
APPOINTING A PROCESS AGENT IN CROSS-BORDER CONTRACTS: 7 THINGS TO CONSIDER



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WHAT IS A PROCESS AGENT?

Process agents receive service of notices, proceedings or documents on behalf of their overseas clients in situations where it is not possible for them to be served abroad. Appointing a Process Agent is a vitally important step for many businesses dealing with suppliers, banks or lenders in foreign countries. The role of a process agent is akin to what we call a Registered Agent in the United States.

WHEN DO YOU NEED A PROCESS AGENT?

Thousands of cross-border transactions take place each year among large corporations, lending institutions, credit unions, and sovereign governments. Cross-border agreements serve as the basis for international transactions involving parties from different jurisdictions. Forms of international agreements vary greatly from country to country, but a typical provision included in many international agreements is the appointment of an agent for service of process or commonly known as a Process Agent.

Prior to appointing a Process Agent, all involved parties need to agree upon the terms of the deal, especially since certain terms are required in the appointment. Once the terms are defined, the Process Agent needs to be engaged quickly so that they can conclude the transaction before changes occur for either party that could derail the deal. Due to the nature of how deals work, speed is of the essence.

WHAT TO LOOK FOR IN A PROCESS AGENT?

While almost any entity with an address in the jurisdiction specified under the international agreement may legally act as a Process Agent, a professional Process Agent is knowledgeable about the various types of legal process and understands the urgency and steps that must be taken upon receipt of such processes. The right Process Agent should meet these seven prerequisites:

1. Is available during extended hours to meet the needs of parties in multiple time zones
2. Has the bandwidth and experience to support the speedy execution of complex agreements
3. Possesses local compliance expertise

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4. Can be the trusted agent to receive service of process and other legal documents, while meeting the stipulations of international agreements
5. Offers extended payment terms for appointment letters
6. Demonstrates discretion, keeping the content and terms of the agreement confidential
7. Provides prompt notice of receipt of any legal proceeding in accordance with the terms of the international agreements and maintains an accurate database of its Process Agent appointments and current contact information

By appointing a professional Process Agent, all parties in the transaction can be more confident that there won't be missed or mishandled legal process resulting in a costly default judgment.

Industries that are most likely to require Process Agent services include industrial manufacturers, transportation/aviation, investment & commercial banking, communications, energy, and pharmaceuticals.

REALIZING THE VALUE OF A PROCESS AGENT

A responsive Process Agent is a valued business partner, and companies can see the benefit of engaging an agile Process Agent service provider. A Process Agent's expanded service hours and proven infrastructure eliminate the time constraints and associated pressures from commercial relationships. It is important to get answers when they're needed—not hours or days late. Companies value a service provider that responds immediately to every Process Agent inquiry that is launched, no matter what time zone. Plus, the availability of a dedicated process agent eliminates bandwidth concerns because someone is always there to help.



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Learn more about [choosing a Process Agent service team](#) for your cross-border agreements.