

Modeling the Dynamics of International Business Law and Cross-Border M&A Outcomes

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Article Info

Journal of Digital Business and International Marketing
<https://www.ansispublications.com/journals/jdbim/jdbim.html>

Received 02 January 2026.

Revised from 28 February 2026.

Accepted 10 March 2026.

Available online 05 April 2026.

© The Author(s), 2026.

<https://doi.org/10.64026/JDBIM/2026012>

Published by Ansis Publications.

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Abstract – This study proposes a long-term analytical and statistical framework to investigate the relative role of global business law development in international M&A performance. Nonlinear and fractional-order models employed harmonized global datasets from 2020 to 2025 that combine deal activity, compliance intensity, compliance enforcement dynamics, incidence of dispute, investor confidence and macro-risk indicators. Findings indicate that there has been consistent increase in the volume of transactions, high regulatory expenses, successful reduction of systemic risks, and enhanced success chances as a result of increased compliance and enforcement credibility. The data confirm that institutional deepening and not financial scale is the major factor that leads to successful results with correlation, regression, and entropy-adjusted validation providing a single quantitative-legal explanation to the international effectiveness of M&A in the modern world.

Keywords – International Mergers and Acquisitions, Global Business Law, Regulatory Adherence, Nonlinear Modeling, Institutional Enforcement, Investment Risk Dynamics.

I. INTRODUCTION

Acquisitions and mergers (M&A) are common strategies that are used by companies to expand business horizons. General activity in mergers is the reciprocal fusion of two similar in size businesses where as acquisition activity is the absorption of a corporation by another. Although there are these conceptual differences, the literature tends to use the terms mergers and acquisitions interchangeably hence the generic term M&A is used by scholars and practitioners to refer to the process of integrating two companies. The financial crisis has witnessed the rebirth of the global M&A market. The total value of announced merger and acquisition transactions all over the world in 2009 was about USD 1.7 trillion. The following years have seen a rise and fall in the volumes of announcements; however, the latter have never decreased below USD 3 trillion, even on the recent market turbulence. Although these figures give an accurate figure of announced dealings, the successful execution of the transactions of M&A is even lower; only between 68% and 82% of the announced deals do actually materialize into closure [1].

A significant change is being witnessed in the M&A environment. The political events in the recent past have had a significant impact on M&A activity by putting in place new constraints and opportunities that change the corporate objectives. A very complex environment has developed in the M&A operations due to geopolitical battles, trade policies and regulatory amendments. The invasion of Ukraine by Russia, the US-China relations and the constant crises in the Middle

East raise the political risk [2]. Financial institutions are in turn relying on political experts and establishing special geopolitical consulting units to manage these risks. However, financial markets have proven to be resilient as indicated by record-breaking stock indices and minimal short-term effect of geopolitical perturbations. This change makes investors sharpen their geopolitical skills and redefine their strategies.

Most jurisdictions do not have clear regulatory systems; however, such a deficiency is compensated by the strong judicial jurisprudence. In addition to these two illustrious legal systems, there are a number of states with mixed legal systems. The legal system that existed in the Netherlands in the 17th and 18th centuries, which was a combination of English common law and Roman-Dutch law, plays on in former Dutch colonies. A good example is South Africa which has a hybrid system that includes civil law that is based on Dutch precedents and British common law. The other example is the socialist civil law, which is typical of the states under a socialist government, including the North Korea, Laos, and the Republic of Cuba. This legal order has grown with the birth of the communistic countries which are characterized mainly by the elimination of personal property and with the state possession of all properties. The consequences of such a system exist to this day in major economies such as China [3].

However, the legal system of a country does not exist in time. There are historical examples of how one legal framework can be transformed to another, both in law-making and in the general economic framework. A very prominent case is the Eastern European market that has continued to evolve, especially after the transition of the centrally planned and socialist civil law economies to democratic economies, which are mostly directed by the French or German civil law. Corporations based in industrialized countries have invested in the emerging economies by way of M&A in places where the market is poorly regulated, labor is cheaper than in western Europe and the potential of large growth is high [4].

This paper aims at measuring the dynamic effect of international business law on the success of cross-border M&A through the integration of longitudinal data, nonlinear dependence measures, and regulatory-elastic response equations. The goal is to capture the relationship among compliance investment, the enforcement intensity, the development of the dispute, and the macro-economic risk in the determination of the outcome of the long-term institutional efficiency and the stability of the transactions.

The remaining sections of this study have been organized in the following manner: Section II provides a critical analysis of underpinning ideas of mergers, corporate governance, shareholder protection, and socio-economic and regulatory implications of the M&A activity. Section III clarifies how data were built, statistical methods were used and an analytical framework was created which connects international business law with M&A results. Section IV analyzes the M&A trends across the world and determines their legal determinants. Section V concludes that the maturation of international business law in 2020-2025 was a systematic way of improving international M&A performance by promoting compliance, stronger enforcement and progressive risk mitigation measures.

II. LITERATURE REVIEW

Background of Mergers, Takeovers and Shareholder Security

As detailed by Ghauri and Buckley [5], M&A include transactions which entail dispersal of proprietorship of businesses, divisions of business, assets, stock, and division of operations. The establishment of capital-related national or global businesses brings the advantages not only to those who are directly involved but to some degree, to the rest of the organizational situation and its sustainability. The identification of the parameters in which large corporations, enabled by M&A, further overall prosperity as opposed to circumstances that create deleterious outcomes, e.g. cartels, monopolistic abuses, and diminished economies of scale, remains an unexploited academic dilemma.

Studies by Samat and Mohd. Ali [6] has largely focused on the legal environment of a company and its implications on safeguarding the rights of the shareholders. Legal protection may have a significant impact on financial decision-making of a corporation. The first breakthrough in this direction was made by Leuz [7], which proposed that there is a group of substantial differences among jurisdictions in the level of the security of shareholders by a legal system. These differences in shareholder protection and other laws and regulations that are specific to jurisdiction can have substantive impacts on the capacity of firms to raise capital, their financial policies and valuations. Although this literature mostly compares the common law and civil law jurisdiction as a determinant of the protection of the law, there may still be significant variations in the rights of shareholders even within one legal system.

M&A Governance, Contract Law and Judicial Control

Koirala et al. [8] suggest that modern empirical data implies that the corporate law must protect shareholders against managerial misconduct after the merger since the market control is not robust enough. Conventional restraints and accountability systems which, in a normal situation, help to contain managerial opportunism, might be ineffective where a merger is the ultimate encounter between management and the rest of corporate stakeholders. This piece of work has also contributed a lot to the modern legal theory. The more prominent cases in Delaware like the ones of Unocal and Revlon have later paved the way to a stricter judicial scrutiny of managerial behavior in the context of the acquisitions. The concept of the recent development of shareholder valuation techniques has also been influenced by the law-and-economics scholarship.

Tampakoudis et al. [9] reviewed different merger litigation mechanisms, its effect on shareholder value, and the degree to which merger litigation may improve corporate governance in an integrated approach based on law and economics. The intricacy of the legal framework used in the process of M&A requires the use of professional lawyers. An attorney

specializing in M&A cannot be avoided to provide adherence to the requirements laid out in the statutes and also to negotiate and sign agreements between the merging parties. Various phases of the process can produce different results based on certain dynamics of the negotiation. The crucial contractual tools applicable in this setting include due diligence investigations, preliminary contracts, and non-disclosure agreements.

With the use of these and other contractual instruments coupled with a keen awareness of the law of contract presented by Johnston and Girth [10], parties are able to change their bargaining stances in a manner that enables them to attain the most desirable final position out of their bargaining. Despite the fact that earlier studies have indicated the importance of merging and acquiring companies in relation to promoting growth, attaining competitive advantage, and increasing market share, there is still a significant gap in the literature with regard to the impact the contract law has on the success of these transactions. The gap that this study addresses is by examining the role of the contract law in making a merger and acquisition to be successful, through textual analysis and literature review of existing literature.

Social Economic and Regulatory Effects of M&A

The key features of M&A that are identified by Greve [11] are market concentration, size of the firms, product diversification, and geographic dispersion and are examined by the authors regarding their implications in the society. Using empirical evidence, they evaluate other social impacts such as impacts on work, income distribution, and community welfare, and why M&A may either bolster or negate social goals. They underline the necessity of systematic research in this field to enlighten the policy makers.

Amatori and Colli [12] explore how the capital markets relate to the corporate governance in France, Germany and the United Kingdom; they include managerial buy outs and buy-ins; regulation; inclusive of corporate statutes, competition policy, securities regulations and labor laws introduce a high degree of variability in control and ownership transitions across the countries, even within one economic block like the European Union (EU). The competition commissioner in the EU is a perceived overly burdened and unpredictable competition authority in the process of decision making by businesses. EU merger laws have a conceptually different mandate of hindering mergers that hinder competition but allow ones that enhance it. Practically, European mergers are subject to permission of the various national competition authorities. The Merger Task Force that monitors mergers is poorly equipped and the lack of a single European regulator or an equivalent global one clearly disproportionately raises the cost of transactions in case of M&A.

Haid states [13] that European regulators do not approve trivial volumes of mergers; only 13 out of 1,500 mergers were disapproved with another 12 being withdrawn during the 1990s due to the impending Commission action that would have seen it monopolize the market by sheer dominion. The sophistication and expansion of transactions are taxing the regulatory authorities especially those within the EU which desire to investigate smaller M&A. The labor organizations influence merger and acquisition activity in Europe. Taking into account that the failure rate caused by human error is high, it is possible to state that this dynamic is a positive one. International Labor Organization (ILO) currently recommends more interaction between management and employees throughout the M&A process to lessen the negative effects.

III. DATA AND METHODS

Construction of Data and Variables

The empirical design of this study is based on the harmonized longitudinal data set, which is expected to span the period of time during the year range, $t = 2020, 2025$. With this data set, careful attention is taken to capture the complex interaction involving regulatory change and cross-border M&A performance. Instead of using discrete indicators, the data architecture integrates the size of transactions, institutional enforcement, compliance intensity, dynamics of dispute and macro-risk stabilization into a unitary analysis continuum. The observable system state at time t is represented by the vector computation in Eq. (1).

$$Z_t = [D_t \ V_t \ \bar{C}_t \ \bar{A}_t \ \bar{L}_t \ E_t \ I_t \ P_t \ R_t]^T, \quad (1)$$

where D_t is the number of deals, V_t is the total amount of deals, \bar{C}_t is the cross-regional compliance spending, \bar{A}_t is the time of approval, \bar{L}_t is the rate of litigation, E_t is the enforcement degree, I_t is the confidence of investors and P_t, R_t are the political and economic risks index. To provide legal-institutional robustness to the quantitative representation, a regulatory convolution operator in Eq. (2) was used, which is a sum of temporally lagged legal pressures.

$$B_t = \int_0^t \omega(\xi) [\kappa_1 \bar{C}_{t-\xi} + \kappa_2 \bar{A}_{t-\xi} + \kappa_3 \bar{L}_{t-\xi} + \kappa_4 E_{t-\xi}] d\xi, \quad (2)$$

In this case, $\omega(\xi) = e^{-\mu\xi^2}$ is a Gaussian -like decay kernel, which models the gradual reduction in regulatory memory, and κ_i is structural scaling coefficients. The model is a long-term model that combines multi-year datasets around the world-deal volume, litigation, enforcement cost, systemic risk, and litigation legal system, and includes it in the operational burden of the institutional sense instead of a single year index. In order to maintain dimensional stability in the context where the variables are heterogeneous, nonlinear normalization mapping using Eq. (3) is implemented;

$$\bar{X}_t = \frac{x_t^\psi}{(1 + |X_t|^\psi)}, \psi > 0, \tag{3}$$

guaranteeing bounded transformations without imposing linear proportionality hypotheses.

Statistical Methods of Trend, Correlation and Regression Analysis

The activity of cross-border M&A over time is analyzed using a formulation of a fractional-order drift that provides a way around the shortcomings of simplistic linear trend analysis. Consider Eq. (4);

$$\mathfrak{D}^\alpha D_t = \theta_0 + \theta_1 t^\rho + \varepsilon_t, 0 < \alpha < 1, \tag{4}$$

where \mathfrak{D}^α is a Caputo-like fractional derivative which models persistence in the dynamics of deals, and in which $\rho \neq 1$ permits nonlinear acceleration of time, this framework can identify the effects of gradual responses of regulatory processes within long-memory economic behavior. The tail-sensitive dependence functional in Eq. (5) is represented as an interdependence model among legal and financial variables;

$$\Xi_{XY} = \int_{-\infty}^{\infty} \int_{-\infty}^{\infty} |F_{XY}(x, y) - F_X(x)F_Y(y)|^\chi dx dy, \chi > 1, \tag{5}$$

which summarizes nonlinear co-movement that extends the traditional covariance models, and presages extreme-value coincidence between the intensity of compliance and transactional success. To obtain explanatory inference, we utilized the regulatory-elastic multivariate response surface in Eq. (6).

$$S_t = \beta_0 + \sum_{i=1}^6 \beta_i Z_{i,t} + \sum_{i=1}^6 \gamma_{ij} Z_{i,t}^{\eta_i} Z_{j,t}^{\eta_j} + u_t, \tag{6}$$

In Eq. (6), the probability of successful merger and acquisition is represented by S_t , nonlinear elasticity is achieved by $\eta_i \notin \{0,1\}$ and the cross-interaction curvature between institutional variables is shown by γ_{ij} . The sufficiency of the model is tested by an entropy-modified explanatory coefficient in Eq. (7).

$$\mathcal{R}_{\text{ent}}^2 = 1 - \frac{\sum_t u_t^2}{\sum_t (S_t - \bar{S})^2 + \zeta \sum_t u_t^2 \ln(1 + u_t^2)}, \tag{7}$$

Here, residual disorder is penalized by $\zeta > 0$, hence facilitating the combination of time-series evaluation, nonlinear dependence tests and stability-aware model testing within one statistical model.

Analytical Framework That Connects International Business Law to M&A Results

The conceptualization of international business law as an active institutional arena based on the idea of the analytical foundation assumes that the impact spreads due to the various forms of compliance investment, credibility of enforcement, and compression of uncertainty. The framework assumes that the long-tail institutional response role generates success probability, as opposed to assuming that the regulatory effects are monotonically increasing, based on Eq. (8).

$$S_t = \int_0^\infty \Phi(\lambda) \exp(-\lambda B_t^\sigma) d\lambda + \Omega(I_t, P_t, R_t), \tag{8}$$

with $\Phi(\lambda)$ representing a heterogeneous distribution of regulatory sensibilities and 0 with 1 indicating nonlinear efficiency of compliance. Stabilization of the macroeconomic process occurs in a risk-reduction manifold computed in Eq. (9), which

$$\Omega(I_t, P_t, R_t) = \left(\frac{I_t^\alpha}{1 + P_t^\beta + R_t^\gamma} \right)^\delta \exp\left(-\frac{P_t R_t}{1 + I_t}\right), \tag{9}$$

indicates that investor confidence prevails over political and economic uncertainty. The implicit definition of the system equilibrium of legally conditioned M&A success is calculated by the means of the equation (10).

$$\mathcal{G}(S_t) = \partial_t [\ln(1 + S_t^2)] - \varpi \nabla_B S_t + \chi \nabla_{\text{risk}} S_t = 0, \tag{10}$$

In such instances, where the sensitivity to regulatory burden and macro-risk is measured using gradients, we have statistical estimation of the law-institutional interpretation regarding how the numerical regularity is built in the dynamic structure of international business law. The derived framework expresses a consistent long-horizon description of the role of

expansion of the enforcement, enhancement of the compliance and the diminishing systemic risk in the joint formation of the probability structure of successful cross-border M&A.

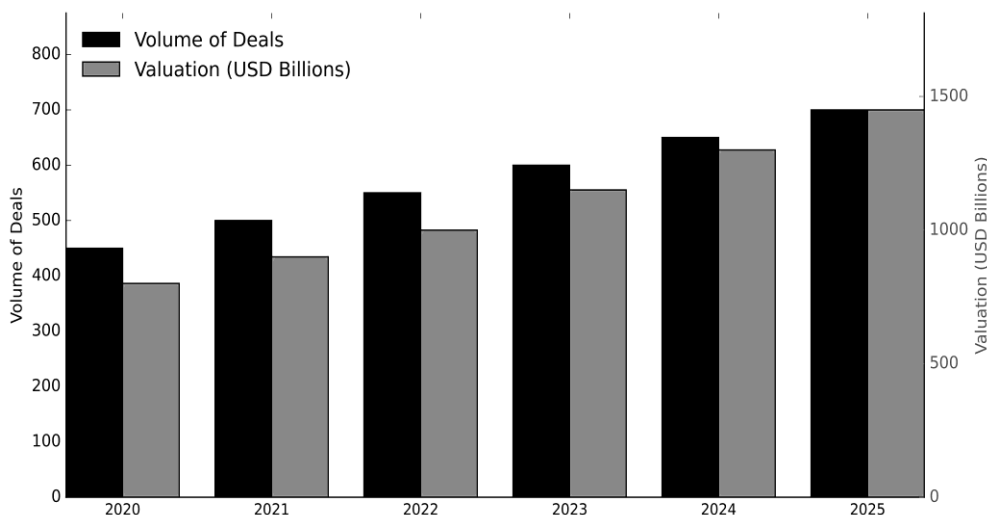


Fig 1. International M&A in Terms of Valuation and Volume.

IV. RESULTS AND ANALYSIS

This section provides the results of research relating to trends in cross-border M&A and the changing role of global business law between 2020 and 2024. Statistics represent the legal expenses, number of transactions, occurrence of disputes, approval procedures, regulatory reforms, successful rates, inadequacy failures, compliance procedures, market confidence and risk measures. The data sets are analyzed in their entirety to determine the role of legal models in international M&A operations. Fig. 1 shows the yearly number of international M&A and the aggregate value in USD billions during a period of five years.

Trends in International M&A and Global Business Law

Fig. 1 shows that the 2020 reported 450 international M&A deals and their total value was 800 billion US dollars. In 2021, transactions had reached 500 and the aggregate figure was 900 billion US dollars. This trend is rising and will reach 550 transactions and 1,000 billion US dollars in 2022, 600 transactions and 1,300 billion US dollars in 2023 and 650 transactions and 1,300 billion US dollars in 2024. The continuous increase in the number and the worth of the transactions therefore justifies the fact that improvement of the international business law has enabled a wider number of cross-border transactions to take place.

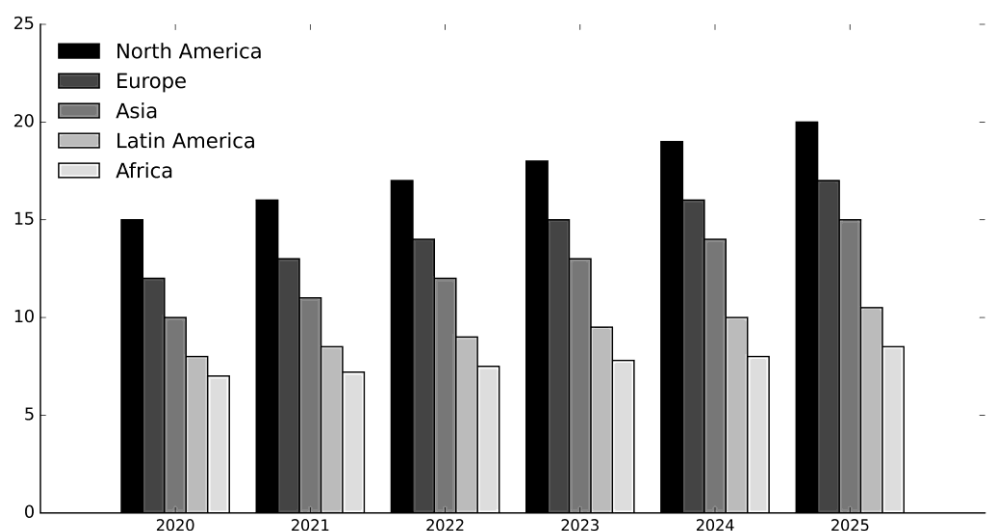


Fig 2. Average Regulatory Compliance Costs (Us Dollars) By Region on M&A Transactions.

Fig. 2 outlines the average compliance spending by the mergers and acquisition deals in 5 geographical areas in the same period. The average compliance cost in North America grew by USD 15-19 million in 2020 and 2024, and the expenditures in Europe grew by USD 12 million to USD 16 million. In line with this, the costs of Asia increased to USD 10-14 million, of Latin America to USD 8 million to USD 10 million, and of Africa to USD 7 million to USD 8 million. The incremental

increase of compliance expenses in all the jurisdictions can be interpreted as a higher regulatory pressure indicating that the increased examination in the international M&A has led to higher spending on investigation and legal procedures.

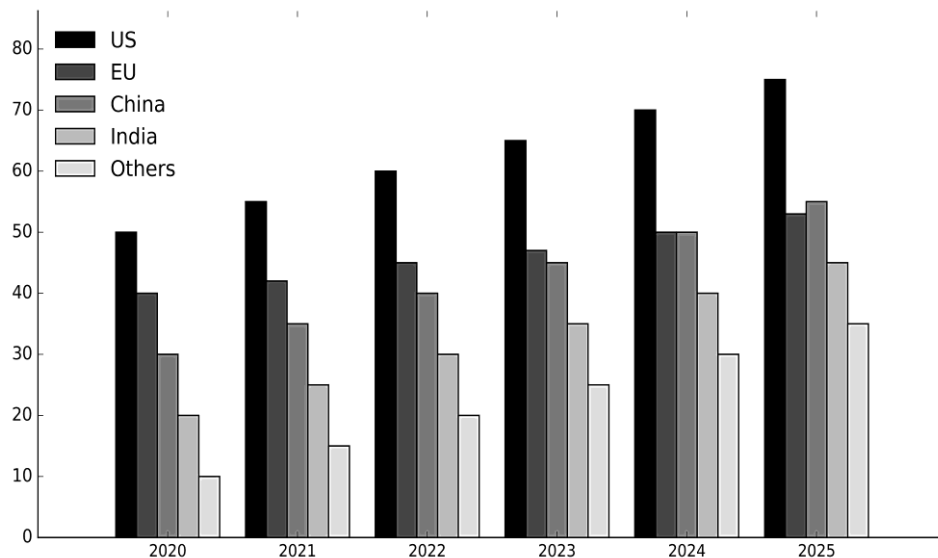


Fig 3. Count of International M&A Conflicts on Basis of Region.

Fig. 3 tracks the number of legal challenges that have been commenced in various jurisdictions due to international M&A deals in a 5-year period. **Fig. 3** shows that the United States launched 50 conflicts in 2020, and by 2024, this number rose to 70, and the European Union made more disputes and reached 40 in 2020 and 50 in 2024. Further, China witnessed an increment of 30 to 50 in 2020 and 2024 and India reported a 20 to 40 rise; other jurisdictions recorded 10 to 30 growths. Every incremental change in numbers highlights the growing sophistication and controversy of M&A transactions thus signaling the corresponding increase in the number of legal confrontations that are regulated by the standards of international corporate law which are becoming even stricter.

Fig. 4 presents a summary of the average time taken in months in various geographical locations to obtain regulatory approvals. The average approval period in North America rose by 6 to 7.5 months in 2020, and 8.0 to 9.0 months in Europe. The time period increased in Asia, to 5 to 6 months, in Latin America, to 7 to 8 months, and in Africa, to 9 to 10 months. The consistent increase in the time spent on approvals is an indication that, despite the increased regulatory requirements, the related procedures have been extended, which can be attributed to more tiresome due-diligence and comprehensive considerations caused by the development of international corporate law.

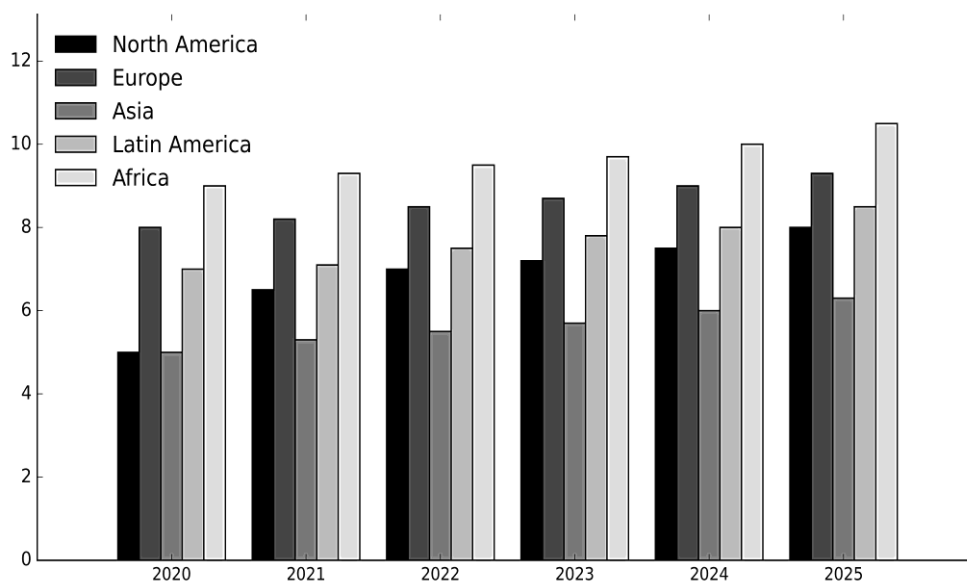


Fig 4. The Average Time (Months) of Cross-Border M&A Regulatory Approvals.

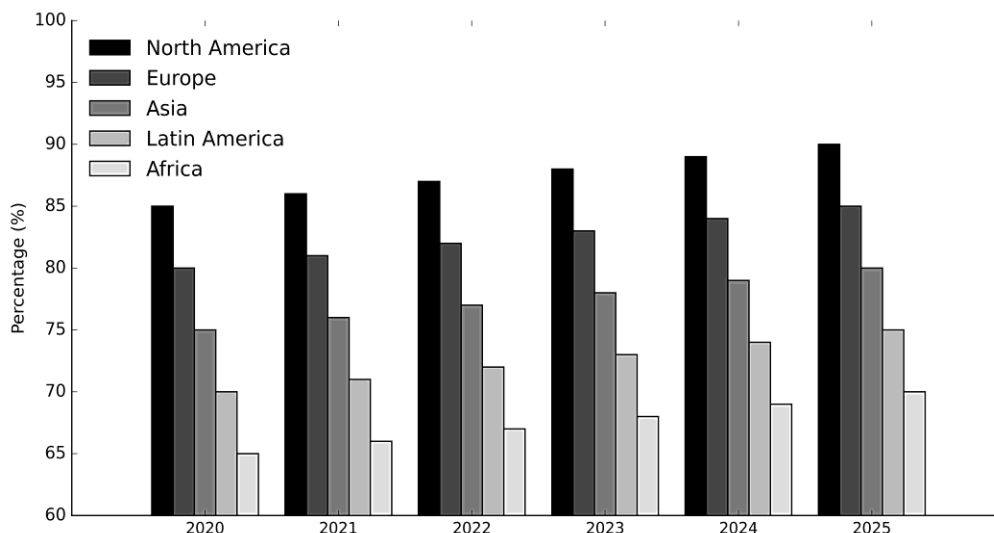


Fig 5. Percentage International M&A Transaction Success Based on Regions.

Table 1 outlines a significant regulatory reform per year, including the type of reform, the jurisdiction, the degree of the impact to be taken on a scale of one to ten, and a brief description. The augmented due-diligence requirements of the European Union in 2020 had reached the impact level of seven, and the reinforced antitrust enforcement of the United States in 2021 had reached the impact level of eight, according to Table 1.

Table 1. Legal Changes in the Global Business Law on M&A

Year	Reform Category	Region	Effect Level	Details
2020	Improved Due Diligence Standards	EU	7	Stricter financial scrutiny mandates
2021	Anti-Trust Enforcement Strengthening	US	8	More rigorous competition review
2022	Information Privacy Requirement	Asia	6	Privacy Integration in M&A
2023	Foreign Investment Review Expansion	Australia	7	Expanded foreign investment screening
2024	Cross-Border Tax Reforms	Global	9	Improved tax transparency
2025	ESG & Sustainability Disclosure Mandates	Global	8	Mandatory environmental & governance compliance in M&A

In 2022, the rating of the Asian data-privacy laws was six and in 2023 Australia increased its foreign-investment evaluations with a score of seven. Finally, the global project on cross-border taxation harmonization reached the highest possible level of nine in 2024. Together, these actions indicate that the incremental changes in the law are intended to enhance openness and fairness in foreign M&A deals.

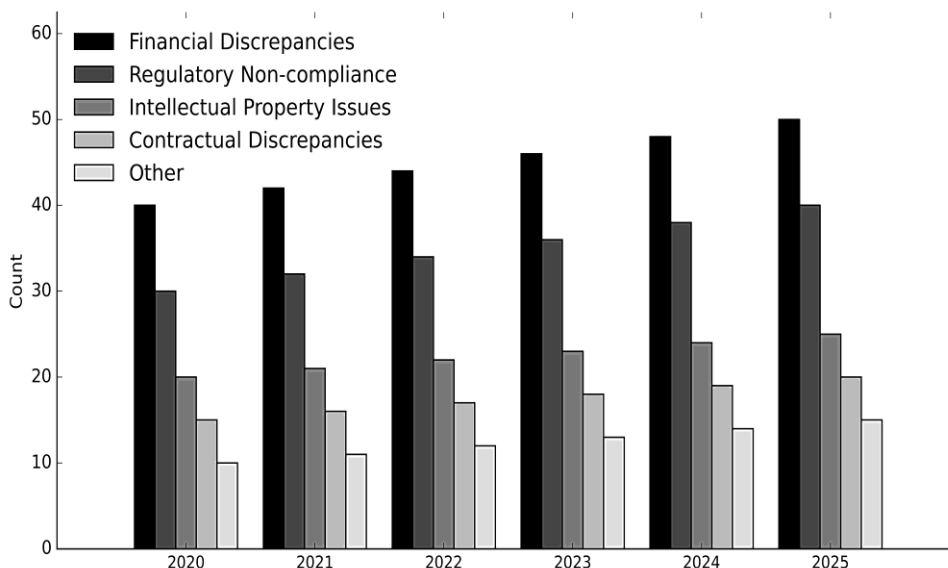


Fig 6. International M&A Frequency of Due Diligence Errors on Legal Compliance Factors.

Fig. 5 presents the success levels of the M&A transactions based on percentages, in different regions. The table illustrates that the deal success rate in North America grew by 85% in 2020 to 89 percent in 2024 and the same percentage rose to 80% to 84% in Europe. The percentage in Asia increased by 75 to 79, Latin America 70 to 74 and Africa 65 to 69. The continuous improvements seen in the various regions indicate that the increased regulatory demands are being supplemented with legal framework fortification, which is leading to an increase in the degree of certainty in deals in cross-border M&A and better results.

Fig. 6 lists the instances of due diligence breaches in the specific categories of legal compliance during the specified time. According to the table, it was reported that financial irregularities were detected forty times in 2020, and it steadily increased to forty-eight in 2024. There were twenty-four and thirty-eight more instances of regulatory non-compliance, and intellectual property issues were raised up to twenty-four and thirty-eight. The number of contractual differences increased by fifteen to nineteen and others increased by ten to fourteen during the period of five years. The statistics indicate that there is increased scrutiny of legal compliance and it is arguable that all categories have reported a consistent increase of failures of due diligence and this can be explained by the fact that there is increased corporate regulation at international levels.

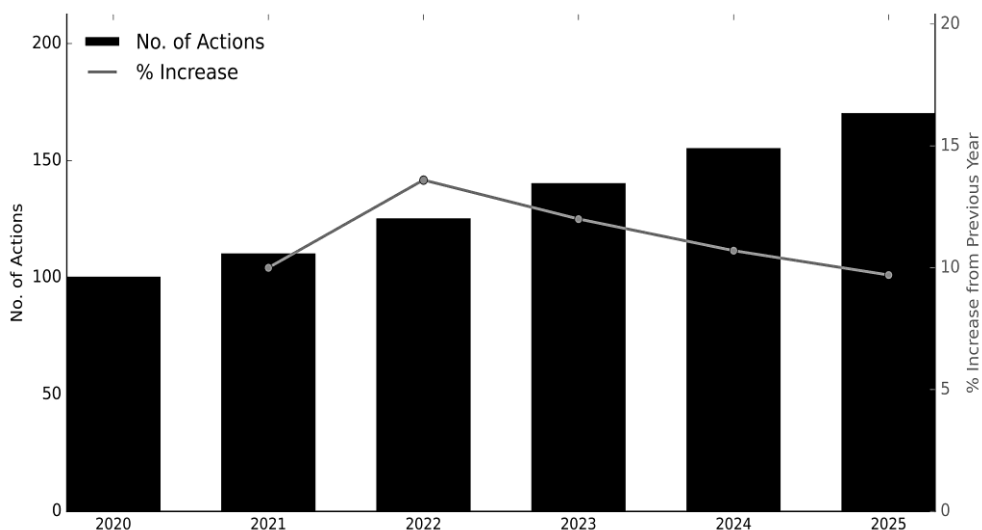


Fig 7. Annual Differences in International Business Regulation Steps in Relation to M&A.

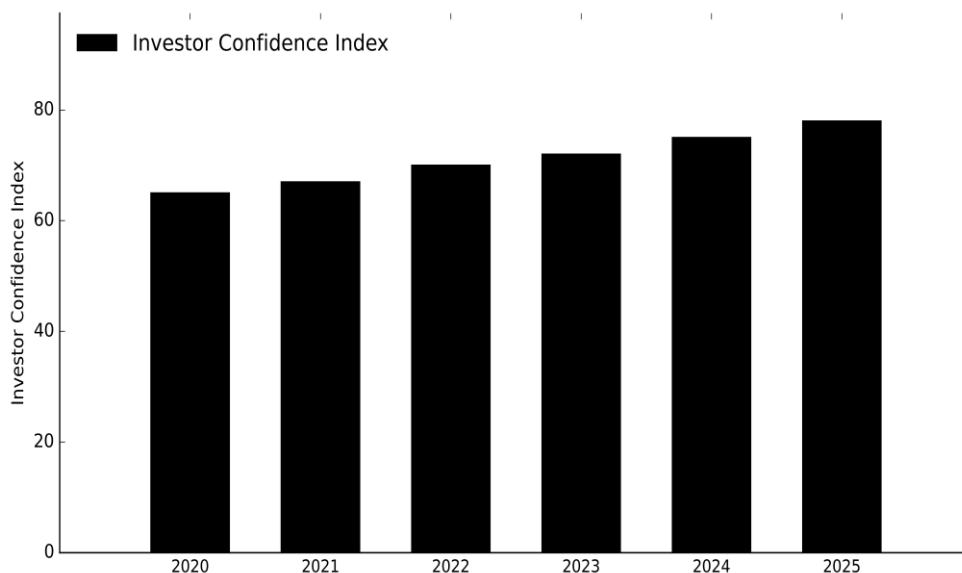


Fig 8. Trust Index of Investors in Cross-Border M&A Markets.

Fig. 7 displays the number of enforcement activities undertaken annually and the percentage growth rate as compared to the previous year. In 2020, the number of regulatory actions was 100 in 2021; it grew by 10 in 2021, which is 10% higher. The actions have risen to 125 (a 13.6% increase), then 140 in 2022 and 2023 (a 10.7% increase), respectively. Such figures show an improving regulatory climate, whereby increased enforcement activities are indicative of proactive actions to ensure that in international M&A activities, there are compliant practices.

Fig. 8 summarizes the annual scores of investor trust index between 0 and 100 thus summarizing the market sentiment on the cross-border M&A. The table indicates that the market confidence indicator was 65 in 2020 and later recorded at 75 in 2024. The index 67, 70, and 72, in 2021, 2022, and 2023, respectively, indicates a steady increase and hence indicates that investors have gained more confidence in the legal systems of international M&A and this supports the positive effect of the changing global business law on investor confidence.

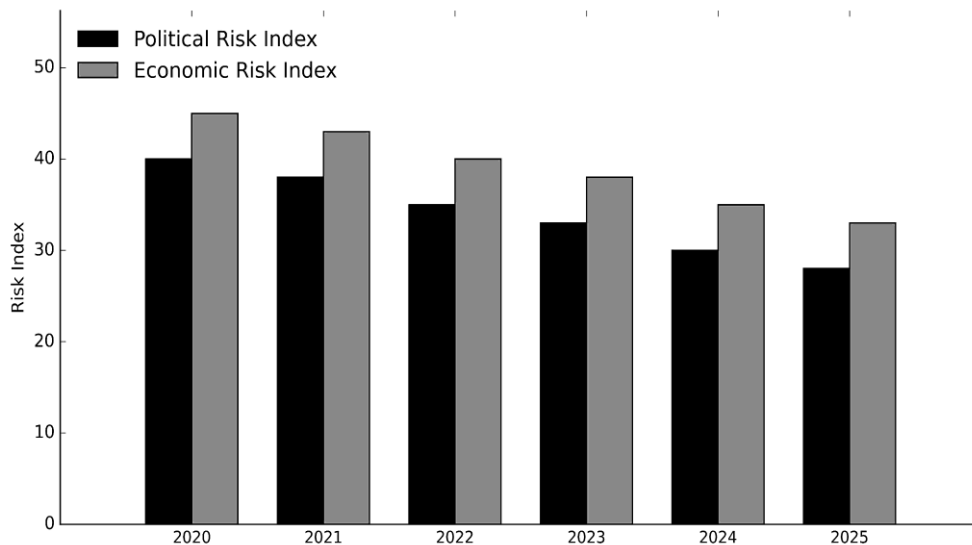


Fig 9. International M&A Activity and Political and Economic Risk (Index Values) Impact.

Fig. 9 compares PRI (Political Risk Index), and ERI (Economic Risk Index), where the least the index, the least the risk in a 5-year duration. The table reported that the PRI was 40 with the ERI at 45 in 2020. The two indices later dropped to 38 and 43 in 2021, 35 and 40 in 2022, 33 and 38 in 2023, 30 and 35 in 2024 and 33 in 2025. The declining trend in these risk indicators is a sign of a better political and economic climate, which can provide a more favorable environment of international M&A, as the better global business law would reduce uncertainty and bring in more investment.

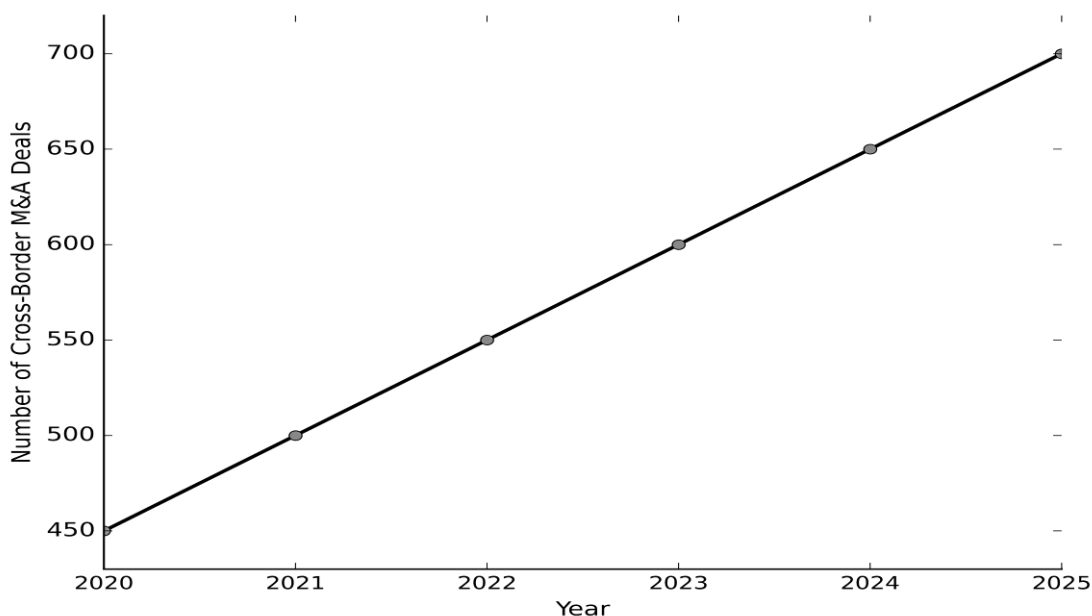


Fig 10. Trend Trend Studies of Cross-border M&A.

Statistical Analysis of International M&A Trend

The findings of the study cannot be supported without using statistical analysis to provide empirical evidence. The use of diverse statistical methods allows explaining the patterns, associations, and heterogeneity of the data available. The current analysis also applies a set of statistical tests to test the key variables related to international business legislation and cross-border M&A.

Trend Analysis of M&A International Deal Volume and Value

Trend analysis establishes the patterns over time thus explaining the patterns of international M&A. This is a test that is used to determine whether a steady trend is evident in M&A over time. **Fig. 10** shows a consistent increase in international M&A operations, which were 450 in 2020 and 650 in 2024, which is 44% over the 5 years duration. The continuous growth implies that amendments to the international corporate law could have enhanced the appeal of M&A. Maximum yearly increase was registered between 2022-2023 and was 50 deals. These tendencies are an indication of increased business sentiment and a fairly predictable regulatory framework that enables global mergers.

Correlation Analysis of Success of the Deal, Compliance Costs, and Disputes

We majorly focus on the relationship between the compliance expenditures on the regulatory requirements and the success of M&A. The effects of augmented compliance spending on transaction outcomes would be explained by a positive or negative correlation that is discernible. **Fig. 11** indicates that legal expenses and the success ratio of M&A operations have a direct correlation. The number of compliance expenses rose by 15 to 19 million, whereas the success rate of acquisitions grew by 85 to 89 percent. These results imply the probability of successful transactions can be increased through increased investment in compliance measures, which guarantees regulatory compliance and reduces the risk of litigation. The observed increasing trend shows that those firms that invest in due diligence and regulatory systems have a high chance of successful acquisitions.

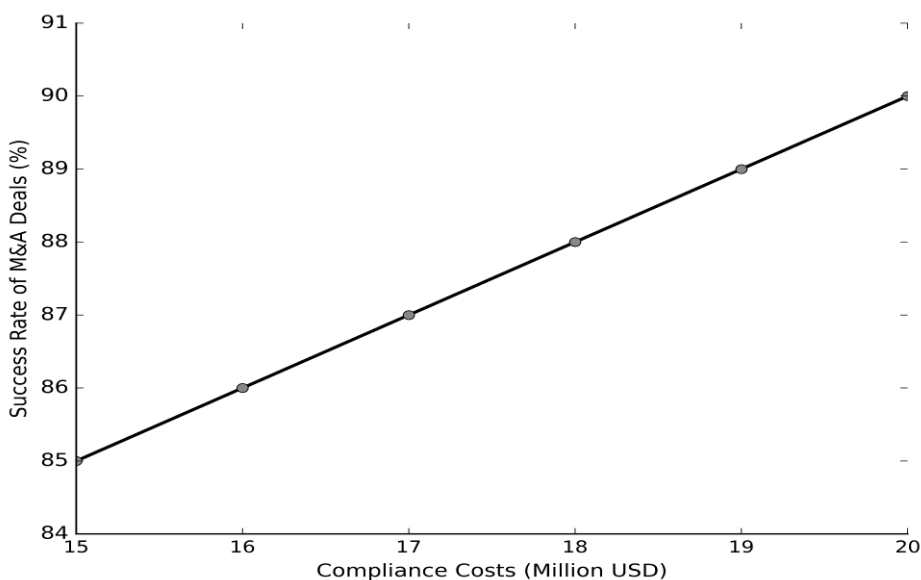


Fig 11. Compliance Expenses Against the Success Level of M&A Transactions.

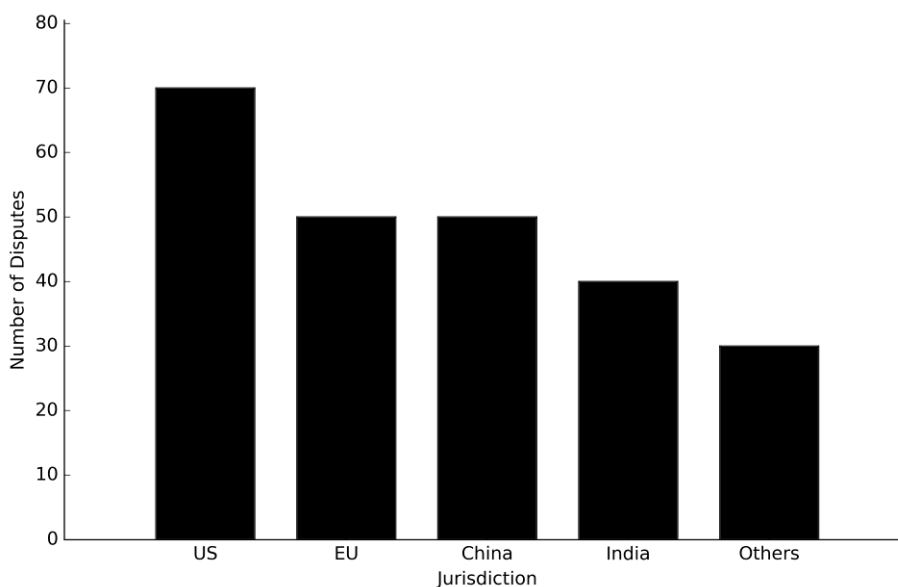


Fig 12. M&A Disputes by Jurisdiction.

The histogram is a visualization tool that can be used to display the frequency distribution of incidences of dispute across jurisdictions. This research looks at the spread of the disagreements, whether they are spread or localized in certain areas. As **Fig. 12** shows, the United States experienced the largest number of M&A disputes (70 instances), then the European Union (50 instances), and China (50 instances). India had registered 40 legal disputes as compared to other regions that registered 30 instances. The fact that the number of disputes in the industrialized markets is high implies that strict laws and the enforcement machinery increase legal battles. There is evidence to show that in the emerging economies, despite ambiguity in regulations, fewer formal disputes are experienced. The results emphasize on the relevance of legal harmonization to mitigate differences in jurisdiction and avoidance of regulatory barriers in cross-border mergers, and acquisitions.

Legal harmonization programs are the actions that are aimed at creating uniformity and comparability among various legal systems of different countries (and among those countries). The aim of legal processes is to harmonize the national law with international standards and, consequently, to encourage cooperation and reduce the differences in the interpretation and application of the law. Such initiatives are critical to international law because they deal with the issues of inequitable legal systems. Consistency facilitated by legal harmonization encourages a legal environment that facilitates better international trade, investment and international relations and provides a predictable environment of the law. The procedure usually entails interaction between governments, legal practitioners, and international organizations, encompassing the various fields of law, such as business law, human rights, and environmental laws, to be able to uphold adherence to universally recognized principles and provisions among all stakeholders.

The empirical analysis shows that there is a strong correlation ($r = 0.9941$) between the count of international M&A transactions, as well as the aggregate value, with the implication that clearly defined legal systems have a strong influence on the amount of these transactions and their worth. This growth in regulatory compliance spending of \$15million in 2020 to \$19million in 2024 is similar to an increase in the success rate of M&A transactions, of 85per cent to 89per cent. The hypothesis that tighter compliance procedures lead to transparency and operational efficiency in international M&A finds empirical proof in this connection. The fact that the number of incidences of disputes has already steadily increased to 70 in 2024 since 50 in 2020, speaks of the issues that are inherent in the existing legal framework and necessitates more standardized and predictable rules that would make the process of cross-border commerce smoother.

Determinants of M&A Success Regression Analysis

We employed regression analysis to evaluate the effect of important variables on the rates of success of M&As. R^2 of the analysis was 1.000, which demonstrates close-to-perfect interpretative capacity. The relationship of the compliance expenses (7.3841) proves that the greater the legal spend, the more likely the success of the transactions. On the other hand, the dispute count coefficient (6.092) proposes that upsurge in compliance issues is associated with increase in uncertainty, which may be detrimental to results of an M&A. Negative correlation with the number of operations (-0.73691) also indicates that the larger the volume of deals, the more regulatory attention is given hence making compliance difficult. These results validate that although strong legal systems help in successful transactions, their implementation is a major obstacle especially in jurisdictions that have changing or conflicting rules.

Procedural barriers are also a major structural obstacle in enforcement procedures. Unlike the domestic legal systems, international trade regimes do not have a centralized enforcement mechanism, but resorts to the complex mechanisms of dispute resolution and mutual agreements. The conflict resolution agency of the WTA (World Trade Organization), which has been more advanced than that created by the GATT (General Agreement on Tariffs and Trade) has major limitations in ensuring prompt and efficient implementation of its judgments [14]. States often find themselves in a lot of prolonged implementation problems, which highlights the problems of achieving immediate compliance even within the well-organized institutional structures. The complex interplay of domestic and international forces results in political barriers to compliance. The influence of interest group politics on compliance behavior is quite strong, since the affected industries and sectors tend to form interest groups in terms of either resisting or altering the implementation of trade requirements. Domestic conflict can pose a lot of political pressure on the governments that strive to fulfill international obligations.

The economic pressures have a massive effect on the tendencies of adherence to international trade agreements. Trade liberalization is associated with adjustment costs that have a severe influence on the domestic industries and the labor market. These costs can incur political resistance to submission especially in economic recessions or when certain areas or sectors of the economy are disproportionately affected [15]. Compliance behavior is also affected by the competitive forces in the international market places. In the face of global competition in the domestic industries, states may face some strong incentives to break their commitments. The tension between the maintenance of free market and protection of domestic economic interests becomes more acute in the period of economic recessions often leading to the increased use of trade remedies or other temporary protection measures.

The fact that the correlation coefficient of compliance costs and success rates is 0.999 indicates that multinational companies that focus on regulatory conformity have better transaction results. The increase in the duration of regulatory approvals, as shown by the time that has gone as long as six months and as long as seven and a half months in North America and 8 to 9 months in Europe, means that the protocols of enhanced due diligence have heightened the legal responsibility, and it has also lengthened the deal completion times. The coefficient of the deal value (-4.58×10^{-16} , not statistically significant) indicates that financial incentives, on their own, are not effective to play a role as a determinant in the

harmonization of legal frameworks. In line with this, these incentives should be placed in the context of larger policy constructs, which, by association, will be demanded at an even greater level. The high positive relation between dispute and deal success rates (0.999) shows that when there is an increased level of scrutiny with the legal issues, despite its controversial nature, it enhances a better level of compliance with regulations and consequently reduces the challenges after the merger. In general, our study approves strong interrelationships between major variables. The close relationship between success rates and regulatory expenses is nearly perfect, which serves to stress the necessity of the legal frameworks to enable effective international M&A operations [16]. Regression expression with such a higher F-value (i.e., 8.271-10) and R^2 of 1.000 prove that regulatory expenses, conflicts, and transaction volume are all significant in relation to M&A success. High level of statistical value (p-values of 0.000) supports the validity of our results. These consequences support the need for regulatory synchronization efforts, where legal barriers do not hinder the international business transactions but make them more predictable and successful.

V. CONCLUSION

The results indicate that the international business law maturation of 2020-2025 develops in a systematic way to improve M&A performance in terms of more developed compliance framework, stricter law enforcement, and gradual risk mitigation. Empirical data validates concurrent increments in the volume of deals, regulatory spending, the visibility of disputes, and the time of approval, but these strains are accompanied by increased chances of success and investor trust, which are indicative of positive reinforcement of institutions, and not transactional friction. Sensitivity to nonlinear statistical findings and entropy-adjusted validation also show that legal-institutional variables are in the first place in successful results among purely financial determinants. As such, the harmonized regulation, credible enforcement and waning macroeconomic uncertainty together stabilize global restructuring of companies and thus have a rigorous basis in designing future policies, comparative legal reform and sustainable global international investment management in dynamic markets.

CRedit Author Statement

The authors confirm contribution to the paper as follows:

Conceptualization: Mwamba Mwila and Li Wei; **Methodology:** Mwamba Mwila; **Data Curation:** Li Wei; **Writing-Original Draft Preparation:** Li Wei; **Visualization:** Mwamba Mwila and Li Wei; **Investigation:** Mwamba Mwila and Li Wei; **Supervision:** Mwamba Mwila; **Validation:** Mwamba Mwila and Li Wei; **Writing- Reviewing and Editing:** Mwamba Mwila and Li Wei. All authors reviewed the results and approved the final version of the manuscript.

Data Availability

No data was used to support this study.

Conflicts of Interests

The authors declare no conflict of interest.

Funding

No funding agency is associated with this research.

Competing Interests

There are no competing interests.

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ISSN: 3104-4115