Key Considerations for Application Purchase Agreements

Here are some key issues to consider and address when negotiating an application purchase agreement, write Anastasia Dergacheva and Anastasia Kiseleva in *Morgan Lewis' Tech & Sourcing*.

"Once the terms of intellectual property and infrastructure transfer have been agreed, the buyer should investigate the human resources required to maintain and support the application. Typically, a number of key personnel would transfer to the buyer to continue performing the same functions. Sometimes sellers insist that the buyer offers employment to all members of the team involved in development and operations of the application, irrespective of the value of their contribution, in order to avoid the need to deal with employment termination issues, such as redundancy obligations."

"The seller is usually reluctant to assume an obligation to ensure the transfer of an entire team to the buyer. Sometimes this can be addressed through the offer of hiring bonuses that the buyer pays to the team at the expense of the seller."

Read the article.