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1 Relevant Authorities and Legislation

1.1 What regulates M&A?

The key legislation governing M&A in Luxembourg is the law of 10 August 1915 on commercial companies, as amended (the "**Corporate Law**"). In addition, numerous treaties on the avoidance of double taxation allow Luxembourg to support the worldwide M&A activities of Luxembourg private equity funds and M&A parties. These treaties empower Luxembourg private equity funds and M&A participants to seamlessly navigate and engage in M&A transactions on a global scale, solidifying Luxembourg's standing as a preferred hub for international business activities.

The law of 19 May 2006 implementing Directive 2004/25/EU on takeover bids, as amended (the "**Takeover Law**"), covers squeeze-out and sell-out rights, which assists the M&A of Luxembourg-based target companies. A natural or legal person acquiring, alone or with persons acting in concert with it, control over a company by holding 33.3% of the voting rights is required to make a mandatory takeover bid to all the shareholders in a Luxembourg company. As far as the competent authority is concerned, the Takeover Law states that if the target company's securities are not admitted to trading on a regulated market in the Member State in which the company has its registered office, the competent authority to supervise the bid shall be the authority of the Member State responsible for the regulated market on which the company's securities are admitted to trading. Matters relating to the consideration offered in the case of a bid, in particular the price, and matters relating to the bid procedure, in particular the information on the bidder's decision to make a bid, the content of the offer documents and the disclosure of the bid, shall be governed by the law of the Member State responsible for the regulated market on which the company's securities are admitted to trading. If a mandatory or voluntary offer is made to all the holders of securities carrying voting rights in a company that has listed its securities at a regulated market and if, after such offer, the offeror holds 95% of the securities carrying voting rights of the respective company and 95% of the voting rights, the offeror is entitled to squeeze out the minority shareholders, if any, according to the Takeover Law. Under the Takeover Law, when a mandatory or voluntary offer is made to all of the holders of securities carrying voting rights in a company and if, after such offer, the offeror holds more than 90% of the securities carrying voting rights and more than 90% of the voting rights, the minority shareholders may require the offeror to purchase the remaining securities of the same class.

Furthermore, the law of 21 July 2012 on mandatory squeeze-out and sell-out of securities of companies currently admitted or previously admitted to trading on a regulated market or having been offered to the public (the "**Luxembourg Squeeze-Out and Sell-Out Law**") applies to the following scenarios: (i) if all or part of a company's securities are currently admitted to trading on a regulated market in one or more EU Member States; (ii) if all or part of a company's securities are no longer traded, but were admitted to trading on a regulated market and the delisting became effective more than five years ago; or (iii) if all or part of a company's securities were the subject of a public offer that triggered the obligation to publish a prospectus in accordance with Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**") or, if there is no obligation to publish according to the Prospectus Directive, where the offer started during the previous five years. The Luxembourg Squeeze-Out and Sell-Out Law does not apply during, and for a certain grace period after, a public takeover that is or has been carried out pursuant to the Takeover Law.

Lastly, on 23 August 2023, the Ministry of Economy introduced before the Luxembourg parliament (*Chambre des Députés*) the draft bill of law no. 8296 (the "**8296 Bill**") regarding a mandatory national notification and screening procedure for mergers concerning certain entities operating in Luxembourg. The 8296 Bill provides that any merger, acquisition and creation of joint ventures that do not fall under the EU merger control regime set out in Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the "**EC Merger Regulation**") shall be notified in advance to the Luxembourg competition authority (*Autorité de la concurrence du Grand-Duché de Luxembourg*) if two cumulative thresholds are met: (i) the aggregate turnover realised in Luxembourg by all enterprises involved in the concentration exceeds EUR 60 million; and (ii) at least two of the enterprises participating in the concentration generate an individual turnover in Luxembourg of at least EUR 15 million.

1.2 Are there different rules for different types of company?

The Corporate Law sets out the framework governing commercial companies and provides for all types of corporate structures and corporate instruments in order to create tailor-made corporate structures useable for M&A transactions; examples include requirements of corporate governance, as well as substantive and procedural requirements for M&A transactions and other transformative corporate transactions, such as conversions, divisions and liquidation. The Luxembourg Squeeze-Out and Sell-Out Law provides for the squeeze-out and sell-out of minority shareholders by a majority shareholder of a company that has

its registered seat in Luxembourg. As for the merger of two investment funds supervised by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), besides merger-related provisions stipulated in constitutional documentation of the funds, one shall also look into the specific fund product laws concerning the two merging funds as to any requirements, such as procedures for merger, consent requirement, and right of redemption for investors. In addition, merger documentation, such as the merger plan, will have to be submitted to the CSSF for prior approval.

1.3 Are there special rules for foreign buyers?

In order to implement Regulation 2019/452/EU of the European Parliament and of the Council of 19 March 2019, the law of 14 July 2023 establishing a mechanism for the national screening of foreign direct investments (the "**FDI Law**") was adopted this year. The FDI Law applies to (i) direct investments that have been not completed before 1 September 2023 made by foreign investors (i.e. natural persons or legal entities residing outside the European Economic Area), and (ii) aimed at acquiring control over a Luxembourg entity, which (iii) operates in critical activities within the Grand Duchy of Luxembourg (such as, among others, trade of dual-use goods, activities in the sectors of energy, transportation, water, healthcare, communications, data processing and storage, aerospace, defence, finance, and media).

Foreign investors contemplating an FDI falling in the scope of the FDI Law must notify the Luxembourg Ministry of the Economy before completion of the relevant transaction and provide certain information prior to the proposed investment (such as product, services, business operations and countries of business activity). A screening ministerial committee will then perform a preliminary analysis, on a case-by-case basis, on whether a screening process is necessary. The Ministry of Economy and the Ministry of Finance will eventually conduct a screening procedure to assess whether the contemplated FDI is likely to affect security or public order, and a decision will be taken to either prohibit or allow the investment. The FDI Law provides for specific enforcement measures and sanctions where a prior notification is not made or the screening decision is not respected.

The scope of the new regime is potentially broad, covering every investment made in Luxembourg by a non-European investor taking control of a Luxembourg entity operating in one of the relevant sectors. However, we are of the opinion that the impact of the new FDI Law can be considered minimal. First, the FDI Law does not add any substantial requirements for financial firms other than the ones that are already in place, given that any merger or acquisition contemplated by such entities must, in any case, be approved in advance by the competent regulatory authority. Moreover, the FDI Law does not apply to "portfolio investments", which are defined as acquisitions of securities for the purposes of completing a financial investment without gaining control over a Luxembourg entity. They are exempt from the screening regime. Lastly, although private equity fund investments potentially fall under the FDI Law, it is not common for private equity funds based outside the EU to acquire targets in Luxembourg.

1.4 Are there any special sector-related rules?

Different Luxembourg regulatory authorities exercise oversight depending on the sectors and companies involved in the transaction. For example, in the case of a target whose registered office is in Luxembourg and whose securities are admitted to trading on a regulated market in Luxembourg, the offer will be supervised by the CSSF. Furthermore, if a target company carries a licence from the CSSF, any change in shareholding must be approved by the CSSF. The CSSF regulates, among others, credit institutions, payment services providers, electronic money institutions, investment firms, specialised professionals of the financial sector and support professionals in the financial sector.

Other regulatory authorities, such as the *Commissariat aux Assurances* (the "**CAA**"), regulate the insurance sector. Specific rules, such as rules in relation to qualifying holdings, are in place for the banking sectors and insurance sectors. For example, where a person decides to acquire, increase, or dispose of a qualifying holding in a Luxembourg insurance company, resulting in the proportion of the voting rights or of the capital held reaching, exceeding, or falling below certain thresholds (20%, 30% or 50%), a prior notification of the intention in writing to the CAA is required.

Furthermore, the Luxembourg Institute of Regulation (*Institut Luxembourgeois de Régulation*) is responsible for regulating transactions and sectors related to electronic communications, networks and services, as well as electricity, natural gas, postal services, and rail and air transport.

Lastly, as mentioned in our answer to question 1.3, potential direct investments in the sectors that are deemed critical for the security or public order within the Grand Duchy of Luxembourg must be notified in advance to the Luxembourg Ministry of Economy, and might be subject to a screening procedure under the condition provided by the new FDI Law.

1.5 What are the principal sources of liability?

The foundational tenets of liability find their basis in both the Luxembourg Civil Code and the Corporate Law. Within this legal framework, the accountability of managers or directors of a Luxembourg entity in operation is contingent upon the nature of the undertaken actions. Liability may arise from management faults or breaches of applicable laws and provisions outlined in a company's by-laws.

The norm is that shareholder liability is typically excluded, except when a shareholder's actions convey a misleading impression to a *bona fide* third party, leading them to believe the shareholder is acting as the manager of the Luxembourg entity. In such cases, the shareholder may become subject to manager liability, thereby broadening the scope of accountability within the legal structure.

2 Mechanics of Acquisition

2.1 What alternative means of acquisition are there?

Growth by way of strategic partnerships/alliances is an alternative means. If a company already has a mature service, it can grow its business by selling a franchise or licence to another company. The parties can also pool their resources by setting up a joint venture entity, which often occurs in Luxembourg. A joint venture entity is a business arrangement of international investors coming together from different regions of the world. By setting up such separate new joint venture entity, the parties may protect their main businesses in the case of failure of the joint venture investment. It is also common for a larger private equity company to acquire a group of businesses where the shareholders of the group roll over into the new structure, set up by the acquiring private equity company, and remain in the business as the minority shareholders. By doing this, the selling shareholders obtain, among others, financial support

from the acquiring private equity company for their old business and can still manage, to a certain extent, the business in the new structure as co-investors together with the private equity company. Finally, under the Corporate Law, it is also possible that a merger be carried out by absorption of one or more companies by another company or by incorporation of a new company. In respect of a merger by absorption, one or more companies transfer to another pre-existing company, following dissolution without liquidation, all of their assets and liabilities in exchange for the allotment to the shareholders of the acquired company or companies of shares in the acquiring company. In respect of a merger by incorporation of a new company, several companies transfer to a new company that they constitute, following their dissolution without liquidation, all their assets and liabilities in exchange for the allotment to their shareholders of shares in the new company.

2.2 What advisers do the parties need?

The linchpin consultants in any M&A deal are undoubtedly financial and legal advisors. Alongside these pivotal roles, other advisors, including commercial advisors, tax advisors, and, notably, environmental, social and governance ("**ESG**") advisors, given the prominence of ESG discourse, play equally crucial roles in shaping the success of an M&A deal.

2.3 How long does it take?

The duration of an M&A transaction can vary tremendously. Due diligence investigations, the negotiation of acquisition terms, and the preparation of completion of an acquisition are typically the most time-intense activities during a transaction. If the M&A transaction volume is relatively small, the due diligence process of the target group does not reveal major roadblocks, and the target group does not operate internationally, the completion of the acquisition may be completed in a few weeks. On the other hand, if the target group consists of multiple entities located in different parts of the world, the anti-trust procedure alone could take several months before completion. In addition, the negotiation of shareholders' and/or co-investors' rights and obligations over the target company after completion is also an important part for a transaction. If the transaction involves prior approval from the CSSF, as mentioned in question 1.4, additional time will need to be considered.

2.4 What are the main hurdles?

Filing with and notification of merger control/anti-trust authorities, if required, creates the biggest obstacle. Another hurdle may be found in the due diligence process as it is not always ensured that all necessary documents will be provided swiftly and in a complete manner. Moreover, in the last few years, the due diligence procedure has become more severe and onerous due to the need for deeper assessment of the financial conditions and the situation of target companies.

2.5 How much flexibility is there over deal terms and price?

Deal terms and price depend on several factors, such as the number of documents to be analysed and the smooth progression of the due diligence process, but also the market and target developments during the ongoing M&A transaction. Once the financial key parameters of the target have been identified and assessed, flexibility in pricing and terms is rather restricted. However, parties may incorporate renegotiation clauses of the previously agreed purchase price to ensure a fair exchange of value over the time. The prevalence of such clauses has increased, particularly in the aftermath of the COVID-19 pandemic.

2.6 What differences are there between offering cash and other consideration?

The main difference is that a cash payment normally bears no risk of value loss in the short term. Instead, a payment in kind with variable value, such as issuing stocks or offering options to sellers, might lose value immediately after the M&A deal was closed due to market and other developments. A payment in kind with fixed value, such as issuing loan notes to sellers, might be less risky to the extent purchasers have good credibility and reputation on the market. It is commonly brought up when sellers have the intention to finance the deals. Nevertheless, we see cash payment for a main portion in combination with kind payment for a small portion predominantly requested and agreed by parties. Tying a portion of purchase price to the performance of the target company after completion, i.e. earn-out provisions, is also a way to structure purchase price. An agreement on the allocation of risk on earn-outs has proven to be a suitable compromise in order to save certain deals and also diminish the impact of extraordinary events (such as the COVID-19 pandemic and the Ukraine war).

2.7 Do the same terms have to be offered to all shareholders?

The Corporate Law in Luxembourg upholds the fundamental principle of equal treatment for shareholders. Therefore, in the context of a merger or acquisition process, all shareholders must be treated equitably, unless divergent arrangements have been stipulated in a shareholders' agreement of the target company. This might often be the case especially in private equity-related M&A transactions.

2.8 Are there obligations to purchase other classes of target securities?

In the pursuit of complete ownership and control over the target post-acquisition, the purchaser typically acquires all requisite securities necessary for exercising such control. It is common practice to observe the acquisition of additional instruments, such as existing bonds or shareholder loan instruments, alongside the shares in issue. In certain instances, the shares in issue and other securities of the target company are stapled together, obligating purchasers to acquire all other target securities concurrently with the shares in issue. Furthermore, sellers may impose the condition of acquiring all other classes of target securities as a prerequisite for the sale of shares in the target company.

2.9 Are there any limits on agreeing terms with employees?

The employee participation rights apply to: (i) a Luxembourg public limited liability company that has had at least 1,000 employees for the previous three years; and (ii) any company incorporated under the form of a Luxembourg public limited liability company of which the Luxembourg government holds

a financial participation of 25% or more or that benefits from a "concession" from the Luxembourg government in relation to the exercise of its activity and is named by Grand-Ducal regulation.

2.10 What role do employees, pension trustees and other stakeholders play?

Employee representatives might be involved in an M&A transaction for consultation purposes in the context of the stipulations mentioned in question 2.9.

2.11 What documentation is needed?

The volume of documentation required varies based on the nature of the acquisition, whether public or private. Documents can include, *inter alia*, announcement documents, offering documents, due diligence reports, share purchase agreements, shareholders' agreements, co-investment agreements, tax-related documents, anti-trust filing documents and others.

2.12 Are there any special disclosure requirements?

Disclosure requirements are contingent upon the nature of the transaction, particularly the characteristics of the target company or target group. If the shares or other securities of the target company are listed on a regulated market, different disclosing requirements will apply. Additionally, in cases where the target company in Luxembourg holds a licence from the CSSF, notification to such authority is mandatory. Furthermore, if the target company engages in critical activities, adherence to a prior notification process and screening procedure with the competent authorities becomes imperative. It is paramount to thoroughly evaluate disclosure requirements in collaboration with purchase advisors prior to commencing the M&A transaction.

2.13 What are the key costs?

The primary costs incurred in a transaction revolve around advisor fees, including those associated with merger control/anti-trust authorities. The allocation of these costs is typically determined by commercial terms agreed upon by the involved parties. Additionally, breakage fees are a commonly observed aspect. These fees come into play when a deal, which has progressed significantly, fails to materialise. Breakage fees typically consist of a deposit requested by the seller, calculated based on the total selling price.

2.14 What consents are needed?

Consent from merger control authorities, if required, as well as consent from the management body of the target company, if it is a Luxembourg company, are needed. In addition, as mentioned in question 1.3, authorisation from the Ministry of Economy and the Ministry of Finance of Luxembourg might be required for direct investments that are deemed to affect national security or public order or for purchasing target companies that carry out critical activities.

2.15 What levels of approval or acceptance are needed?

The management body of the target company (initially) approves the transaction. Additionally, the by-laws of the target company might also provide that certain transactions must receive approval from the general meeting of shareholders (examples include transactions involving the transfer of shares exceeding a certain percentage). This approval would typically require a majority or a supermajority of votes cast. Necessary pre-approval from parent or controlling companies might also be found in practice.

2.16 When does cash consideration need to be committed and available?

Conventionally, the cash consideration is placed in escrow shortly before the closing date. On the closing date, once the fulfilment of all conditions precedent as outlined in the share purchase agreement are confirmed by both parties, the cash consideration is then released from the escrow account to the seller. It is worth noting that the purchase price may be subject to adjustments post-closing.

3 Friendly or Hostile

3.1 Is there a choice?

The Corporate Law provides that the transfer of corporate shares or units shall not be valid *vis-à-vis* the target company or third parties until they have been notified to the management of the target company or accepted by it in accordance with the provisions of article 1690 of the Luxembourg Civil Code. In a scenario of a hostile takeover, where the management of the target company opposes the acquisition, the prospect of a merger is typically impeded. Nevertheless, the acquirer may employ strategic approaches, such as convincing shareholders of the target company to vote out specific managers or directors, who oppose the takeover during the general meeting of shareholders. Subsequently, a new board, more amenable to the acquisition, can be reinstated.

3.2 Are there rules about an approach to the target?

To our knowledge, there are none.

3.3 How relevant is the target board?

See the answer to question 3.1.

3.4 Does the choice affect process?

Certain choices should be made before starting the M&A transaction. Initially, it should be considered whether to fully or partly acquire the target. Furthermore, it should be decided whether to approach a certain shareholder or all shareholders of the target company or rather the board of directors of such target company. If it is a public takeover, normally the purchaser first contacts the board of directors of the public target company before making its offer to assess whether or not a friendly takeover is possible.

4 Information

4.1 What information is available to a buyer?

Certain information, such as the corporate name, registered office, incorporation or formation date and board of managers, is available, as the case may be, on the website of the Luxembourg

Trade and Companies Register (*Registre de Commerce et des Sociétés*). Furthermore, the buyer can gather information about the target company by carrying out due diligence. As for the legal due diligence, normally the buyer's lawyer sends a detailed information request to the seller to request the constitution of the target, as well as the information on its property and employees, its existing contracts and licences, etc.

4.2 Is negotiation confidential and is access restricted?

Typically, yes.

4.3 When is an announcement required and what will become public?

A mandatory announcement is requisite for a public takeover bid in Luxembourg, as described above, triggered when the purchaser attains a specific threshold of shareholding. Additionally, specific regulations necessitate ongoing or even earlier notifications to supervisory authorities.

4.4 What if the information is wrong or changes?

As standard practice, the seller is typically obligated to provide a comprehensive list of representations and warranties, which serve as assurances about various facets of the target company's information. In the event that the information provided by the seller as a representation and/or warranty is inaccurate or undergoes changes, the seller may be held liable to pay damages to the buyer under a claim of breach of representation and/or warranty.

5 Stakebuilding

5.1 Can shares be bought outside the offer process?

Yes, subject to certain requirements that such purchases are not trying to circumvent provisions that require transparency of the process.

5.2 Can derivatives be bought outside the offer process?

See the answer to question 5.1.

5.3 What are the disclosure triggers for shares and derivatives stakebuilding before the offer and during the offer period?

See the answer to question 5.1.

5.4 What are the limitations and consequences?

See the answer to question 5.1.

6 Deal Protection

6.1 Are break fees available?

In current market practice, break fees are routinely negotiated at the initiation of a transaction. The determination of these fees is a collaborative process between the parties, considering the potential damage arising from non-performance of the obligation in accordance with the Luxembourg Civil Code. However, it is noteworthy that the judge may adjust the agreed break fees if they are deemed manifestly excessive or derisory.

6.2 Can the target agree not to shop the company or its assets?

Yes, the target has the option to agree not to entertain alternative offer proposals that compete with a proposal recommended by the bidder. However, this is more commonly observed when the parties have entered into exclusive negotiations.

6.3 Can the target agree to issue shares or sell assets?

In principle, the management body of the target company is expected to act neutrally and in the best corporate interest of the target company. Nevertheless, the target company has the capacity to take defensive measures, such as issuing shares or divesting itself of its most valuable assets, to make it less appealing to the acquiring company.

6.4 What commitments are available to tie up a deal?

The management body of the target company, possessing a deep understanding of the company's operations, may offer advice to shareholders endorsing a preferred bidder. However, such advice should be carefully formulated to ensure that the deal does not inadvertently create unforeseen disadvantages for the target company.

7 Bidder Protection

7.1 What deal conditions are permitted and is their invocation restricted?

Deal conditions are subject to the specific transaction at stake. All conditions, however, have to comply with applicable law, which should be identified duly in advance of starting the deal.

7.2 What control does the bidder have over the target during the process?

The bidder normally does not have control over the target company during the process.

7.3 When does control pass to the bidder?

When ownership of the target being acquired is transferred to the bidder at completion, the bidder has all/certain control of the target by way of changing the composition of the management, depending on the agreed terms and level of shareholding achieved.

7.4 How can the bidder get 100% control?

In case not all the shareholders of the target company are willing to sell for the offered price, the bidder must try to achieve the threshold of 95% to start a squeeze-out process. In the case of Luxembourg companies with shares traded on a regulated market, a bidder holding 95% of the securities carrying the corresponding

95% voting rights is entitled to squeeze out minority shareholders in accordance with the provisions of the Takeover Law, as mentioned in the answer to question 1.1. For private equity transactions, there is no direct squeeze-out mechanism, although minority shareholders might be subject to specific drag-along provisions set out in the shareholders' agreement of the target company, allowing the majority investor to squeeze out minority investors.

While a squeeze-out procedure is provided in the case of public takeover bids, there is no direct squeeze-out procedure for private companies under Luxembourg law. However, in private equity transactions, minority shareholders might be subject to specific drag-along provisions set out in a shareholders' agreement, allowing the majority investor to squeeze out minority investors.

8 Target Defences

8.1 What can the target do to resist change of control?

As mentioned before, Luxembourg laws provide that the transfer of shares in the target company needs to either be notified to the management of the target company or accepted by it. In case the board of the target company does not deem the offer to be in the best interest of the Luxembourg target company, it may resist such offer. However, the bidder may still make its offer public, which then becomes a hostile takeover. In such case, not many elements for resistance exist apart from finding another interested party that wants to acquire the target company. Other resistance might be created by the board of the target in taking a stance against the offer due to respective economic or other arguments; and, of course, the shareholders of the target company may resist in not rendering their shares for sale to the bidder, giving different reasons.

8.2 Is it a fair fight?

Fairness is certainly desired. Sometimes market players might have a different negotiating power, although this does not necessarily lead to unfairness.

9 Other Useful Facts

9.1 What are the major influences on the success of an acquisition?

Key factors contributing to successful acquisitions include a well-experienced and prepared advisory team, a prudent and thorough management team on the acquiring side, as well as financial resources to be able to follow through the acquisition process, even if it extends beyond the initially anticipated timeline.

9.2 What happens if it fails?

The failure of an acquisition seems to have mostly negative consequences. The reputation of the purchaser, the target company and/or seller(s) might take a hit in the market. Furthermore, certain business strategies depending on the successful acquisition may have to be abandoned. This can create severe turbulence for the purchaser who failed to acquire. Finally, costs incurred, depending on the stage of the deal, might be substantial. These have to be borne by the respective parties despite the broken deal (taking into consideration any discount granted by an acting advisor).

10 Updates

10.1 Please provide a summary of any relevant new law or practices in M&A in your jurisdiction.

With regard to tax planning, on 21 March 2020, the Luxembourg parliament passed a law implementing Council Directive 2018/822/EU of 25 May 2018, amending Directive 2011/16/EU, regarding the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements ("**DAC6**"), which is applied as of 1 July 2020. DAC6 tightens the reigns on M&A deals across the globe, as the previous method of cross-border M&A tax structuring in terms of the review of the share purchase agreement, tax structuring upon acquisition, cash repatriation strategies upon sale, etc., needs to be re-considered for various purposes and with particular transparency.

Given the importance of the investment fund industry in M&A transactions, the entry into force of Regulation 2019/2088/EU of 27 November 2019 on sustainability-related disclosure in the financial services sector and of Regulation 2020/852 of June 2020 on the establishment of a framework to facilitate sustainable investment has indirectly impacted the M&A market. The implementation of effective ESG policies and strategies by target companies may influence the attractiveness of investee companies, and enhance due diligence procedures to ensure that the companies comply with ESG standards and disclosure requirements.

The newly introduced FDI Law (as mentioned in question 1.3), will also have an impact on M&A transactions by influencing foreign investors in the sectors on which their investments focus.

Moreover, the 8296 Bill on merger control regime would give the Luxembourg Competition Authority the power and the tools to carry out an *ex ante* control of certain M&A or other alignments between undertakings that may have a restrictive effect on competition in Luxembourg, and to allow for early detection of such threats to competition, potentially limiting damage to consumers and undertakings alike.

Special purpose acquisition companies ("**SPACs**") had been a popular option for some time in Luxembourg as an alternative to the traditional M&A as a vehicle to convey mergers or listings at stock exchanges. Among the attractive features of such schemes, SPACs provide private companies with a unique way to access the public markets, while offering investors a way to co-invest side by side with best-in-class sponsors. Moreover, SPACs do not impose any restrictions on the investor's profile (unlike a traditional investment fund) and are a faster way for a target company to enter the public market. However, at present, SPACs are only rarely used, which might also be due to the economic crises of the recent months.

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- Friendly or Hostile
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- Stakebuilding
- Deal Protection
- Bidder Protection
- Target Defences
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