

CONFIDENTIALITY AGREEMENTS

Confidentiality Agreements are a common form of legal agreement to facilitate open discussions about potential business relationships. It is highly likely you will find yourself entering into an arrangement which will require the exchange of confidential information with another party and you will need a Confidentiality Agreement.

What is confidential information?

Confidential information is information in whatever form which the disclosing party determines should not be shared with a third party. It is up to the disclosing party to identify whether the information is confidential or not, bearing in mind other legal or contractual obligations.

Confidential information might be commercially sensitive (such as client lists), personal data (such as medical history) or relate to an invention or innovation which has not yet been protected formally (such as a patent).

What is a Confidentiality Agreement?

Also known as a Non-Disclosure Agreement (NDA), Confidential Disclosure Agreement (CDA) or Secrecy Undertaking, these are legal agreements restricting the handling of information shared between two parties. It will set out the agreed rules about how the information should be used, identified, transmitted, stored and destroyed. Under a Confidentiality Agreement information is shared for a specific purpose and will only allow the exchange of information during a specific time period.

Why have them?

Sometimes to progress an activity you may need to exchange information which must be kept confidential. It might be your own commercially sensitive information belonging to or that belonging to a third party or it might be personal/sensitive data (under the Data Protection Act).

You might be obliged to pass on obligations of confidentiality you have to a third party where one is involved.

A Confidentiality Agreement provides clarity around the agreed approach to handling sensitive information securely, enabling the parties to take their discussions forward in a safe and trusting environment.

Confidentiality Agreements protect your innovations and ideas and could play a key role in advancing your business with other parties.

How should I handle confidential information?

Please refer to the factsheet 'Handling confidential information'.

Disclaimer: This note is provided for general guidance only and does not constitute legal advice.