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TOP TIPS FOR PRE-CIVIL PARTNERSHIP AGREEMENTS

A Pre-Civil Partnership Agreement (PCP Agreement) is a contractual agreement ,reached between two people who have not yet entered into a Civil Partnership, that outlines how assets can be distributed in the event of dissolution. The law has been unclear regarding the matrimonial equivalent, pre-nuptial agreements, for some time, although it was clarified in a case called Radmacher v Granatino, which had widespread media coverage. Since the evolution of the Civil Partnership Act 2004, PCP Agreements follow suit.

The law in this area has viewed PCP Agreements as being persuasive at best, just another factor to be taken into consideration by the Courts when they assess what is fair and what meets each individual's needs. They can be viewed as unromantic but in the event that there is dissolution, they afford couples the opportunity to avoid expensive litigation over assets.

Our top tips:

- A PCP Agreement should be researched by both parties to see if it is right for you as a couple;
- You must make full and frank disclosure of your financial circumstances to your partner and be transparent;
- The PCP Agreement needs to be in writing, the Court will not recognise an oral agreement;
- Obtain evidence from your partner as to all their assets and outline the process for any debts that are incurred by each other before the CP;
- You will both need independent legal advice from separate lawyers. As there is uncertainty as to enforceability of PCP Agreements, the court is unlikely to adhere to any agreement absolutely if it has been drafted by the couple without legal advice.
- The agreement needs to be drafted and finalised ideally at least 28 days before the CP. This will help both parties to be comfortable with the terms and will avoid the appearance of any duress or coercion;
- Agree what you would both like in the event of the breakdown of your CP. If you intend to have children and one partner is to be the stay at home parent, decide and agree how they are to be provided for financially and for how long;
- Try to examine the potential impact of a PCP on you both, and what you both contribute now and intend to contribute to your shared future. Think about your respective financial resources now, and any potential inheritance.
- Think about matters such as salary increases and bonuses, as well as joint purchases. How will these be distributed in the event of a Dissolution?
- Take any children into account. What provision would be made for them if there is a breakdown;
- If there are International elements to your wealth, consider taking legal advice in the relevant jurisdictions and obtaining mirror Agreements;
- The terms of the Agreement must be considered fair at the time the Agreement is entered into, meaning neither party being left destitute in the event of Dissolution. There must be an overriding element of fairness.

Please contact us for further advice.