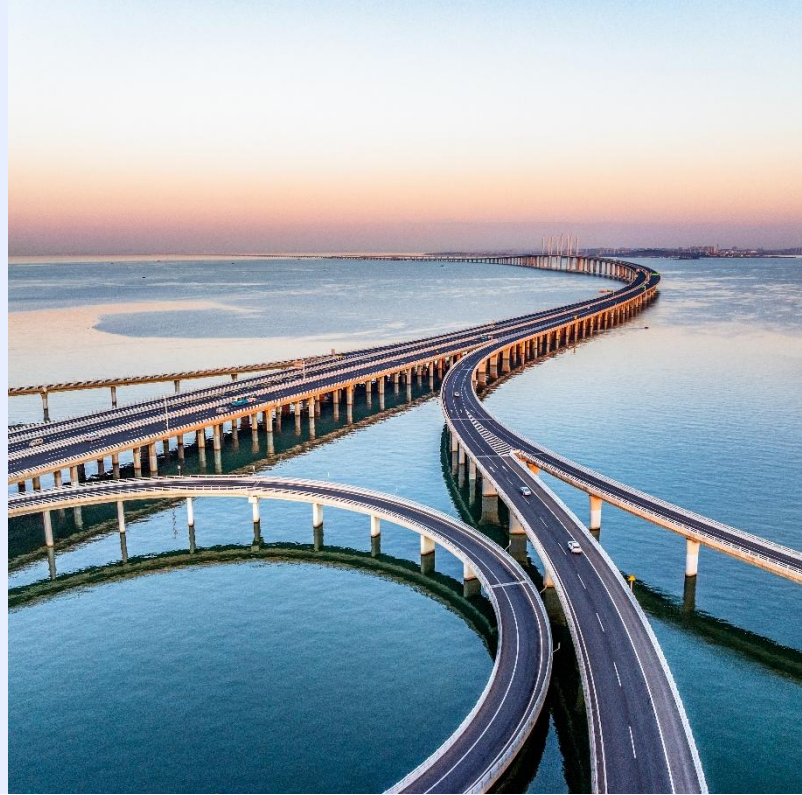


Eight takeaways

Cross-border M&A: investing in Europe – key considerations for US investors

April 2026



As the M&A market continues to strengthen and cross-border activity accelerates, industry participants are actively exploring new opportunities beyond their home markets to drive strategic growth.

Here, we offer perspectives from Europe and the US on cross-border M&A through the US/European investment corridor, with a focus on US investment into Europe.

Eight takeaways

- 1 The US/Europe investment corridor remains the world's largest and most stable, with transatlantic flows far outpacing other regions
- 2 Europe welcomes foreign capital and prioritizes European competitiveness and strategic autonomy
- 3 Merger control review in Europe requires tailored planning and early assessment of potential competition concerns
- 4 National foreign direct investment regimes (FDI) and the EU's Foreign Subsidies Regulation (FSR) add to the complexity
- 5 European regulation around data privacy and AI is heavy, with significant compliance obligations
- 6 Employment and labor laws in Europe are typically more favorable to employees
- 7 ESG and DEI compliance is mandatory in Europe, requiring robust reporting and governance
- 8 European M&A deals terms feature key differences from US practice, but these are well understood and manageable

1. The US/Europe investment corridor remains the world's largest and most stable, with transatlantic flows far outpacing other regions

- The US/Europe investment corridor is valued at approximately US\$3.9 trillion for US investment in Europe and US\$3.4 trillion for European investment in the US (2024), making it the largest and most stable cross-border investment relationship globally.
- In 2026 (to date), US M&A into Europe has topped US\$129 billion, including Nuveen/Schroders* and McCormick/Unilever*. US strategic acquirers are highly active in the current market.

**CC advised on these transactions*

2. Europe welcomes foreign capital and prioritizes European competitiveness and strategic autonomy

- The 2024 [Draghi report](#) highlighted concerns about Europe's competitiveness and called for the creation of European champions to strengthen the region's industrial base. While Europe is primarily focused on building its own strategic capacity, US investors are welcome, with most sectors open to foreign capital. Acquisitions in sensitive areas such as energy, defense and advanced technology will face heightened scrutiny.
- The European regulatory regime is increasingly open to market consolidation, reflecting pro-growth policy objectives. Navigating the regime's complexity requires early, tailored planning to address both Union-level and national approval processes.

3. Merger control review in Europe requires tailored planning and early assessment of potential competition concerns

- In addition to examining transactions under traditional competition theories (e.g. whether transactions might entrench dominance or eliminate future competitors), merger control review in Europe may assess competition risk under novel theories of harm.
- Early merger control assessment for transactions (multi-jurisdictional filing analysis and robust preliminary substantive assessment) will allow for early constructive engagement with sellers, and help buyers to land on appropriately calibrated 'Hell or High Water' obligations and/or break fees.

4. National foreign direct investment regimes (FDI) and the EU's Foreign Subsidies Regulation (FSR) add to the complexity

- Foreign direct investment filings are at a national level (in contrast to merger control, which may be at EU level). While outright prohibitions are rare, high-profile cases such as France's blocking of Eutelsat's sale to EQT Infrastructure highlight the importance of early, coordinated planning.

- The EU Foreign Subsidies Regulation (FSR) introduces mandatory, data-intensive filings for certain transactions, requiring early identification of triggers and proactive data gathering to avoid delays.

5. European regulation around data privacy and AI is heavy, with significant compliance obligations

- US businesses should be aware that certain data, IP and technology practices permissible at home may inadvertently create liabilities under Europe's regulatory regimes, particularly around the use of AI technologies, data processing and cross-border transfers.
- These differences affect not only the compliance risks to diligence on a transaction, but also the cost and difficulty of post-completion integration and the realization of synergies. Planning for that integration on Day 1 will minimize risk and improve target processes.

6. Employment and labor laws in Europe are typically more favorable to employees

- US acquirers need to bear in mind the complexities of employment and labor laws, particularly around employee consultation, collective bargaining, and redundancy processes, which are different for each European country and can often be more protective than in the US.
- The challenges are navigable with thorough preparation and local advice; early planning and tailored strategies enable smooth execution of transactions.

7. ESG and DEI compliance is mandatory in Europe, requiring robust reporting and governance

- The US and Europe are increasingly diverging in their approaches to ESG and DEI. European standards are generally more prescriptive and far-reaching than those in the US.
- Transatlantic businesses must be prepared to navigate European reporting regimes and take proactive measures to ensure compliance with both European and US requirements. A one-size-fits-all approach is unlikely to suffice.

8. European M&A deals terms feature key differences from US practice, but these are well understood and manageable

- Locked Box mechanisms are widely used in European M&A, offering price certainty to sellers by fixing the purchase price at a specified date and limiting post-completion adjustments. They require robust due diligence and clear protections for value leakage.
- No 'MAC Out' condition in European deals.

**Clifford Chance ranked #1
Europe, #2 US, #2 Global
(by deal value)**

Mergermarket M&A League
Tables Q1 2026



Benjamin Sibbett
Head of Corporate for the Americas,
New York

Email: benjamin.sibbett@cliffordchance.com

[LinkedIn](#)



Don McCombie
Partner, London

Email: don.mccombie@cliffordchance.com

[LinkedIn](#)



Marianne Pezant
Partner, Paris

Email: marianne.pezant@cliffordchance.com

[LinkedIn](#)



Milena Robotham
Partner, Brussels

Email: milena.robatham@cliffordchance.com

[LinkedIn](#)



Dominic Ross
Partner, London

Email: dominic.ross@cliffordchance.com

[LinkedIn](#)

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

cliffordchance.com

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2026

Clifford Chance LLP is a limited liability partnership registered in England and Wales under no. OC323571. The firm's registered office and principal place of business is at 10 Upper Bank Street, London E14 5JJ. The firm uses the word "partner" to refer to a member of Clifford Chance LLP or an employee or consultant with equivalent standing and qualifications.

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi • Amsterdam • Barcelona • Beijing • Brussels • Bucharest** • Casablanca • Delhi • Dubai • Düsseldorf • Frankfurt • Hong Kong • Houston • Istanbul • London • Luxembourg • Madrid • Milan • Munich • Newcastle • New York • Paris • Perth • Prague** • Riyadh* • Rome • São Paulo • Shanghai • Singapore • Sydney • Tokyo • Warsaw • Washington, D.C.

*AS&H Clifford Chance, a joint venture entered into by Clifford Chance LLP.

**Clifford Chance has entered into association agreements with Clifford Chance Prague Association SRO in Prague and Clifford Chance Badea SPRL in Bucharest.

Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.