
Book Review: INTERNATIONAL ASSET ACQUISITIONS, by Committee on Negotiated Acquisitions, ABA Section of Business Law

Reviewed by Robert W. Wood • Wood & Porter • San Francisco

Even humdrum transactions often have an international element these days. With markets becoming increasingly global, business lawyers and accountants all face the prospect of working on transactions outside their home jurisdictions. Although there is no panacea for the inevitably complex issues that arise, an American Bar Association Business Law Section book, *INTERNATIONAL ASSET ACQUISITIONS: SUMMARIES OF 33 COUNTRIES' LAWS* can give you a leg up. This book is yet another ABA publication that no merger and acquisition practitioner should be without.

As its name implies, this book contains summaries of the asset acquisition rules in 33 countries. Of course, this book is not a replacement for retaining competent local counsel, but it should enable practitioners to quickly get up to speed on asset acquisition issues across a spectrum of sites. This can be

of great help when trying to keep track of the laws of different jurisdictions.

The book is divided into 33 chapters, one for each country reviewed. A chapter is devoted to each of the major U.S. trading partners. Fortunately, this includes China, France and Canada. Smaller trading partners, such as Portugal and Thailand, are unfortunately not included. One can grumble about some of the coverage, but in general, the editors have made logical choices.

One of the neatest features in the book is a questionnaire for merger and acquisition experts in each country. Each expert was asked to provide a big picture description of twelve subject areas, as though he or she were giving a one or two hour presentation to an American lawyer. The categories covered include the following:

1. Asset vs. Share Purchase
2. Form of Documents
3. Preliminary Legal Requirements

4. Unfair Competition
5. Successor Liability
6. Public Records
7. Labor Matters
8. Plant Closing Laws
9. Assignment of Contracts
10. Non-competition
11. Choice of Law, Jurisdiction and Arbitration
12. Other Issues

Within each subject area, each expert answered two to seven questions. For example, under the subject of an asset vs. share purchase, each country's expert was asked about the major considerations a buyer may face in choosing an asset acquisition over a share acquisition. In other areas, the questions tend to be more open-ended. Under successor liability, one question asks whether it is customary for a buyer to conduct an environmental audit or other due diligence investigations before an acquisition of assets.

Given this volume's international focus, one of the twelve categories covers choice of law, and this is clearly appropriate. Here, practitioners can find answers to questions such as "in your jurisdiction, do you have any restrictions relevant to asset acquisitions by foreign parties regarding the choice of applicable law and the place where an action may be brought?"

Answers to these questions can be paramount, since buyers typically want to resolve problems close to home. Yet, in my experience, these issues can be overlooked in an international deal, no matter whether the purchase is for assets, stock, inventory or franchises.

INTERNATIONAL ASSET ACQUISITIONS is not a cookbook. Moreover, it plainly will not replace specific treatises covering a single country. Yet, by devoting five to ten pages to summarize the rules for each country, the book provides enough coverage to get a flavor for the rules of engagement. For those who are looking for more guidance, INTERNATIONAL ASSET ACQUISITIONS can be used in conjunction with the MODEL ASSET PURCHASE AGREEMENT, also from the ABA Business Law Section.

Three cheers to the ABA for publishing such a versatile volume. We live in a global economy, and it is important for practitioners to have a resource for deals that extend beyond our borders. INTERNATIONAL ASSET ACQUISITIONS is that resource. Anyone who has undertaken even a single international asset deal would be remiss not to have this book as a reference. The book can be purchased for \$159.95 by calling the ABA at (800) 285-2221 or on the Web at www.abanet.org/abastore.

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