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CROSS BORDER MERGERS & ACQUISITIONS ALONG WITH REGULATIONS OF OVERSEAS INVESTMENT AND SEBI

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ABSTRACT

Cross-border mergers and overseas investments by "Alternative Investment Funds" (AIFs) and "Venture Capital Funds" (VCFs) are two significant mechanisms facilitating capital movement across borders in the globalized economy. This paper provides an in-depth analysis of the regulatory frameworks and operational dynamics of both mechanisms, comparing and contrasting their objectives, entities involved, regulatory requirements, and risk-reward profiles.

Cross-border mergers involve the consolidation of companies from different jurisdictions, aiming to achieve synergies, expand market presence, or leverage complementary strengths. The regulatory landscape governing cross-border mergers includes provisions under the Companies Act, of 2013, "The Foreign Exchange Management Act" (FEMA), and Competition Act, of 2002, among others. These mergers entail adherence to complex legal and regulatory frameworks, including approvals from regulatory authorities, compliance with foreign exchange laws, and fulfilment of competition norms. Despite the potential benefits, cross-border mergers also pose integration challenges, cultural differences, and regulatory uncertainties.

In contrast, overseas investments by AIFs/VCFs enable domestic investors to diversify their portfolios by accessing opportunities in offshore companies, typically startups or emerging enterprises. The regulatory framework for these investments is overseen by the "Securities and Exchange Board of India" (SEBI) and includes guidelines, circulars, and compliance requirements. While regulatory compliance is necessary, the process may be relatively streamlined compared to cross-border mergers.

Furthermore, the paper discusses the distinct objectives, entities involved, and risk-reward profiles of cross-border mergers and overseas investments by AIFs/VCFs. Cross-border mergers primarily involve established companies seeking strategic alliances or expansion opportunities, while AIFs/VCFs focus on deploying capital into high-growth opportunities, often at early stages of development.

Overall, understanding the nuances of both mechanisms is crucial for businesses, investors, and policymakers to navigate the complexities of the globalized economy and make informed decisions regarding cross-border transactions.

INTRODUCTION

Cross-border mergers are increasing substantially due to the shrinkage of the global market. Furthermore, India is consistently improving its ease of doing business rankings and is becoming a sought-after commercial destination. The favourable financial conditions have stimulated an increase in cross-border mergers. A cross-border merger is the consolidation of enterprises located in different countries, resulting in the formation of a new entity. An international merger involves an Indian corporate entity combining with a foreign corporation or vice versa. A business in one country may be acquired by a foreign organisation from another country. The neighbouring business might be a privately owned, publicly owned, or state-owned institution. During cross-border mergers and acquisitions involving international investors. A cross-border merger will result in a shift of control and authority in managing the merged or acquired company entity. When two groups from different nations merge, their assets and liabilities are combined to create a new legal entity. In the case of a cross-border acquisition, there is a transfer of assets and liabilities from a local company to a foreign company (foreign investor), and often, the local company becomes affiliated.[1]

MEANING OF CROSS-BORDER MERGERS

A cross-border merger is described under the Merger Regulations as a merger, amalgamation, or arrangement between an Indian business and a foreign company in compliance with the Companies Rules issued under the CA 2013. This may take the shape of either an incoming merger or an outward merger.

Inbound merger

In accordance with the Merger Regulations, an inward merger is a merger in which the resultant company is an Indian corporation. Each of the following prerequisites must be satisfied before an upcoming merger may take place:[2]

During the process of issuing or transferring securities to the overseas transferor firm, the Indian corporation is required to comply with legislation.[3]

1. the regulations concerning sectoral ceilings, price rules, entrance methods, and reporting criteria under India's foreign currency management legislation, and
2. when an Indian company's joint venture or wholly owned subsidiary is a foreign transferor company, or when a step-down subsidiary of that Indian company's joint venture or wholly owned subsidiary is acquired that way through a merger, the

[1] "RBI Notifies the Cross Border Merger Regulations - Azb" (azb, September 27, 2021) <https://www.azbpartners.com/bank/rbi-notifies-the-cross-border-merger-regulations/> accessed February 21, 2024

[2] Bansal S, "Cross-Border Merger Framework in India: Limited Efficacy?" (S&R Associates, December 22, 2023) <https://www.snrlaw.in/cross-border-merger-framework-in-india-limited-efficacy/> accessed February 21, 2024

[3] Bhardwaj A and others, "Challenges in Cross Border Mergers" (Lexology, July 19, 2023) <https://www.lexology.com/library/detail.aspx?g=adcc1f90-0fab-4c6d-a098-534c64d5485e> accessed February 21, 2024

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regulations and rules on foreign investment that are outlined in the Foreign Exchange Management Act come into play.

Any international guarantee or borrowing by the foreign transferor company that transforms into a liability for the ensuing Indian business is required to conform with the applicable rules and regulations of the "Foreign Exchange Management Act, 1999" (FEMA) within two years. It will not be possible to send money back from India to satisfy the loan throughout the two years of the agreement. Additionally, the criterion of ultimate use is not relevant to this situation.

Because of this, the Indian company that was founded as a result can own, retain, and transfer assets outside of India in accordance with the applicable FEMA norms and legislation. Within two years of the plan being authorised by the NCLT, the Indian firm that was created as a consequence of the merger is required to sell any asset or security that is located outside of India if it is prohibited by the FEMA from selling such assets or securities. Without any delay, the monies that were obtained from the transaction will be sent back to India. The subsequent Indian company can utilise the proceeds from the sale to completely erase any obligation that cannot be held outside of India.[4]

For a period of up to two years beginning on the day that the plan was approved, the new company may open a bank account in a foreign currency to conduct activities linked to cross-border mergers.

Outbound merger

An outbound merger, as per the Merger Regulations, is characterised by the resulting entity being a foreign firm. For outbound mergers, the foreign firm must be formed in a jurisdiction listed in the Companies Rules. For an outward merger, the following requirements must be followed:

An individual residing in India who owns shares in the Indian transferor firm may purchase or possess securities of the resulting foreign company as per the ***"Foreign Exchange Management (Overseas Investment) Regulations, 2022 and Foreign Exchange Management (Overseas Investment) Rules, 2022."*** An Indian individual shareholder must acquire shares in line with the Liberalised Remittance Scheme.[5]

The obligations of the Indian transferor firm, such as guarantees or outstanding borrowings, that become the responsibility of the resulting foreign business will be reimbursed according to the approved procedure outlined in the Companies Rules. The foreign firm resulting from this transaction must not take on any rupee-denominated debt owed to a lender that does not comply with FEMA laws.

[4] Erel, Isil, Yeejin Jang, and Michael S. Weisbach. "Cross-border mergers and acquisitions." In Handbook of Corporate Finance, pp. 345-376. Edward Elgar Publishing, (2024).

[5] Ali, Amjad, Bilal Khokhar, and Fiaz Ahmad Sulehri. "Financial Dimensions of Inflationary Pressure in Developing Countries: An In-depth Analysis of Policy Mix." *Journal of Asian Development Studies* 12, no. 3 (2023): 1313-1327.

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The foreign firm that emerges may obtain, own, and transfer assets in India under the relevant FEMA laws and regulations. The foreign business created as a consequence must liquidate any asset or security in India within two years if it is not allowed by FEMA to acquire or keep them. The funds from the transaction will be transferred out of India promptly. Any obligation in India may be settled using the selling revenues within two years.[6]

The foreign company can establish a Special Non-Resident Rupee Account as per the ***"Foreign Exchange Management (Deposit) Regulations, 2016"*** to conduct transactions under the Merger Regulations for up to two years from the approval of the scheme by NCLT.

Deemed RBI approval

In accordance with the provisions of Section 234 of the Companies Act 2013 and Rule 25A of the Companies Rules, the RBI must provide approval for mergers that involve many countries. If the cross-border merger complies with the Merger Regulations, there is no need for any further permission. Therefore, prior approval from the RBI is required for any cross-border merger that does not comply with the Merger Regulations for whatever reason. When it comes to obtaining approval from the National Company Law Tribunal (NCLT), cross-border mergers are required to comply with Sections 230-232 of the Companies Act 2013 as well as the Companies Rules.

In accordance with the Companies Rules, 2016, the application must be accompanied by an official certificate verifying compliance with the Merger Regulations. This certificate must be issued by the managing director or full-time director and company secretary of the relevant business or firm.[7]

LAWS GOVERN CROSS-BORDER MERGERS IN INDIA

1. **Companies Act, 2013**:
   - **Section 234**: This section provides the legal framework for cross-border mergers. It outlines the procedures and requirements for mergers involving companies registered in India and those registered outside India.
2. **SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**:
   - These regulations govern the acquisition of shares and takeovers of listed companies in India. They include provisions related to open offers, disclosures, and shareholder approvals in the context of mergers and acquisitions.
3. **Foreign Exchange Management (Cross Border Merger) Regulations, 2018**:

[6] Jain, Naman, Emerging Trends in Cross-Border Mergers in India and the US (October 12, 2022).

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- These regulations, under the "Foreign Exchange Management Act" (FEMA), specify the procedures and conditions for cross-border mergers, particularly concerning the transfer of shares, assets, and liabilities between Indian and foreign companies. Regulation 6 of these regulations lays down the requirements for obtaining approval from the "Reserve Bank of India" (RBI) for inbound mergers, and Regulation 7 outlines the conditions for outbound mergers.

4. **Competition Act, 2002**:

   - The Competition Act prohibits anti-competitive agreements and abuse of dominant positions in the market. Section 5 and Section 6 of the Act deal with combinations (including mergers and acquisitions) and regulate them to ensure they do not have adverse effects on competition in India. The Act mandates pre-merger notification to the "Competition Commission of India" (CCI) for certain qualifying combinations, and the CCI assesses their potential impact on competition.

5. **Insolvency and Bankruptcy Code, 2016**:

   - The Insolvency and Bankruptcy Code provides the legal framework for insolvency resolution and liquidation proceedings in India. It is relevant in mergers involving insolvent companies or those undergoing insolvency resolution processes. Section 230 to Section 232 of the Companies Act, 2013, read with relevant provisions of the IBC, governs the merger of a corporate debtor under insolvency with another company.

6. **Income Tax Act, 1961**:

   - The Income Tax Act governs the taxation of income and transactions in India. In the context of mergers and acquisitions, provisions related to capital gains tax, treatment of accumulated losses and unabsorbed depreciation, tax implications for shareholders, and transfer pricing regulations are relevant.

7. **"Department of Industrial Policy and Promotion" (DIPP)**:

   - The DIPP formulates and implements "foreign direct investment" (FDI) policies and regulations in India. While there may not be specific provisions under DIPP, approvals or guidelines issued by DIPP may be required for certain types of mergers, particularly those involving foreign investment.

8. **Transfer of Property Act, 1882**:

   - The Transfer of Property Act governs the transfer of property rights in India. Provisions related to the transfer of immovable property, leasehold rights, and mortgages are relevant in mergers involving real estate assets.

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9. **Indian Stamp Act, 1899**:
    - The Indian Stamp Act levies stamp duty on various documents, including those related to mergers and acquisitions. Relevant provisions dictate the types of documents subject to stamp duty and the applicable rates, ensuring their legal enforceability.

10. **"Foreign Exchange Management Act, 1999" (FEMA)**:
    - FEMA regulates foreign exchange transactions in India. Provisions under FEMA govern the repatriation of funds, valuation of assets, compliance with foreign investment norms, and reporting requirements for cross-border mergers.

11. **IFRS 3 Business Combinations**:
    - "International Financial Reporting Standards" (IFRS) 3 guides accounting for business combinations, including mergers. It specifies the recognition, measurement, and disclosure requirements for assets, liabilities, goodwill, and contingent liabilities arising from mergers, ensuring transparency and comparability in financial reporting.

FRAMEWORK FOR OVERSEAS INVESTMENTS BY ALTERNATIVE INVESTMENT FUNDS AND VENTURE CAPITAL FUNDS

In a circular titled "Guidelines for overseas investment by Alternative Investment Funds (AIFs)/ Venture Capital Funds (VCFs)" dated August 17, 2022, the Securities and Exchange Board of India ("SEBI") has revised the rules that apply to AIFs and VCFs that want to invest in offshore companies on a portfolio. At present, AIFs and VCFs may participate in offshore venture capital projects' equity and equity-related instruments as part of their portfolios, but they need to get SEBI's clearance for each investment individually. The SEBI approves AIFs and VCFs on a "first come, first served basis," up to a total cap of 1,500 million USD.[8]

The application procedure has been made more official by SEBI, which has prescribed an application format along with the information, declarations, and undertakings that AIFs and VCFs must provide in order to gain SEBI clearance to make offshore investments. Additional measures to liberalise the system have also been adopted by SEBI. Before SEBI removes the requirement, AIFs and VCFs may only invest in firms having ties to India.

For a long time, the only firms that could get investments from AIFs and VCFs were those with some kind of link to India, such as an offshore company's back-office activities being handled in India. The aforementioned requirement is no longer in place as a result of the regime's relaxation. Sebi has taken a positive step by removing the need for an Indian link for domestic funds to investigate investing in offshore firms with global operations. A growing number of Indian investors, especially family offices and "high-net-worth individuals"

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[8] Sharma V, "SEBI Updates Framework for Overseas Investments by Alternative Investment Funds and Venture Capital Funds | India Corporate Law" (India Corporate Law, August 22, 2022) <https://corporate.cyrilamarchandblogs.com/2022/08/sebi-updates-framework-for-overseas-investments-by-alternative-investment-funds-and-venture-capital-funds/> accessed February 21, 2024

(HNIs), are looking for ways to diversify their holdings outside of India, and this loosening of regulations may be just what they need. An alternate investment option to the less flexible "Liberalised Remittance Scheme" (LRS) will be this newly liberalised regime.

SEBI has begun yet another beneficial transformation. It now permits AIFs and VCFs to reinvest sale revenues up to the initial investment in the foreign investee firm. All AIFs and VCFs are eligible to reinvest the sale profits (up to the amount of investments), provided they meet the criteria outlined in the fund papers and adhere to all other restrictions set forth by SEBI. Also, in the event of reinvestment, AIFs and VCFs won't need to get additional clearance from SEBI to acquire a stake in a different portfolio firm.[9]

Foreign investment funds (AIFs/VCFs) are not allowed to put money into companies based in countries that are included in the "Financial Action Task Force's" (FATF) public declaration as:

- A country where countermeasures are necessary due to serious problems with anti-money laundering or combating the financing of terrorism; or
- A jurisdiction that still hasn't done enough to fix the problems or that hasn't promised to follow the plan of action it established with FATF.[10]

Either the bilateral MOU with SEBI or the IOSCO multilateral MOU requires the securities market regulator of the nation where the investee firm is established to be a signatory. In accordance with the Foreign Exchange Management Act, of 1999, no AIF or VCF may sell or transfer its interest in an overseas investee firm to any entity that is not qualified to make such investments.[11]

Enhanced Regulatory Reporting

1. Trustee, board of directors, or authorised partner submission of an independent due diligence exercise is compulsory.
2. The total limit available for overseas investments by AIFs and VCFs may be updated within three working days if they provide SEBI with divestment information of their overseas interests in the manner stipulated in Annexure B of the SEBI Circular. Additionally, SEBI must be notified of any foreign interests that have been sold or disposed of up to this point no later than September 16, 2022, which is thirty days after the date of the SEBI Circular.

[9] "Nishith Desai Associates New Overseas Investment Laws in India, Fund Formation and Raising" <https://nishithdesai.com/NewsDetails/8321> accessed February 21, 2024

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[10] Kapadia V, "New Overseas Investment Regulations And Rules" (Financial Services - India, February 27, 2023) <https://www.mondaq.com/india/financial-services/1286750/new-overseas-investment-regulations-and-rules> accessed February 21, 2024

[11] Gaggar R, "India: Foreign Direct Investment Regulations" (Global Competition Review) <https://globalcompetitionreview.com/guide/foreign-direct-investment-regulation-guide/second-edition/article/india> accessed February 21, 2024

Takeaway

The deregulation that allows AIFs and VCFs to invest in international portfolio firms without a requirement that they have an Indian link is much appreciated. With the new regulations in place, family offices, ultra-wealthy individuals, and institutional investors now have more options for setting up offshore portfolio companies. In this way, the SEBI Circular helps the Indian AIF business flourish by giving Indian funds an edge in the global market.

It is also encouraging to see that we no longer need to get further clearance from SEBI before reinvesting sale earnings (up to the initial investment amount). However, there has been no relief extended to AIFs/VCFs that may have to acquire shares from another foreign corporation as part of a swap, merger, amalgamation, or similar corporate restructuring involving their portfolios.

Lastly, the RBI and SEBI have not extended the industry-wide restriction for AIFs/VCFs to make foreign portfolio investments beyond USD 1,500 million, despite widespread expectations. Reportedly, these funds are getting close to the exhaustion level; so, if this limit were to be revised or increased, domestic funds would be able to take advantage of the new SEBI restrictions.[12]

COMPARING CROSS-BORDER MERGERS AND OVERSEAS INVESTMENTS BY AIFS/VCFS: REGULATORY FRAMEWORKS AND OPERATIONAL DYNAMICS

The convergence of cross-border mergers and the framework for overseas investments by "Alternative Investment Funds" (AIFs) and "Venture Capital Funds" (VCFs) signifies a broader trend in the globalized economy, where businesses and investors seek opportunities beyond national boundaries. Both mechanisms facilitate capital movement across borders, albeit with distinct objectives and regulatory considerations.[13]

Cross-border mergers involve the consolidation of companies from different jurisdictions, aiming to achieve synergies, expand market presence, or leverage complementary strengths. On the other hand, the framework for overseas investments by AIFs/VCFs enables domestic investors to diversify their portfolios by accessing opportunities in offshore companies, typically startups or emerging enterprises.[14]

One notable similarity between these mechanisms is their reliance on regulatory frameworks to govern transactions and mitigate risks. In the case of cross-border mergers, provisions under the Companies Act, 2013, FEMA, and Competition Act, 2002, among others, establish the legal framework and procedural requirements for such transactions. Similarly, the SEBI

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[12] Shairwal S, "Cross Border Merger in India" (Lexology, January 15, 2021) <https://www.lexology.com/library/detail.aspx?g=b86301e2-1b3e-43a0-a5cb-faaaea459d80> accessed February 21, 2024

[13] Khurana A, "Cross Border Mergers and Acquisitions - KNM India" (KNM India, November 3, 2023) <https://knmindia.com/cross-border-mergers-and-acquisitions-a-roadmap-for-international-growth/> accessed February 21, 2024

[14] Vedula, Soundarya Lahari, Cross Border Mergers: The Indian Perspective (February 28, 2018).

regulates overseas investments by AIFs/VCFs through guidelines, circulars, and compliance requirements.[15]

Despite their shared reliance on regulatory oversight, cross-border mergers and overseas investments by AIFs/VCFs diverge in their fundamental objectives and operational dynamics. Cross-border mergers primarily involve corporate restructuring aimed at consolidating businesses, optimizing resources, or accessing new markets. In contrast, overseas investments by AIFs/VCFs focus on deploying capital into promising ventures outside India, typically in startups or high-growth sectors, to generate returns for investors.

Another distinction lies in the nature of the entities involved. Cross-border mergers typically entail established companies with operational history and existing assets, seeking strategic alliances or expansion opportunities. In contrast, AIFs/VCFs are investment vehicles that pool capital from multiple investors to invest in high-growth opportunities, often at early stages of development, with a focus on capital appreciation.

Furthermore, the regulatory requirements and compliance burdens differ between cross-border mergers and overseas investments by AIFs/VCFs. Cross-border mergers necessitate adherence to complex legal and regulatory frameworks, including approvals from regulatory authorities, compliance with foreign exchange laws, and fulfilment of competition norms. Conversely, while overseas investments by AIFs/VCFs also require regulatory compliance, the process may be relatively streamlined, with SEBI serving as the primary regulatory authority.[16]

In terms of risk and reward profiles, cross-border mergers entail significant integration challenges, cultural differences, and regulatory uncertainties, which may impact the success and value realization of the merged entity. In contrast, overseas investments by AIFs/VCFs carry inherent risks associated with investing in startups or emerging markets but offer the potential for high returns and portfolio diversification.[17]

While both cross-border mergers and the framework for overseas investments by AIFs/VCFs facilitate capital movement across borders, they represent distinct mechanisms with unique objectives, regulatory frameworks, and risk-reward dynamics. Understanding the nuances of each mechanism is crucial for businesses, investors, and policymakers navigating the complexities of the globalized economy.

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[15] Reddy, K. Srinivasa. "Regulatory framework of mergers and acquisitions: A review of Indian statutory compliances and policy recommendations." International Journal of Law and Management 58, no. 2 (2016): 197-215.

[16] Gangwal, Ms Bhavya, and Mahesh Koolwal. "A Conceptual Study of the Legal Restrictions on the Cross-Border Mergers Regime in India." *Boletin de Literatura Oral-The Literary Journal* 10, no. 1 (2023): 299-308.

[17] Pathak, Sidharth Kumar. "Role of sebi: Cross border merger, takeover code." *Part 1 Indian J. Integrated Rsch. L.* 2 (2022): 1.

CONCLUSION

In conclusion, the evolving landscape of cross-border mergers and overseas investments by Alternative Investment Funds (AIFs) and Venture Capital Funds (VCFs) reflects the dynamic nature of global business and investment environments. As businesses seek to capitalize on synergies, expand market presence, and access growth opportunities beyond national borders, cross-border mergers offer a pathway for corporate consolidation and strategic expansion. Simultaneously, the framework for overseas investments by AIFs/VCFs provides domestic investors with avenues to diversify portfolios and participate in the growth stories of offshore enterprises, particularly startups and emerging ventures.

While both mechanisms share a reliance on robust regulatory frameworks to govern transactions and mitigate risks, they diverge in their fundamental objectives, operational dynamics, and risk-reward profiles. Cross-border mergers involve complex corporate restructuring aimed at optimizing resources and accessing new markets, amidst integration challenges and regulatory uncertainties. In contrast, overseas investments by AIFs/VCFs focus on deploying capital into high-growth opportunities outside India, offering the potential for significant returns and portfolio diversification, albeit with inherent risks associated with early-stage investments and emerging markets.

Navigating the complexities of cross-border transactions requires a nuanced understanding of regulatory requirements, compliance burdens, and market dynamics. By recognizing the distinct characteristics and implications of each mechanism, businesses, investors, and policymakers can make informed decisions to capitalize on global opportunities while managing risks effectively.

In essence, the convergence of cross-border mergers and overseas investments by AIFs/VCFs underscores the interconnectedness of economies and the imperative for adaptive strategies in a rapidly evolving globalized economy. Embracing these mechanisms with diligence, foresight, and strategic acumen can unlock new avenues for growth, innovation, and value creation in an increasingly interconnected world.

SUGGESTION

Enhancing clarity and consistency in the regulatory framework governing cross-border mergers and overseas investments by AIFs/VCFs is essential. The existing legal provisions under various laws such as the Companies Act, FEMA, SEBI regulations, and others may lack coherence and lead to ambiguity in interpretation. Policymakers should work towards harmonizing these provisions to provide a more cohesive legal framework for such transactions. Additionally, addressing identified lacunas and ambiguities in the laws governing cross-border mergers and overseas investments is imperative. This includes gaps in regulatory oversight, unclear procedures, and inconsistent application of regulations. A comprehensive review of the existing legal framework is necessary to identify and rectify such deficiencies.

Furthermore, strengthening investor protection measures in cross-border transactions, particularly concerning AIFs/VCFs, is crucial. This may involve enhancing disclosure requirements, ensuring transparency in deal structures, and implementing mechanisms to safeguard investors' interests in case of disputes or failures. Additionally, regulators should consider measures to prevent fraudulent practices and ensure compliance with ethical standards.

Facilitating cross-border transactions is another key aspect that policymakers should focus on. This could involve streamlining regulatory processes, reducing administrative burdens, and simplifying approval procedures. Clearer guidance on compliance requirements and enhanced cooperation between regulatory authorities in different jurisdictions can promote cross-border collaboration and investment flows. Efforts should also be made to promote investor education and awareness about the risks and opportunities associated with cross-border mergers and overseas investments. Regulators, industry associations, and market participants should collaborate to develop educational programs, disseminate relevant information, and guide investors in navigating cross-border transactions.

Moreover, strengthening enforcement mechanisms is crucial to ensure compliance with regulatory requirements and deter misconduct in cross-border transactions. Empowering regulatory authorities with adequate resources, enhancing monitoring and surveillance capabilities, and imposing stringent penalties for non-compliance are essential steps in this regard. Mechanisms for cross-border cooperation and information exchange between regulatory authorities should also be strengthened to facilitate enforcement actions.

Lastly, fostering international cooperation and standardization of regulatory frameworks is necessary given the global nature of cross-border transactions. Policymakers should actively engage in multilateral forums and initiatives to harmonize regulations, promote best practices, and address cross-border challenges. Developing common standards, guidelines, and principles for cross-border mergers and overseas investments can create a more conducive environment for global business activities. By addressing these suggestions, policymakers can contribute to the development of a robust and conducive regulatory environment for cross-border mergers and overseas investments, fostering investor confidence, and facilitating sustainable economic growth.