



LEGAL BULLETIN

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Contracts & Financial Commitments Think before you sign – or click!

WHY DOES THIS MATTER?

- Every financial transaction — whether in procurement, assets, treasury, accounts or the financial systems — relies on approvals and contracts.
- Any error in a legal clause, or approving a commitment without proper review, can result in legal risks, financial losses, non-compliance, and administrative accountability in accordance with the applicable regulatory frameworks.
- Whether by handwritten signature or digital approval...
- the commitment is legally binding.

KEY LEGAL POINTS

- Contract terms must be clear and enforceable.
- Digital approval is treated as a legally binding signature under the applicable legislation.
- A financial commitment is not valid without complete, clear supporting documentation.
- Any automatic renewal is deemed a new financial commitment unless it is expressly cancelled or amended.
- The approver's mandate and authority must be verified before processing any financial transaction.



DO

- Review the key clauses before granting approval.
- Ensure that the scope of work and payments is clearly defined.
- Check that all supporting documents are complete before any financial commitment.
- Consult the Legal Advisor whenever in doubt.



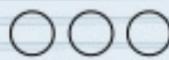
DO NOT

- Do not approve a transaction that is unclear or lacks full documentation.
- Do not assume that a digital approval is "less risky".
- Do not leave automatic renewal clauses unchecked.
- Do not approve any commitment that exceeds the budget or your delegated authority.



COMMON RISKS

- Vague clauses that can be interpreted against the Ministry's interest.
- Hidden obligations through automatic renewal clauses or penalties.
- Rapid digital approval that creates a financial commitment unintentionally.
- Coding errors in the financial system that render the commitment invalid or subject to rejection.
- Exceeding delegated authority, exposing the employee to legal and financial accountability.



Government Financial Policies Department - Ministry of Finance

Disclaimer: This bulletin is for internal awareness purposes only and does not replace reference to the approved legislation

