

SUBJECT DETAILS

Data on the subject	
Name	Due Diligence Interactive Clinic
Degree	Postgraduate in Masters in International and European Business Law
Year	2017-2018
Nature	Annual
ECTS Credits	10 hours = 1 credit
Department	Law
Area	Law
Teaching staff	Shared, see below

Data on the teaching staff	
Teaching staff	Steve J. Hess
Group	Masters in International and European Business Law
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Telephone	+34 91 587 08 57
Office	Uría Menéndez, Madrid
Tutoring Schedule	Upon request from students

Data on the teaching staff	
Teaching staff	Carlos Franco Duque
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Office	Uría Menéndez, Madrid
Tutoring Schedule	Upon request from students

SPECIFIC DATA ON THE SUBJECT

Pre-requisites
General knowledge of corporate law generally and M&A transactions specifically.
Contribution of the degree to the professional profile
The due diligence clinic will provide students with an opportunity to broaden and deepen their understanding of the M&A transaction process by means of case studies and interactive exercises. The discursive nature and practical focus of the clinic will serve to develop key professional skills of critical analysis, communication and negotiation, thereby enhancing students' professional profiles.

COMPETENCES TO BE IMPROVED

Generic Competences
Instrumental
General understanding of the M&A transaction process and contextualisation of the role and importance of the due diligence exercise within such process.
Interpersonal
Ability to communicate clearly and effectively, work well as part of a team, and adopt a proactive approach to participation in interactive exercises.
Systemic
Critical analysis of and application of knowledge to practical problems.
Specific competences of the subject
Conceptual (knowing)
<ul style="list-style-type: none">• Understanding of the purpose, principles and process of due diligence in the context of M&A transactions.• Appreciation of the limitations of and potential pitfalls inherent in the due diligence exercise.• Knowledge of the key areas reviewed as part of the due diligence process.• Understanding of the dynamics and mechanics of risk allocation and how due diligence findings can be addressed in a purchase agreement.• Familiarization with relevant M&A and due diligence terminology.
Procedural (doing)
<ul style="list-style-type: none">• Active participation in both interactive lectures and various group exercises.• Development of working rapports with other students.• Demonstration of understanding of the principles and process of negotiation.• Application of knowledge to the specific fact patterns of various case studies and ability to draw out legal and commercial issues of key importance.

Professional (knowing how)

- Use and application of initiative to case studies and practical exercises.
- Critical analysis of the legal and commercial challenges presented in the clinic and understanding of relevant commercial drivers.
- Commercial focus to discussion and solutions provided in class.

THEMATIC AREA AND CONTENT

AREA 1
Theme 1: Overview of the acquisition process
1.1 Principal ways to acquire a business 1.2 Different types of acquisition process 1.3 Role of M&A intermediaries
Theme 2: Due diligence
2.1 Purpose and limitations
Theme 3: Legal due diligence
3.1 What information is of interest? 3.2 How to find it 3.3 Presentation of legal due diligence 3.4 Potential issues
Theme 4: Transfer of undertaking: what to look for
4.1 Importance of understanding “the numbers” 4.2 Specific areas of interest
Theme 5: General / suggested due diligence process
5.1 Initiating the process 5.2 Briefing meeting 5.3 Summary of the due diligence
Theme 6: Due diligence report
6.1 Overview of contents of the report
Theme 7: Impact on the purchase agreement
7.1 Structure of the transaction 7.2 Conditions precedent 7.3 Representations and warranties 7.4 Indemnification
Theme 8: Exercise
8.1 Interactive group exercise: representations and warranties

AREA 2
Theme 1: Overview of auction sales
<ul style="list-style-type: none"> 1.1 Introduction: what is an auction sale and when is it used? 1.2 Seller vs. Buyer: contrasting perspectives 1.3 Bilateral vs. auction 1.4 Overview of the process
Theme 2: Vendor's due diligence
<ul style="list-style-type: none"> 2.1 Concept 2.2 Benefits 2.3 Problems 2.4 Complexities for law firms
Theme 3: Approach to the SPA
<ul style="list-style-type: none"> 3.1 "Auction draft": striking the balance 3.2 Private equity sales 3.3. Ancillary documents
Theme 4: Evaluation of offers
<ul style="list-style-type: none"> 4.1 Review of assumptions 4.2 Assessment of execution risk 4.3 Review of SPA mark-up
Theme 5: Release and reliance letters
<ul style="list-style-type: none"> 5.1 Overview of purpose and contents of each 5.2 Controversial issues in negotiation
Theme 6: Exercise
<ul style="list-style-type: none"> 6.1 Interactive group exercise: due diligence report and risk management

BIBLIOGRAPHY AND RESOURCES

The due diligence clinic is specifically designed as a practical, hands-on and interactive workshop and therefore predominantly comprises various group exercises intended to test and apply students' knowledge, critical analysis and communicative skills. This bibliography is accordingly limited to such practical exercises.

TEACHING METHODOLOGY

General methodological aspects of the subject
Contact hours methodology: Activities
Independent study methodology: Activities

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SUMMARY OF STUDENT WORK HOURS			
Activity	Number of contact hours	Number of independent study hours	Total number of hours
Lecture			
Practical class			
Debate			
In class presentation			
Individual work			
Work in collaboration			
Evaluation: one minute paper			
Evaluation: class test			
Evaluation: exam			
Evaluation: exam review			
Others			
ECTS Credits:			

GRADE EVALUATION AND CRITERIA

Evaluation Activities	Generic Competences	Indicators	Evaluation Weighting
Attendance	Attendance		10%
Individual work	Participation in the clinic; critical analysis; value adds		40%
Work in collaboration	Ability to work in teams and build rapports with others		
Debate	Participation in group discussions; clarity and effectiveness of communication		
Exercises	Performance on series of in-class exercises designed to apply the concepts explained during the clinic		50%

Grades
See above.