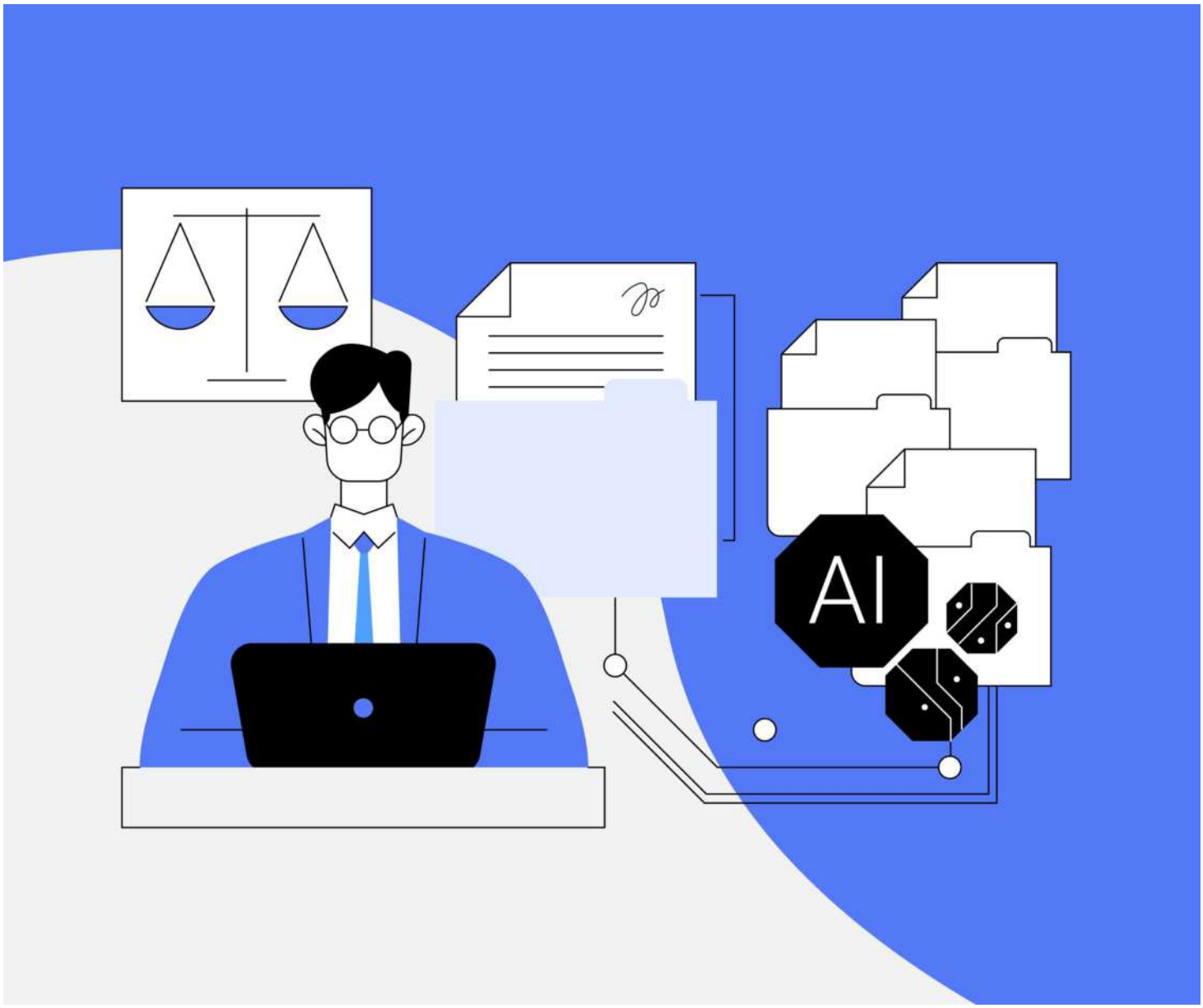
AI Guideline Series

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AI Guide for Transactional Legal Professionals



Thomson Reuters Institute

AI Guide for Transactional Legal Professionals

This guide provides an overview for legal professionals on how AI can fit into workflows for transactional matters. Even those who are not yet using AI themselves are likely to encounter clients, counterparties and counterparty counsel, judges, court administrators, and other stakeholders who are utilizing AI or referencing its use. This makes understanding AI's capabilities, limitations and risks, and examples of applications and appropriate use cases essential for transactional legal professionals.

This guide on using AI in transactional workflows is intended to be illustrative, not definitive, outlining basic principles that organizations can adapt to their particular practices.

This is part of a series on AI use. *The AI Guide for Legal Professionals: A Foundational Overview* offers a broad primer on AI's current state and use in legal practice and the professional considerations it raises. Legal professionals should familiarize themselves and refer to the information as needed.

1. AI in Transactional Workflows

AI can support nearly every stage of a transaction -- from preliminary evaluation through closing and post-closing integration. The key is determining which tasks are appropriate for AI, where human judgment is indispensable, and how to maintain accuracy, confidentiality, and professional responsibility.

Transactional Workflow Stage	Illustrative AI Applications
Assessment & Strategy	· Analyze key documents and datasets (e.g., terms, business models, financials, etc.) to identify potential risks and opportunities. · Compare proposed terms against internal and market precedent.
Legal Research	· Summarize applicable cases, laws, regulations, rules, and administrative guidance. · Compare legal frameworks across applicable jurisdictions. · Highlight recent changes in law that may impact transactional terms and performance.
Due Diligence	· Classify and summarize large volumes of documents. · Analyze, summarize, compare, or extract key provisions (e.g., contractual, financial, service-level, etc.). · Flag inconsistencies, missing documents, deviations from internal or market precedent.
Drafting & Negotiation	· Generate first drafts using internal or market precedents or templates. · Suggest alternative clause language, fallback positions, negotiation framing. · Redline counterparties' drafts and highlight deviations from internal and market precedent. · Act as a "coach" or "sparring partner" in negotiation simulations.

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Transactional Workflow Stage	Illustrative AI Applications
Regulatory & Compliance	• Identify applicable regulatory obligations and compliance risks (e.g., filings, notices, approvals, etc.). • Monitor multi-jurisdictional compliance requirements.
Closing & Post-Closing	• Generate and manage closing checklists and timelines. • Summarize post-closing obligations. • Draft closing documents (e.g., closing memoranda, disclosure requirements, corporate resolutions and certificates). • Review execution documents and closing packages for consistency. • Synthesize operational, HR, and contractual data for integration planning.
Communications	• Draft internal memos, negotiation summaries, board materials, client and other stakeholder communications. • Prepare presentations and reports for applicable parties (e.g., deal teams, executives, counterparties, lenders, landlords, regulators, etc.)

2. Considerations for AI Use in Transactional Practices

Limitations & Risks

Limitations of AI

While AI can assist with transactional workflows, AI should be treated as a tool for information and analysis to support legal professionals. It is never a substitute for human judgment or strategic thinking.

Accuracy Risks

AI may misinterpret contractual language, legal requirements, or underlying facts; it lacks the multifaceted context and nuanced judgment that legal professionals bring to a matter. Generative AI can generate inaccurate or incomplete legal analysis, including confidently stated fabricated citations or invented legal standards. All AI-generated output must be verified with human-in-the-loop review before inclusion in any matter-related work product.

Privilege & Confidentiality Risks

AI systems may retain or use input data for model training, which can expose privileged or confidential information to third-party vendors or even other users. Legal professionals should use enterprise or legal-specific AI tools with contractual data-isolation guarantees, understand and verify settings, avoid entering identifying client or firm details unless necessary, and maintain human review of any AI-assisted content. In addition, legal professionals must follow internal policies and client requirements, including outside counsel guidelines, relating to AI usage.

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Regulatory, Contractual, and Industry Considerations

Disclosure Requirements: Disclosure or certification regarding AI usage, including human verification, may be required by regulatory authorities, clients and counterparties, and in certain industries, such as health care and financial services.

AI Usage by Authorities: Regulators, corporate registries, and other authorities are incorporating AI to review filings, data, and other materials, as well as other uses. Transactional legal professionals need to be aware and monitor how this may affect review timelines, submission formats, and the level of scrutiny of AI-generated materials even when such materials are permitted and properly disclosed.

Incorporating AI Into Transactional Workflows

- **Training and Processes**

  Standardized AI training and processes establish an organizational foundation for responsible use of AI tools, including confidentiality and other professional obligations, as well as security requirements. The foundation should cover appropriate sharing of AI-enabled work product, and communications with stakeholders. Restrictions on AI use imposed by clients, regulators, courts, or others must be communicated to everyone working on a matter. Organizations should also revisit all existing processes to confirm that they address AI usage.

- **Formal Verification**

  It is essential that training and processes include reviewing AI-generated output; verifying citations, privilege, and legal and factual assertions; and documenting and maintaining internal records of verification steps taken.

- **Workflow Integration**

  Transactional legal professionals may find it beneficial to introduce AI into their work in a gradual manner. Workflows should be mapped out and clearly understood prior to incorporating AI. Initial steps may include use for basic but time-consuming tasks, such as drafting internal memos, contract summaries, closing checklists, and negotiation playbooks. Similarly, routine forms and correspondence often require only cursory human review to confirm accuracy and tone. AI usage can be gradually expanded to more complex tasks with appropriate supervision. A human-in-the-loop framework should be applied at every stage, with attorneys retaining full control over judgment, validation, and final decision-making.

Professional Responsibilities

It is essential to keep in mind at all times that responsibility for use of AI rests with the supervising attorney.

Transactional lawyers must comply with applicable professional rules, including: ABA Formal Opinion 512; ABA Model Rules of Professional Conduct -- Rules 1.1, 1.6, 3.3, 5.1, 5.3; state bar ethics opinions; and client-, regulator-, or court-imposed restrictions.

No AI-generated contract language, diligence findings, regulatory filings, or other work product should be relied upon without human verification.

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3. *Looking Ahead*

AI use is rapidly expanding across transactional practices. Emerging and projected capabilities include:

- Multi-step agentic AI for end-to-end diligence workflows
- Automated negotiation assistants capable of proposing deal structures
- AI-driven market-standard clause benchmarking
- Real-time compliance monitoring across jurisdictions
- AI-driven regulatory filings and automated approval workflows
- Autonomous contract lifecycle management
- AI-assisted deal modeling and valuation
- Predictive risk scoring for M&A, finance, and commercial agreements
- AI mediation and arbitration
- Automated research on synergistic/strategic acquisition targets

Practitioners should stay informed as AI technologies continue to develop.

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Appendix — Additional Resources for Transactional Lawyers

AI in Contracting & Transactions

- **WorldCC (International Association for Contract & Commercial Management)**
  https://www.worldcc.com
- **ACC Legal Operations Maturity Model**
  https://www.acc.com/legal-operations/maturity-model
- **NIST AI Risk Management Framework**
  https://www.nist.gov/itl/ai-risk-management-framework
- **Thomson Reuters Institute -- AI in Professional Services**
  https://www.thomsonreuters.com/en/reports/2026-ai-in-professional-services-report

AI in Corporate & Regulatory Compliance

- **OECD AI Governance & Policy Resources**
  https://oecd.ai
- **SEC -- Remarks by Chairman Paul S. Atkins at Investor Advisory Committee Meeting**
  https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-iac-091026
- **FTC -- Policy Statement Concerning the Suppression of Accuracy in Artificial Intelligence Systems**
  https://www.federalregister.gov/documents/2026/07/07/2026-13628/policy-statement-concerning-the-suppression-of-accuracy-in-artificial-intelligence-systems
- **ISO/IEC 42001**
  https://www.iso.org/standard/42001

AI in Deal Workflows & Legal Technology

- **LegalTech Hub -- Contract Review, CLM, and Diligence Tools Directory**
  https://legaltechnologyhub.com
- **EDRM (Electronic Discovery Reference Model) -- Information Governance Resources**
  https://edrm.net
- **IAPP -- Global Privacy & Data Protection Resources**
  https://iapp.org

Cross-Border & Regulatory Monitoring

- **European Commission -- AI Act & Digital Regulation Materials**
  https://digital-strategy.ec.europa.eu/en/policies/artificial-intelligence
- **UK ICO -- Guidance on AI & Data Protection**
  https://cy.ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/artificial-intelligence/guidance-on-ai-and-data-protection/
- **APEC Cross-Border Privacy Rules (CBPR) System**
  https://cbprs.org

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Acknowledgments

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