

Strategic Acquisition of Audit and Professional Services Network in Malaysia

We advised a leading regional corporate services provider (as buyer) in its proposed equity acquisition of an audit firm and 3 network companies in Malaysia as part of its strategic expansion and consolidation of professional service offerings in the region.

Our Scope

- Leading the comprehensive legal due diligence exercise, identifying potential red-flag or deal breaker issues, highlighting the licensing and regulatory compliance requirements, any equity and board composition restrictions for the 3 network companies (offering, amongst others, accounting, company secretarial, and taxation services), and partnership requirements for the audit firm.
- Rendering strategic advice on the transaction structure and documentation (particularly proposing different manners of acquisition or purchase of interest in a limited liability partnership/ audit firm), enabling client to significantly expand its professional services footprint and strengthen its regional network.
- Highlighting the significance of adherence to MIA by-laws, with a particular focus on auditor independence, self-review threats issues, and governance obligations arising from the related-party transactions between the audit firm and the network companies.

Impact on the client

- Mitigates potential risks and liabilities on client by flagging potential legal, regulatory, and operational issues before completion, including highlighting any self-review and independence issues under the MIA By-Laws and recommending suitable representations, warranties and indemnities in favour of client.
- Protects client's interests through careful drafting and review of definitive agreements, ensuring enforceable terms and compliance with governance requirements.

Key Contact

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