "approved"? Is there a time limit for you to review? (e.g., "Client has 5 days to review").

3. Timeline & Termination

- ☐ **Termination for Convenience:** Can you cancel if it's not working out?
 - *Standard:* 30 days notice.
 - *Kill Switch:* Ideally, 7-14 days notice during the first month.
- ☐ **Kill Fees:** If you cancel, do you owe the full project fee or only for work done?
 - *Fair:* Pay for work completed + small cancellation fee (10-20%).
 - *Unfair:* Owe 100% of remaining contract value.
- ☐ **Delays:** What happens if the agency is late? Is there a penalty or a cure period?

4. Payment Terms

- ☐ **Milestone-Based:** Are payments tied to deliverables (e.g., 30% kickoff, 30% design, 40% launch)?
 - *Avoid:* 100% upfront or 100% time-based without deliverables.
- ☐ **Payment Window:** What are the terms? (NET 15, NET 30).
- ☐ **Late Fees:** Are late payment penalties reasonable? (e.g., 1.5% per month, not 10% per week).

5. European/International Specifics

- ☐ **GDPR / Data Protection:** Is there a Data Processing Agreement (DPA) included if they handle user data?
 - *Critical for Europe.*
- ☐ **VAT / Tax:** Is the VAT treatment clear? (e.g., Reverse Charge Mechanism for cross-border EU).
- ☐ **Governing Law:** Which country's laws apply?
 - *Ideal:* Your country.
 - *Compromise:* A neutral jurisdiction or the defendant's country.
- ☐ **Currency:** Is the currency fixed (EUR/USD)? Who bears exchange rate risk?

6. Confidentiality

- ☐ **NDA:** Is there a confidentiality clause protecting your data and trade secrets?
- ☐ **Portfolio Rights:** Does the agency have the right to display your work in their portfolio? (Usually yes, but you can request to approve it first).

7. Red Flag Scan

- ☐ **Automatic Renewal:** Are there hidden auto-renew clauses for retainers?
- ☐ **Non-Solicitation:** Are you banned from hiring their staff later? (Standard, but check the duration).
- ☐ **Unlimited Liability:** Are you liable for unlimited damages? (Should be capped).