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All countries

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Asia

China	Is there anything else that an international buyer should be aware of at the outset, cultural or otherwise? In most jurisdictions there are certain sectors (eg banking, media/broadcasting, defence, sports clubs) where regulator approval/notification may be required in advance / following a change of control. Access to the Chinese market is generally liberated, particularly in the manufacturing sector, while some sectors still remain highly regulated such as TMC and financial sectorsstill remains highly regulated. A market entry assessment is a routine recommendation Investment access restrictions (eg applicable negative lists), regulatory consents or registrations, and license requirements need to be carefully evaluated upfront and which may potentially affect the envisaged business model for China including acquisition M&A structure. Language and , bureaucratic requirements and cultural differences shall also not be overlooked can increase the deal complexity and as may also prolong the timeline up to completion or closing. Cultural differences also need to be carefully managed to avoid surprises. Cultural differences also need to be carefully managed to avoid surprises.

Hong Kong	Generally, no legal, regulatory or governmental restrictions on transfer of shares in a Hong Kong incorporated company unless the target business belongs to the following sectors: - Banking (regulated by the Banking Ordinance (Cap 155)) - Insurance (regulated by the Insurance Companies Ordinance (Cap 41)) - Securities and futures (regulated by the Securities and Futures Ordinance (Cap 571)) - Provident fund (regulated by the Mandatory Provident Fund Schemes (General) Regulation (Cap 458A)) - Telecommunications (regulated by the Telecommunications Ordinance (Cap 106) and the Competition Ordinance (Cap 619)); or - Broadcasting (regulated by the Broadcasting Ordinance Cap 562). The Transfer of Businesses (Protection of Creditors) Ordinance (Cap 49) (“TBO”) provides that whenever a business is transferred, the purchaser shall become liable, notwithstanding any agreement to the contrary, for all the debts and obligations (including tax liabilities) arising out of the carrying on of business by the seller, unless the parties publishes a notice of transfer within the time limit specified under the TBO. The purchaser will only cease to be liable for all obligations of the seller on the date which the notice of transfer becomes complete, which is one month after the date of the last publication of the notice, unless within that period a creditor commences proceedings against the seller in respect of any liability of the seller arising out of its carrying on of the business.
Singapore	Certain business activities are regulated and may be subject to licensing, permits or authorisations. The licenses may contain provisions requiring prior consent or approval from the relevant governmental or regulatory authority for any change of ownership of the license. Certain public M&A transactions may require obtaining consents or approvals from the relevant personnel, governmental or regulatory authorities. If the M&A transaction comes within the scope of the Competition Act (Chapter 50B), parties may wish to consult the Competition and Consumer Commission of Singapore to ensure compliance with the competition laws in Singapore.
United Arab Emirates	In the UAE, almost every share transfer requires the pre-approval of the concerned Company Registrar (DED or free zone registrar), and if the activity conducted by the target company is regulated and subject to a third party authority approval requirement, a no objection certificate from such third party authority is typically required in relation to a share transfer to a new shareholder. In some cases (depending on the concerned registration authority and/or the details of the transaction) official newspaper publications need to be arranged prior to the share transfer.

Europe

Austria	In the case of real property owned by an Austrian target the change of ownership may trigger real estate transfer tax. The same applies in case at least 95% of the share capital of a real estate owning entity are transferred. Depending on the deal structure and the location of the real property, the acquisition can also be subject to notification/approval requirements. As regards certain industries (e.g., banking sector) the applicable regulations may provide for additional notification obligations. Finally, Austrian investment control regulations provide for certain notification and approval requirements applicable to foreign direct investments (FDI) into Austria by an acquirer from a third country (non-EU or -EEA country other than CH), when the FDI likely affects national security or public order (eg FDI regarding critical infrastructure, critical technologies and dual use items, supply of critical inputs, access to sensitive information and the freedom and pluralism of the media). The general approval requirement applies where the FDI results (directly or indirectly) in: - a controlling influence over an Austrian company - the acquisition of essential assets of an Austrian company - voting rights in an Austrian company that reach certain thresholds (in general 25% or 50%, unless the FDI relates to a particular sensitive sector). The Federal Ministry of Labour and Economy is currently responsible for the FDI screening and approval procedure.
Czech Republic	As of May 2021, there is a foreign direct investment (FDI) screening regulation in place. The FDI regulation, in principle, imposes an obligation to control and verify investments in certain strategic sectors of the Czech economy made by parties from third (non-EU) countries with regard to the security interests of the Czech Republic and its internal or external order. Selected investments can thus be implemented only with prior permission from the Ministry of Trade and Industry. In practice, due to the ambiguity of the FDI regulation, in many cases a prior consultation with the Ministry is recommended. There are special regulatory requirements in fields such as energy, health care, insurance, banking, etc. where it is necessary to notify and/or to obtain a prior approval from the respective authorities. Therefore, we would generally advise to consult such matters with a local lawyer in advance. In case of asset deals public licenses do not transfer to a new legal entity; they have to be requested in advance for the new entity to be operational.

England & Wales	English law is often used for cross-border deals and English style M&A documentation will be quite similar to that used in some other jurisdictions, such as the US. If defined benefit pension plans are involved, substantial due diligence may be required as liabilities can be significant. The UK's new National Security and Investment Act 2021 came into force on 4 January 2022 and is separate to the competition law regime. The Act has significantly broadened the UK Government's powers to review a range of transactions (including fundraisings and other asset related transactions as well as M&A) across any sector where there is a potential national security issue. The Act requires a mandatory notification to be made where one of the trigger events is met and the target operates in one or more of 17 sensitive sectors. A voluntary filing may be made where there is an acquisition of assets, land or IP which relates to one of the 17 key sectors. Clearance will need to be obtained before transactions caught by the mandatory notification regime can close and there are strict penalties for non-compliance, including significant fines, imprisonment and a transaction which was not notified when it should have been is void. There is no turnover threshold, no requirement for the buyer/investor to be from outside the UK and the Act also has extraterritorial effect so will apply if for example there is a merger in another jurisdiction where the target has assets or sales in the UK. In November 2023, the UK Government launched a review on how the national security and investment regime can be more business friendly while maintaining and refining the protections needed to protect national security.
France	In certain circumstances, the transaction may be subject to: - prior approval from the French Ministry in charge of Economy and Finance if the activities of the French target are considered as sensitive regarding the French public order or if there is one contract concluded with the French authorities - consultation/information of the employees' representatives - Hamon law process applicable.

Germany

Acquisitions in Germany are traditionally made by private agreements. Large scale takeover battles of the kind witnessed in the US and the UK have few equivalents in the German market. The vast majority of transactions are related to the acquisition of medium-sized, often family-owned businesses (so-called Mittelstand). Germany has still a quite liberal attitude towards foreign investors. For cross-border deals, German style M&A documentation is often aligned to the extent possible with international standards.

However, there is an investment screening regime and associated notification obligations for foreign investment in certain sectors. The investment screening regime was significantly tightened in the last years. The Federal Ministry of Economic Affairs and Climate Action (BMWK) is entitled to review foreign investments to a cross-sectoral or sector-specific investment review.

The cross-sector investment review concerns acquisitions by which a non-EU (or EFTA) citizen directly or indirectly acquires control of at least 25% of the voting rights in a German enterprise (section 55 Foreign Trade and Payments Regulation (AWV)). If the German company belongs to a particularly sensitive sector, the threshold is 10% of the voting rights (eg critical infrastructure operators, media, health sector, section 55a (1) no. 1 to 7 AWV). If the German company belongs to one of the case groups pursuant to section 55a (1) no. 8 to 27 AWV, the threshold is 20% of the voting rights (eg artificial intelligence, semiconductors, cyber security).

The sector-specific investment review covers all acquisitions by which a foreigner - including persons or companies from other EU Member States - directly or indirectly acquires control of at least 10% of the voting rights in a domestic company which produces the goods listed in section 60 AWV, primarily certain military equipment.

The BMWK can prohibit the transaction or approve it under condition if the transactions constitute a threat for the public order or security (cross-sector investment review) or essential security interests of Germany or another EU member state (sector-specific investment review). Even though prohibitions must be "ultima ratio", these are still very rare. There have been prohibitions regarding Chinese acquirers in recent years.

Hungary	Banking - The National Bank of Hungary is involved in the authorisation to merge financial institutions, but its authorisation is not a substitute for the authorisation of the Hungarian Competition Authority. Media/broadcasting - The Hungarian Competition Authority shall obtain the opinion of the National Media and Infocommunications Authority's Media Council for the approval of concentration of such enterprises which are bearing editorial responsibility and the primary objective of which is to distribute media content to the general public via an electronic communications network or a printed press product. As a main rule, the Media Council shall not have the right to refuse granting official approval, when the level of merger between independent sources of opinion after the merger will ensure the right for diversity of information within the relevant market for the media content service. As a main rule, the amount of the administrative service fee payable to the Media Council for its procedure as administrative authority shall be 2 million forints (approx. EUR 5,000) payable to the Hungarian Competition Authority together with the procedural fee. Electricity and natural gas utility: approval of the Hungarian Energy and Public Utility Regulatory Authority for the merger of electricity and natural gas utility companies operating under licences issued by the same authority. Foreign investors must consider that currently, there are two foreign direct investment regimes in force in Hungary. The first one was introduced based on the EU Regulation no. 2019/452 and the second one has been implemented later due to the COVID pandemic situation evolved in 2020. The two regimes are both applicable parallel and even if there are several similarities in the relevant procedures, they must be handled separately taken into account especially the notable differences and procedural rules.
Ireland	M&A documentation is quite similar to that used in other jurisdictions, such as the UK and US. Regulatory consents may be required depending on the nature of the deal e.g. Central Bank of Ireland approval is needed for certain banking and insurance transactions. Pension deficits require substantial due diligence in view of huge potential liabilities to be made good. An investment screening regime has recently been signed into Irish law through the Screening of Third Country Transactions Act 2023. This law is designed to protect critical sectors of the Irish economy where public order or security may be at stake, and is expected to come into force in 2024.

Italy	Pursuant to Legislative Decree No. 177/2005, Article 1 of Law. No. 249/1997 and implementing regulations of the Italian Authority for Communications (AGCOM), specific rules and anti-concentration limits apply to mergers and acquisitions of relevant shareholdings in the media/broadcasting and communications sector. Further, changes of control over companies operating in the media and communications sector must always be notified with the AGCOM, irrespective of the size or turnovers of the undertakings involved. A regime for foreign investment review is set forth under Law Decree No. 21/2012 (converted into Law No. 56/2012 FIR). The FIR assigns the Government special powers (so-called golden powers) to veto or impose conditions on certain resolutions or transactions made by foreign investors (including EU and Italian investors in certain cases) relating to Italian companies or assets operating in certain strategic sectors. In particular, the Italian Government may exercise its golden powers in the following sectors: (1) defence and national security (which includes broadband electronic communication services based on 5G technology); (2) energy; (3) transport; (4) communications; and (5) other new sectors included in the regime in the following years (water, health, sensitive data and information, electoral infrastructure, finance and insurance, artificial intelligence and other technologies, aerospace infrastructure, agri-food and steel, dual-use products, freedom and pluralism of media). Further, Law Decree No. 21/2022 (Decree Ukraine) made the emergency regime introduced by Government Decree No. 23/2020 become permanent and introduced new procedural rules, including a pre-notification procedure and the concurrent obligation of the target company to notify the transaction under the FIR, either jointly with the buyer(s) or separately. From a general standpoint, please consider that specific regulatory requirements such as notifications and/or approvals may be required in specific sectors such as banking and insurance. Therefore, we would generally advise to consult a lawyer in advance on a case-by-case basis.
Netherlands	Certain sectors, especially the financial and energy sector, are indeed subject to regulatory supervision. M&A transactions may cause prior notice or approval of such regulator. In addition, there is specific M&A focused legislation introducing governmental review of qualifying acquisitions in other vital sectors (following the EU FDI-Regulation). Similar legislation has recently been adopted by the Dutch legislator with respect to acquisition in telecom. . Apart from eventual regulatory burdens, Dutch style M&A documentation can be considered partly as “leaner” compared to, for example, US style documentation. This is because statutory Dutch law already provides for many of the definitions of contractual terms and concepts, eg definition of damages etc., so that fewer contractual details are needed. For cross-border deals, Dutch style M&A documentation is often aligned to the extent possible with international standards. In general, Dutch M&A is relatively foreign investor friendly.

Poland	When an individual from outside the EEA acquires shares in a Polish company which owns a real property, a permit for a transaction has to be obtained from the Minister of Internal Affairs. Furthermore, if an individual acquires shares in a Polish company which owns an agricultural real property or properties with the total area exceeding 5 ha, the purchase of shares is subject to pre-emptive right of the Polish Agricultural Agency. In addition the Polish Act on Controlling Specific Investments aims to protect strategic Polish companies from hostile takeovers by requiring potential buyers to notify the competent minister responsible for a given strategic sector of their intention to buy shares in a strategic company.
Portugal	Some sectors require commercial companies to request previous approval before incorporation, such as credit brokers, banking, and healthcare services.
Slovakia	Similar to other countries, special sector regulation applies to companies being active in a particular sector (e.g. merger of banks requires prior approval of the regulatory authority). In most of the transactions, M&A documentation is similar to international standards and Slovakia is friendly to foreign investors. The current investment screening legislation entered into force in March 2023 (“FDI regime”). Under the current FDI regime (effective from 29 March 2023), the investment considered as foreign investment, including the acquisition of at least 25% of the target's registered share capital or voting rights, is, in general, subject to a voluntary filling for a negative impact assessment of the foreign investment by investors to the Ministry of Economy of the Slovak Republic and can also be subject to ex officio screening by the Ministry of Economy of the Slovak Republic. However, investments considered critical foreign investments according to the Decree of the Government of the Slovak Republic No. 61/2023 Coll. establishing critical foreign investments (e.g., weapons production, defence industry, biotechnology, digital service providers in the field of cloud computing, etc.), including the acquisition of at least 10% of the target's registered share capital or voting rights, are subject to a mandatory filling for a negative impact assessment of the foreign investment by investors to the Ministry of Economy and may be subject to the assessment of the Slovak Government. Moreover, the general notification requirement applies to all sectors considered as critical infrastructure under the Critical Infrastructure Act, including transportation, electronic communications, energy, postal services, heavy industry, information and communication technologies, water management, healthcare, pharmaceuticals, finance, and agriculture. This requirement among others applies to direct and indirect transactions - a change in the persons having direct or indirect participation in the operator of critical infrastructure exceeding a 10 % shareholding or voting rights is subject to notification of the investment to the Ministry of Economy of the Slovak Republic (in advance).

Spain	Foreign Direct Investments (FDI) may be subject to prior filing and approval in Spain if certain criteria are met. FDI are acquisitions by foreign companies of stakes in Spanish companies that are equal or higher than 10% or that grant control. Foreign companies are those ultimately controlled in more than a 25% by a company domiciled in a non-EEA country. FDI on strategic sectors may be subject to prior filing and approval. FDI on non-strategic sectors may also be subject to prior filing and approval if the investor is controlled by a government, has other activities in strategic sectors in other EU countries or there is a serious risk that the foreign investor engages in illegal activities. FDI in Defence sector are subject to specific rules. Advice before proceeding with a transaction is always recommended.

South America

Brazil	M&A agreements in Brazil are similar to the ones used in most countries. Regulated Sectors: (i) Financial / Banking; (ii) Energy; (iii) Telecommunication; (iv) Health; (v) Oil & Gas; (vi) Media / Broadcasting; (vii) Advertising; (viii) Agribusiness