

Planning and Implementing Effective Cross-border Reorganizations

Define scope of assets and liabilities

Identify the universe of assets and liabilities to be transferred – particularly in the context of shared contracts and co-mingled services where a clean split is not straight forward – and determine where transitional services or contract manufacturing may be required to facilitate and support ongoing business operations.

Stay on top of regulations and obligations

Where the reorganization causes a change in the regulatory landscape, prepare the business for new regulatory requirements. Ensure that both businesses continue to have the relevant knowledge, expertise and regulatory personnel to operate in their markets, particularly where employees transfer in, and more importantly, where employees transfer out of the respective businesses.

Ensure medical data security

Where healthcare businesses are split, thought needs to be given as to how data is shared to enable compliance with regulatory requirements whilst balancing against patient confidentiality and data protection. Careful consideration should be given to the long-term arrangements that must be implemented and consents acquired to ensure compliance.

Minimize supply disruptions

Map the extent to which critical healthcare products need to be stockpiled or other steps taken to ensure continuity of supply whilst complying with the regulatory requirements of a change to the ownership.

In the supply chain for those products, consider the impact local regulations may have on the timing of completion of steps globally and the need to plan for delayed markets, including labeling, import/export logistics and distribution arrangements.

Ensure that you have a plan for how you will develop business functions and stand up operations to enable you to turn off services being provided under a transitional arrangement or contract manufacturing services in an orderly and timely manner.

Shore up IP rights

Ensure that IP rights are transferred alongside relevant products, or that IP license arrangements are in place for the transitional period, to ensure the respective businesses have the right to develop, manufacture and sell such products immediately post-reorganization.

Reflect on governance structures

Consider the specific jurisdictional requirements concerning governance. Questions should be asked early on as to whether certain qualifications are mandatory for those sitting on the boards of companies or holding key positions within the business, particularly in terms of ESG. Are your local boards aware of their duties, obligations and responsibilities locally?

Other Resources

- [Corporate Reorganizations](#)
- [Life Sciences Transactions](#)
- [FT Due Diligence Series](#)
- [The Year Ahead 2024](#)

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