



Quid Pro Quo

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What is a Quid Pro Quo

Quid pro quo, Latin for "something for something," is used to describe when two parties engage in a mutual agreement to exchange goods or services. In a quid pro quo agreement one transfer is contingent upon a reciprocal transfer. As a term, quid pro quo is used similarly in business and legal contexts to convey that a good or service has been exchanged for something of equal value.

Breaking Down Quid Pro Quo

Key to a quid pro quo business agreement is consideration, which may take the form of a good, service, money or [financial instrument](#). Such consideration equates to a contract in which something is being provided and something of equal value will be returned in exchange. Without such consideration a court may find a contract to be invalid or nonbinding. Any individual, business or other entity should know what is expected of both parties to enter into a contract.

A [bartering](#) arrangement between two parties is an example of a quid pro quo business agreement. In other contexts, a quid pro quo may entail more of a questionably ethical "favor for a favor" arrangement rather than a balanced exchange of equally valued goods or services.

Quid Pro Quo Examples