

Uncertainty in financial markets and its effects on hostile takeovers in Mexico

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The International Bar Association latest Corporate and M&A Law Committee eBulletin published an article written by our partner Ana Paula Telleria and associate Jenny Ferrón.

Learn more about the effects and opportunities of uncertainty in Mexico's financial markets on the hostile takeovers.

“As the price of shares and other types of securities declines, and the uncertainty in financial markets in Mexico continues, Mexican issuers are experiencing decreases in their market capitalisation compared to their book value. This lays the ground for hostile takeovers of public companies.”

“A comprehensive analysis of defense mechanisms in place within a target, which includes their validity vis-á-vis compliance with applicable regulation, must be exhausted before any takeover strategy is determined and put into action. Some takeover strategies may even include prior discussions with relevant investors and the issuers' board as allies to surpass hurdles built into the issuer as poison pills.”

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