

Compliance with Laws Representations

“In M&A transactions, the definitive purchase agreement (whether asset purchase agreement, stock purchase agreement, or merger agreement) typically contains representations, warranties, and covenants, along with related indemnification obligations,” writes Daniel R. Avery in *Goulston & Storrs’ What’s Market blog*.

“A common representation that the seller makes is that the target has operated its business in accordance with applicable laws (often referred to a “compliance with laws” representation). While sellers generally do not object to making a representation that addresses legal compliance, they usually seek to include certain limitations that narrow the representation’s scope.”

Read the article.