Gorrissen Federspiel

# Cloud and IT outsourcing

## The current situation

Most European companies are highly dependent on cloud based IT infrastructure and outsourced IT services and many of the IT-systems that are critical in the operation of a company's business are provided as a Software as a Service solution or are otherwise hosted and operated on third party IT infrastructure.

The provision of cloud based or outsourced services often involve leveraging IT infrastructure or operational services provided from locations outside the EU.

Further, most of the leading cloud service and outsourcing providers operating globally are either established outside the EU or are subject the laws of third countries.

## Key challenges

The potential shifts in geopolitics give raise to many questions on the use of cloud and outsourced IT services:

- May the provision of critical IT services to your company or group affiliates be restricted by changes to sanctions or export control rules?

- How will new taxes or duties on IT services affect the pricing under existing IT agreements?

- What happens if an IT service provider is prohibited from providing critical IT services?

- Who will carry the cost of establishing a new delivery set-up if the use of current service locations or sub-contractors if prohibited?

## We can assist

We help clients identifying the risks of using cloud and outsourced IT services created by shifts in geopolitics:

- Identify which service providers and group entities that may be affected by shifts in geopolitics.

- Establish an overview of contractual risks and available protection.

- Get the contractual and operational tools to address the risks associated with the use of cloud and outsourced IT services.

## Get in touch

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*Read more about how Gorrissen Federspiel can assist you in relation to geopolitical risks*