

Agreement Term

[Go up to Terms and Definitions](#)

Discussion

An Agreement Term is a provision that forms part of an [Agreement](#).

An Agreement Term expresses part of the negotiated understanding among the Parties. It may establish, describe, qualify, or modify:

- A [Right](#)
- An [Obligation](#)
- A [Permission](#)
- A [Prohibition](#)
- A [Condition](#)
- A [Commitment](#)
- A [Contractual Representation](#)
- A [Responsibility](#)
- A procedure, calculation, definition, remedy, limitation, or other agreed provision

An Agreement Term may be stated directly in an [Agreement Document](#), incorporated by reference from another source, or otherwise established under the applicable legal and contractual framework.

An Agreement Term is distinct from the Agreement as a whole. The Agreement represents the complete negotiated understanding. An Agreement Term represents one provision forming part of that understanding.

The word *term* may also refer to a period of duration. An Agreement Term, as defined here, means a provision of an Agreement and not the duration of the Agreement. Duration is represented using an [Effective Period](#) or another applicable temporal concept.

Definition

provision that forms part of an [agreement](#)

Source

Adapted from:

- [Cornell Law School Legal Information Institute: Term](#)
 - Relevant meaning: a clause, provision, stipulation, or condition agreed among Parties
2. [Financial Industry Business Ontology, Contracts Ontology](#)
 - Relevant concepts include Contractual Element, Contractual Commitment, Contractual Definition, and Non-Binding Term
3. [Financial Industry Business Ontology, Agreements Ontology](#)

The expression *Agreement Term* is used by this corpus because it applies to Agreements generally and is not limited to legally binding Contracts.

Note

- An Agreement Term forms part of an Agreement
- An Agreement may contain one or more Agreement Terms
- An Agreement Term may apply to one Party, multiple Parties, or the Agreement as a whole
- An Agreement Term may be binding or non-binding
- An Agreement Term may be express, implied, or incorporated by reference
- An Agreement Term may be conditional
- An Agreement Term may have its own Effective Date and Effective Period
- Different Agreement Terms within the same Agreement may have different Effective Periods
- An Agreement Term may establish more than one Right, Obligation, Permission, Prohibition, Commitment, or Responsibility
- A Right, Obligation, Permission, Prohibition, Commitment, or Responsibility may be established by more than one Agreement Term
- An Agreement Term is distinct from the Agreement Document in which it is recorded
- An Agreement Term is distinct from a section number, paragraph number, heading, or other document-navigation element
- An Agreement Term is distinct from the duration of an Agreement
- An Amendment may add, change, or remove an Agreement Term
- Changes to an Agreement Term must preserve the earlier term and its applicable period when required for traceability

Example

An Agreement provides that Party A must deliver USD 1,000,000 to Party B on a specified Settlement Date.

The provision requiring delivery is an Agreement Term.

The Agreement Term establishes an Obligation for Party A and a corresponding Right for Party B.

The paragraph containing the Agreement Term is part of an Agreement Document. The paragraph and document provide a location and Evidence for the Agreement Term but remain distinct from the modeled term.

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