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What Often Slows Down M&A Deals for Founders and Family Businesses

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After more than a decade advising buyers in M&A transactions, I've seen that delays in legal due diligence are often caused by minor issues that take time to resolve.

The following are three common issues that frequently slow down legal due diligence on target companies:

#1

Incomplete banking documents

Management teams sometimes only realise their banking facility documentation is incomplete when due diligence begins. They then have to request the missing documents from the banks, which can take time.

In worst-case scenarios, even the banks are unable to locate the security documents referenced in the letter of offer, either because they were never executed or have gone missing altogether.

#2

Incomplete or consistent corporate records

Time is needed to identify the missing documents or inconsistencies, confirm the correct position with the management or company secretary, and then rectify and reproduce the records.

Each step adds to the timeline.

In one transaction, we encountered multiple documents stating different dates for the circulation of financial statements to shareholders. Additional time was required to identify, reconcile, and flag the discrepancies.



#3

Licences provided without conditions

Target companies sometimes provide copies of licences but omit the conditions attached to them.

This results in further information requests and additional time spent following up.

Founders and sellers,

If you want to keep your transaction moving, addressing these issues *before* legal due diligence begins can make a meaningful difference to deal timelines.

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I share insights like this to help clients and counsels navigate Malaysian M&A with clarity.

If you're preparing for a sale or acquisition, always happy to connect.



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