

Tax as part of the strategy of post-transaction integration:

A four-phase framework for unlocking value

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For most deals (acquisitions, carve-outs, mergers), the real story of value protection, value creation and value destruction usually unfolds afterwards. Post-transaction integration is widely acknowledged as one of the most critical phases of the deal life-cycle, but it remains consistently underestimated and often approached in a reactive manner. Integration efforts still tend to focus primarily on operational and financial synergies, while often overlooking tax considerations.

This matters even more in a market where reorganizations have become increasingly common, whether as part of internal group restructuring, carve-outs, or private-equity-driven acquisition strategies. In many deals, neglecting the tax considerations may have a detrimental effect on the expected transaction upside. Capturing that value, however, requires more than technical tax input at isolated stages; it requires tax to be embedded in the integration agenda from the start.

A robust post-transaction integration strategy should therefore build tax into planning, governance, and execution from Day One. Treating tax only reactively risks not only leaving value on the table but also creating exposures that can erode the economic assumptions of the deal itself.

A practical way to approach this challenge, drawing on our experience, is through a four-phase framework.

Phase one – Before Day One: Strategic tax alignment

Due diligence identifies historical exposures, tax attributes, and structural constraints. Integration planning should then build on those findings to determine how the combined group is expected to operate in practice. The pre-closing phase is therefore the right moment to move from tax due diligence to tax design. This means designing a forward-looking op-



erating model taking into account tax implications aligned with the business needs of the intended structure, financing profile, and value chain of the combined organizations. Key questions arise early: how should treasury and debt be organized? Does the contemplated financing remain efficient once the target is integrated? Does the transfer pricing model still reflect the future allocation of functions, assets, and risks? Are there tax constraints that may emerge once legal and operational changes are implemented?

This phase also requires close attention to the wider tax environment, including anti-hybrid rules, interest limitation rules, and the continued application of Pillar Two, which if not properly considered can have an impact on the integration choices, in light of the commercial objectives which always prevail. Filing and reporting obligations should also be mapped at both entity and group levels.

Entering Day One with this level of visibility and with a clear timetable for future steps significantly reduces the risk of disruption or unforeseen tax costs.

Phase two – Day One: Immediate post-closing

Once ownership has transferred, the priority becomes continuity. The combined group must continue to meet its tax obligations without interruption, even while internal structures, systems and responsibilities are changing.

By Day One, the group should therefore have a clear understanding of the imme-



diated actions required to preserve tax attributes, implement elections, and manage short-term deadlines.

Day One readiness also means being prepared to implement tax commitments arising from the transaction, including those linked to return filings, reporting obligations or agreed remediation actions. Issues identified during tax due diligence should be triaged and addressed in a structured manner.

A controlled Day One creates a stable platform without which strategic integration quickly becomes reactive and costly.

Phase three – First 100 Days: Implementation of the tax model

The first 100 days is the period in which the tax design prepared in prior phases must be translated into an operating reality. The objective is not simply to remain compliant, but to align the tax operational model with the group's new legal, operational, and financing structure.

At this stage, groups should update their tax operating model to reflect the combined business. This includes legal entities, functions, assets, and risks, as well as the interaction between tax, finance, and treasury. Corporate income tax, withholding tax, and VAT positions should be managed across all relevant jurisdictions. Mandatory registrations and new compliance requirements should be completed within applicable deadlines.

The financing structure also needs to be implemented coherently. This may in-



clude debt push-down, the redesign of intercompany financing arrangements, transfer pricing alignment for intra-group funding, reassessment of cash-pooling arrangements, and review of specific instruments or legacy loan terms. Interest limitation rules and withholding tax implications should be tested across the jurisdictions concerned.

This phase is also often the right time to initiate specific requests with tax authorities, such as tax consolidation regimes, functional currency elections, or advance pricing or tax agreements where relevant. In parallel, groups should review tax incentives or specific regimes.

By the end of this phase, the group should have a functioning tax structure that supports its business model, capital structure, and compliance obligations.

Phase four – Long-term integration: Tax structural and operational integration

Over a longer-term, tax is fully integrated within the strategy of the group. The focus shifts towards aligning the group's legal structure, operating model, and tax profile in a sustainable way.

This often involves implementation of legal entity rationalization through mergers, demergers, business transfers, or the elimination of redundant entities.

Each structural change must be accompanied by disciplined compliance management, from income tax and VAT filings to residence certificates and reporting obligations.

At the same time, the operating model should continue to evolve. Groups may seek to centralize or outsource certain functions, refine their intellectual property strategy, or revisit the location of holding and financing activities. In that context, DEMPE analysis (Development, Enhancement, Maintenance, Protection and Exploitation of IP assets) and broader transfer pricing governance become essential to ensure that value creation, substance, and tax outcomes remain aligned.

Long-term integration should also include active monitoring of the group's effective tax rate and tax risk profile. Financing structures should be revisited periodically from both tax and treasury perspectives. Legislative developments, notably those linked to Pillar Two, should be monitored continuously so that the integrated model remains compliant, robust, and competitive over time.

Conclusion

For many international groups and investment structures, Luxembourg serves as a central hub for holding, financing, and governance arrangements. This makes post-transaction integration especially important in Luxembourg itself, while also positioning the jurisdiction as a key platform to coordinate and steer the overall group integration process through the four phases. Tax decisions taken in the aftermath of a transaction can affect substance, financing flows, reporting obligations and the alignment between legal form and operational reality.

A structured tax integration roadmap spanning pre-Day One planning, Day One readiness, and implementation during the first 100-days, and long-term integration is a prerequisite for sustaining deal value. In an environment marked by growing tax complexity and greater scrutiny of cross-border structures, the groups best positioned to deliver lasting value are often those that define that roadmap early and support it with the right technical and cross-functional expertise.

Addressing tax coherently and in line with commercial objectives throughout the integration process is a key element of disciplined deal execution, sound governance, and long-term value delivery.

Visite officielle de Luc Frieden à Singapour :

Vers une Europe plus autonome et souveraine

En visite officielle à Singapour les 7 et 8 septembre 2026, le Premier ministre Luc Frieden a placé le renforcement des relations bilatérales au cœur de son déplacement. Au-delà de son discours consacré à l'avenir de l'Europe, cette visite a permis d'aborder plusieurs dossiers économiques et stratégiques, dans un contexte de rapprochement croissant entre les deux pays.

Ce déplacement intervient après la visite d'État du président singapourien Tharman Shanmugaratnam au Luxembourg en 2025 et l'ouverture de l'ambassade du Luxembourg à Singapour en juillet dernier. Luc Frieden s'est entretenu avec son homologue singapourien, Lawrence Wong, avant de rencontrer également le président de la République de Singapour.

Un partenariat à approfondir

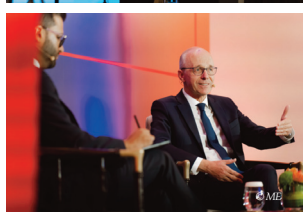
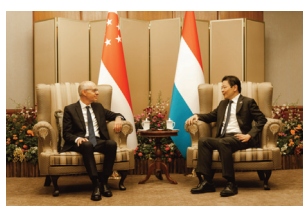
Les discussions ont porté sur les évolutions géopolitiques actuelles et sur la volonté commune de défendre un ordre international fondé sur les règles et le droit international.

Le Luxembourg et Singapour, deux petits États fortement intégrés dans les échanges internationaux, partagent notamment un intérêt pour le multilatéralisme et la stabilité des relations internationales.



Les deux gouvernements souhaitent désormais intensifier leur coopération dans plusieurs domaines stratégiques. La finance, l'espace, les technologies et les données figurent parmi les secteurs identifiés comme prioritaires pour les prochains mois.

Cette volonté s'inscrit également dans une logique économique. Le Luxembourg et Singapour occupent tous deux une position de premier plan comme centres internationaux de services finan-



ciers et cherchent à tirer parti de leurs complémentarités. Luc Frieden a ainsi participé à plusieurs échanges avec le monde économique, notamment lors d'une table ronde organisée conjointement par The Economist et la Singapore Business Federation.

Un intérêt pour le secteur spatial

Le secteur spatial a également occupé une place importante durant la visite. Singapour porte un intérêt particulier à

l'expertise développée par le Luxembourg dans ce domaine, alors que les deux pays cherchent à développer de nouvelles coopérations.

Luc Frieden a notamment inauguré le nouveau siège régional Asie-Pacifique de SES à Singapour. Cette implantation illustre la présence déjà importante d'entreprises luxembourgeoises dans la cité-État et le rôle que peuvent jouer les deux places comme plateformes pour leurs régions respectives.

La coopération pourrait également s'étendre aux technologies et aux données, des secteurs devenus stratégiques aussi bien pour les activités économiques que pour la sécurité et l'autonomie des États.

Une vision européenne présentée à Singapour

La visite a également été marquée par le discours prononcé par Luc Frieden dans le cadre de la Singapore Lecture. Sous le titre « Autonomy with Purpose: Europe in a Shifting World », le Premier ministre a présenté sa vision d'une Europe appelée à renforcer sa capacité d'action face aux transformations géopolitiques et économiques.

Il a notamment défendu une autonomie européenne dans les domaines de la défense, de l'énergie et de la technologie, tout en insistant sur le maintien des valeurs fondatrices de l'Union européenne. Pour Luc Frieden, cette autonomie ne doit pas conduire au repli,

mais permettre à l'Europe de choisir plus librement ses partenaires et de mieux défendre ses intérêts.

Le Premier ministre a également établi un parallèle entre le Luxembourg et Singapour, deux petits pays dont l'influence dépasse largement leur taille grâce à leur ouverture internationale, leur stabilité et leur capacité à servir de plateformes entre différentes régions du monde.

Des échanges sur le logement

La visite a enfin permis au Premier ministre de s'intéresser à une autre question particulièrement suivie au Luxembourg : le logement.

Luc Frieden a assisté à une présentation consacrée à la politique du logement menée à Singapour, dont certains aspects présentent un intérêt dans le cadre de la réflexion luxembourgeoise sur l'accès au logement et l'aménagement urbain.

Avec cette visite, le gouvernement luxembourgeois entend ainsi donner une nouvelle impulsion à une relation déjà étroite avec Singapour. Le développement des coopérations économiques et financières, mais aussi celles liées à l'espace, aux technologies et aux données, devrait constituer l'un des principaux prolongements de ce déplacement dans les prochains mois.

Source : ministère d'État / discours de Luc Frieden, Singapore Lecture