Related-Party Transactions: Can You Avoid the Nightmare?

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Are you planning to carry out a transaction? Does it involve a party that is related to your company? If so, you may be forced to obtain an independent valuation and the approval of your minority shareholders, file a geological report, and disclose detailed information. The costs engendered by these requirements can escalate rapidly or turn into a procedural nightmare that could considerably delay your transaction. However, it is possible to avoid or limit some of these requirements by involving a legal counsel sufficiently early in the transaction.

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