

LUMINANCE DILIGENCE USE CASE

Repapering

An increasing number of regulatory changes in recent years have highlighted both the importance of repapering exercises but also the scale of the task facing lawyers. Brexit, the LIBOR transition and the growth of data privacy regulations such as GDPR in the EU have necessitated major repapering exercises across countless organisations. As is currently seen in the process of Brexit preparations, the process of risk-assessing and remediating or migrating contracts to stop disruption, avoid unwanted contractual consequences, or to help businesses with relocation or contingency plans, is vital for companies to remain dynamic and ensure compliance with changing legal frameworks.



Lawyers therefore need to quickly and confidently highlight to the client which documents need repapering, making necessary changes to the document ready for renegotiation with the other party. However, the traditional method of manual repapering is no longer sustainable: the growth in data volumes across the enterprise has led to vast increases in the scale of repapering exercises. Indeed, it is now near-impossible for lawyers to conduct a thorough review of all relevant document in time to meet the challenging deadlines imposed by legislative changes; thus, lawyers are increasingly turning to advanced technology to assist them in them in reviews and repapering prior to a regulatory shift.

Luminance uses a unique blend of cutting edge supervised and unsupervised machine learning developed by mathematicians from Cambridge University which reads and forms an understanding of all documents within a dataset. Luminance analyses documents, tagging key information such as contract type, dates, parties, governing law and clauses. Luminance also flags anomalies to the lawyer so that they can prioritise potential risks at the beginning of the review. Luminance displays this key information across a number of graphic, interactive widgets on the home screen, allowing lawyers to quickly filter to relevant documents, disregarding those that are not. Luminance dramatically increases the speed of lawyers' review, placing legal teams in the same position on day one of their review as they would be after weeks of manual review methods. With Luminance, lawyers conducting a repapering exercise are able to compare each document and provisions to their own chosen model version (or, indeed, multiple model versions) which contains their preferred contractual drafting.



“The power of Luminance has changed the way myself and my colleagues approach projects as we know that we can review a huge amount of documents in a short space of time.”

Dr. Artur-Konrad Wypych, Senior Associate at Bird & Bird 

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Similarities and differences between versions are highlighted, allowing them to quickly understand how wording differs across different variations of the document or provision throughout the dataset, identifying areas that are not compliant with the model contract and ensuring these documents can then be repapered and redrafted. Instead of lawyers needing to manually find document and search for the section of the document to be amended, Luminance allows lawyers to make the changes necessary to documents from within the platform itself. Because Luminance synchronises with Microsoft Word, with one click from within Luminance, lawyers see the relevant document in Word. Luminance's machine learning analysis is available to lawyers within Word via a sidebar, so that they can clearly note which sections are not compliant and need to be altered. Lawyers can edit the document, with changes being automatically saved into Luminance as a new version which can be then be sent onto the client for their consideration.

Luminance comes with a range of collaboration and project management tools to ensure a seamless review across offices or home working locations, whilst also preventing duplication of valuable work effort. Features such as task creation, automatic task allocation and granular progress tracking allow the whole team to see at a glance how the project is going. Whilst working in their allotted tasks, users can apply notes to flag clauses that might have implications for the transfer; where users want to apply this note throughout the data set, they can use the bulk notes feature and all similarly-worded clauses will be tagged with the note. When the review is complete, the legal team can quickly generate a report of their findings which automatically captures all work product, which can be used internally or externally depending on the particular requirements. CAS is an award-winning leader in Managed Legal Services, providing corporate compliance and other legal support services to a range of major law firms and corporations including Vodafone, Santander and Clifford Chance. CAS conducted a repapering review of a client's contracts to locate any obligations and identify risks that may impact the organisation due to Brexit. Operating on a tight timescale, the firm deployed Luminance to tackle the repapering due to the technology's ability to flexibly adapt to changing standards whilst also enabling CAS to meet demanding external deadlines. Two hours after uploading the contracts, Luminance's data visualisation showed CAS an analysis of the various datapoints of the contracts in their data set. Indeed, within three hours of upload, Luminance had labelled 70% of clauses within their documents. The team could then create tasks based on documents which had the clauses present, with Luminance's collaborative workflow functionalities allowing the same contracts to then be assigned to multiple advisors, so they were able to work on different elements within the same documents simultaneously.

Throughout the project, the legal team were able to flag risks in order of severity through Luminance's notes and reporting features, allowing CAS to prioritise their review by focusing on the most challenging documents first. The team used Luminance to create reports at the end of the project on the risks identified, clearly demonstrating exposure. CAS estimated that Luminance reduced their review time by over 75% compared to using solely manual methods. The company was able to complete the review of the entire document set within the client's tight timeframe. By completing the review within a quicker time frame than projected, the legal team could instead focus on providing high-value analysis of their findings in preparation for Brexit and strategizing ways that their client could best prepare for various Brexit outcomes. Lucy Dixon, Director at CAS commented that, "Luminance's new-era product offers our clients exactly the kind of innovation they need." Luminance's advanced AI makes it a key tool for lawyers conducting repapering exercises. Regulatory change is increasingly a cross-border and cross-jurisdictional matter. The ability of Luminance to work across documents in any language and from any jurisdiction allows lawyers to complete their review seamlessly, whilst also uncovering subtleties in foreign language documents which may otherwise have been missed. Further, Luminance's supervised machine learning algorithms learn from the lawyer's interaction with the documents to proactively suggest clauses with similar wording across the entire project. In an ever-changing regulatory environment, repapering is here to stay. Luminance's cutting-edge AI enables lawyers to meet this challenge quickly and effectively, gaining maximum insight into vast data sets and drawing conclusions drawn from the entire body of documents.



Luminance Project Guide

Repapering

Scenario

You are a lawyer working in the Commercial team of a leading law firm. You have been tasked with conducting a time-sensitive exercise for a key client, investigating the potential impact of Brexit upon over 10,000 commercial agreements. You have been given a very strict deadline and it is vital that the review is completed in an efficient and cost-effective manner.

Given the time pressure and the volume of documents under review, you will be deploying Luminance's market-leading artificial intelligence technology to assist the team in completing this review quickly and effectively across the whole data set.



Key Benefits

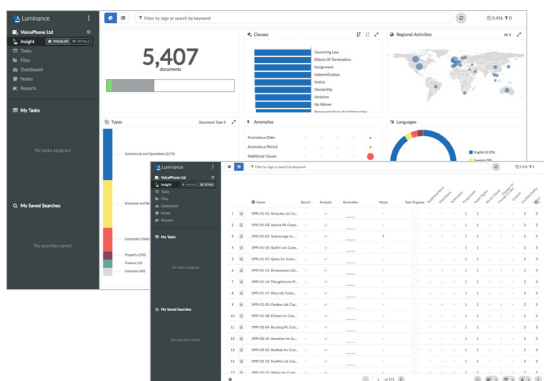
- ✓ Achieve significant time savings
- ✓ Quickly identify potential Brexit touchpoints
- ✓ Achieve a more comprehensive review with confidence in the results

Review Process

After the documents have been uploaded into Luminance, the workflow for conducting the review comprises 6 key steps:

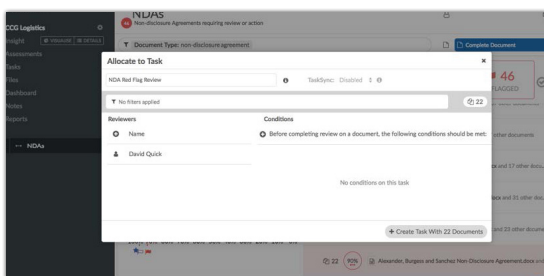
1. Identify documents of interest according to contract type and party location
2. Assign documents to team members to review via Tasks
3. Begin the task, open a document and apply Automatic Document and Clause Compliance functionality
4. Identify and tag additional clauses for review
5. Comment on areas of concern
6. Create a report

Step 1: Identify documents of interest



HINT | You can change the Document Type widget to show Contract Type by clicking on the downward arrow.

Step 2: Assign documents to team members for review via Tasks



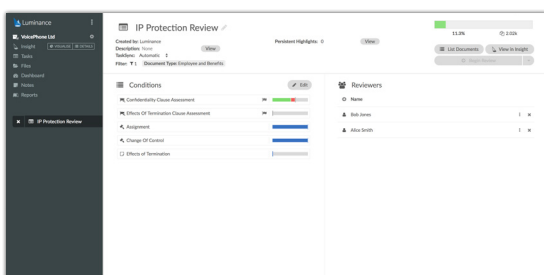
Luminance's Insight Visualise and Details screens provides lawyers with a global overview of the contracts and the ability to drill down into the key areas of the documents. Using this screen, lawyers can determine where to initially focus their review by identifying and filtering down to relevant information, such as contract and document types, governing laws, locations, languages, anomalies and more.

For example, use the Insight Visualise screen to filter to the Customer Agreements, with Regional Activities in Central Europe. Now, users are presented with those Customer Agreements that could be impacted by a change in consumer protection regulation.

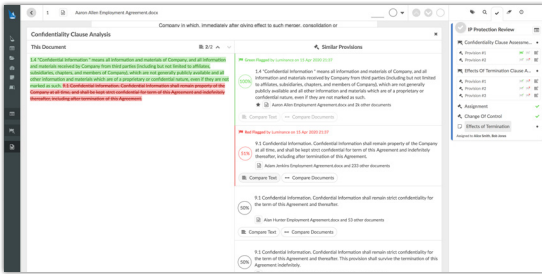
A project manager can assign a task from the Insight Visualise screen once they have filtered to documents of interest. Given that the client requires a full review of important clauses across the document set, users may wish to apply Luminance's Automatic Clause Assessment functionality, via the creation of a task. This will allow you to compare relevant clauses in detail, quickly understanding how it complies with your chosen 'standard' or 'model' version.

Create a task for those Customer Agreements with Regional Activities in Central Europe, and give that task a name of your choice (e.g. "customer agreement"). Add Clause Assessments, for key clauses, e.g. representation and warranty clauses.

Step 3: Begin the task, open a document and apply Clause Assessment functionality



Luminance's Clause Assessment functionality can be used to investigate a specific clause across the document set and analyse all variations in wording for that clause. Given your client's instructions, you will use this feature across the full document set when investigating a particular clause. Users can open a task that has been allocated to them by selecting the Task from the left-hand side navigation panel, and using 'list documents' or by 'checkout batch'. Once in the document, a given Clause Assessment can be undertaken from the tasks panel on the right-hand side of the document.

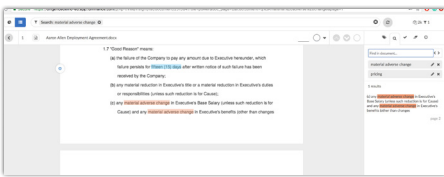


HINT | Select the black paragraph button next to the provision of interest. This is beside the flag buttons.

Users can compare the wording of the clause in the document against all other examples of that clause across the task. They can get full detail on the difference between two clauses using 'compare text', and full detail on the respective documents using 'compare documents'. Once you come to a conclusion on a clause, use the green/red flag system to

indicate acceptability or otherwise for your client's purpose. For example, if a representation and warranty clause meets the standard currently required by EU law, you may choose to red flag that clause in order to indicate that the standards to which the clause is compliant may change after Brexit.

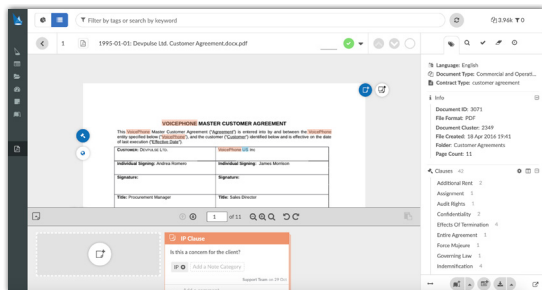
Step 4: Identify and tag additional clauses for review



Lumiance's key word search functionality can be used inside a document, or in the filter bar over a selected set of documents, to identify other areas of interest outside the clause-types that Lumiance has already tagged. For example, search "material adverse change" and "pricing" to check whether these clauses exist in the document. You can then select this wording and use the plus icon and gavel to create a new clause tag, e.g. 'Material Adverse Change'.

When you add a tag to the clause, Lumiance will suggest similar paragraphs that exist within the document set that follow similar patterns in language. Users can choose to extend their tag to all similar versions across the document set, vastly expediting the review process.

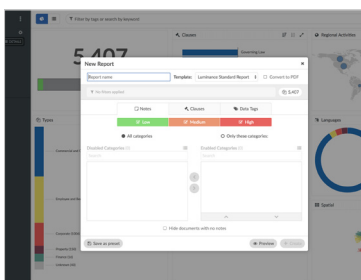
Step 5: Comment on areas of concern



Lumiance's note functionality can also be used to further comment on areas of concern or interest. Apply a note to paragraphs of interest by clicking on the wording and clicking the note icon. Enter a title for the note (e.g. MAC), and your analysis as its content. The severity of the flag (red, orange or green) can be controlled by clicking the top right of the note widget. You can also add note categories to collate notes on a particular theme more easily.

Once you have completed steps 3-5, tick a document as complete using the icon at the top of the document, and move on to the next document with the arrow in the same place. Repeat these steps until all documents in the task are marked as complete.

Step 4: Create a report



Lumiance's report templates can be used to seamlessly collate information for communication to your client, or for internal use. To generate a report that summarises your analysis and recommendations, filter to the relevant documents (e.g. Customer Agreements) and select the information you need to include in the report (e.g. MAC clauses and Notes of the "Non-compliant" category). This report can then be downloaded from the Reports section. This report can then be used as a basis to amend the relevant documents.