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GRP Rainer Lawyers and Tax Advisors in Cologne, Berlin, Bonn, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart and London - www.grprainer.com/en conclude: In the context of a company takeover or the purchase of company shares, a detailed examination of the existing risks in connection with the transaction is absolutely necessary so that a careful review of the investment can take place, as the buyer is often insufficiently aware of the company's true position. A careful examination of all the information relevant for the transaction is provided by the due diligence review. It paints a concrete picture of the existing risks and leads to the determination of a reasonable purchase price that takes into account all of the factors relevant for the transaction.

The problems that can emerge for instance when company shares are purchased are often not evident at first glance. It is therefore advisable to carry out a comprehensive and detailed review at an early stage. The company's legal form, existing contracts with business partners, employment contracts, tax implications, existing patents, copyrights and third party rights, accounts receivable and accounts payable, the company's economic situation and also the prevailing market conditions are some of the factors that need to be closely observed, analysed and evaluated. This information provides the data in order to be able to accurately assess the risk associated with the investment. Ultimately, this risk assessment leads to the determination of a reasonable purchase price.

Since essentially every transaction has distinctive particularities that need to be considered, it is not sufficient to simply implement only one "model catalogue?" or standards for achieving a realistic appraisal of the intended transaction. Each investment must be newly analysed and evaluated according to its own individual criteria.

In order to be able to identify the details as well as their legal consequences, specialist lawyers ought to be consulted. They can also assist in setting prices, drawing up contracts and are always ready to provide further legal consultation.

<http://www.grprainer.com/en/Due-diligence.html>

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Anlage: Bild

