



SCCE Buenos Aires Regional & Ethics Conference

Managing and Mitigating Compliance Risks
in M&As and Joint Ventures

Melina Llodrá – Florencia Ortiz



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Compliance in M&As and JVs

- How M&As have evolved in terms of compliance
- Compliance Due Diligence is a must, essential
- Law 27401, art. 3
- Ongoing and comprehensive DD approach



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Compliance DD: Key Challenges

- Compliance culture at the client and target company: is it there?
- Risk assessment approach:
 - Preliminary
 - Pre-closing
 - Closing



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Cultural Issues in Compliance DD of Cross Border Transactions

- Standard steps: comparing Code of Conduct of Target and Acquirer
- Reviewing target procedures, policies and programs.
- And if not????
- In the absence of code of conduct, much more time will have to be spent in coming to know target's culture
- External interviews and site visits



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- Many companies determine level of DD based on size operation or stake of participation
- Eg. M&A of renewable energy projects: Issues are the same for a 1 MW acquisition and a 50 MW acquisition
- Seller DD

Does Target Size Matter??

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Impact of Compliance DD Findings

- NO GO
- Restructure transaction
- Price reduction
- Conditions Precedent



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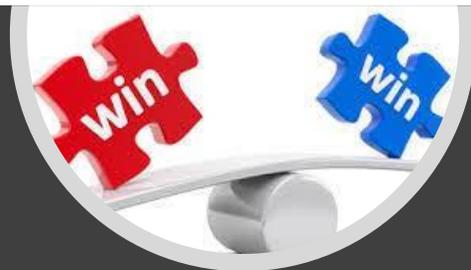
- Tailored forensic tools
- Contractual protections
- Insurance and guarantees
- Post-closing monitoring and review
- Compliance integration program



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CONCLUSION

- Compliance is a MUST
- On-going tailored risk approach
- Compliance as a way to conduct business safely



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Q&A
THANK YOU

LLODRÁ
ESTUDIO JURÍDICO

Melina Llodrá
Attorney at Law
CCEP-4

T: +54 341 459 7792 | M: +54 9 341 365 1064

España 473, 2000, Rosario
Paraguay 1866, C1121ABB, Buenos Aires
Argentina.

www.llodra.law

O&A Ortiz & Asociados
LAW FIRM