



THE

M&A Insights

SRS ACQUIOM NEWSLETTER / NOVEMBER 19, 2025

Private-target M&A insights based on proprietary data from thousands of deals

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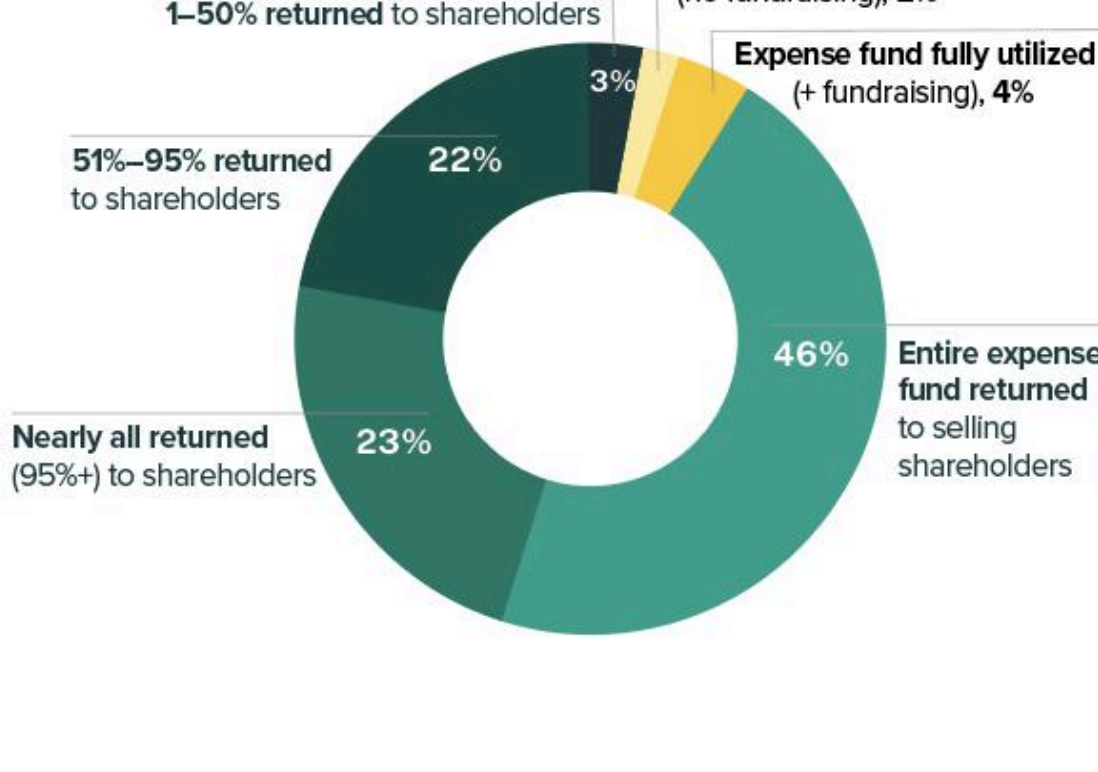
Key M&A Insights for the End of the Year

As we head deeper into Q4, arm yourself with the trends and insights we've distilled from our latest proprietary data on private-target deals.

- **To RWI, or not to RWI:** From an increase in number of indemnification claims to longer resolution times, we assess the impacts of Reqs & Warranties Insurance (RWI) on deal terms.
- **Tax law updates:** The OBBB's SALT cap increase and the reinstatement of the R&D deduction; cloud computing sales tax claims; voluntary disclosure agreements — stay up to date on the latest M&A tax considerations.
- **Expense funds for the win-win:** Expense funds mitigate administrative hassle and protect sellers from risk. And they can even benefit or affect the post-closing behavior of the buyer.

Read on for the details, data, and insights.

Expense Funds Returned to Sellers

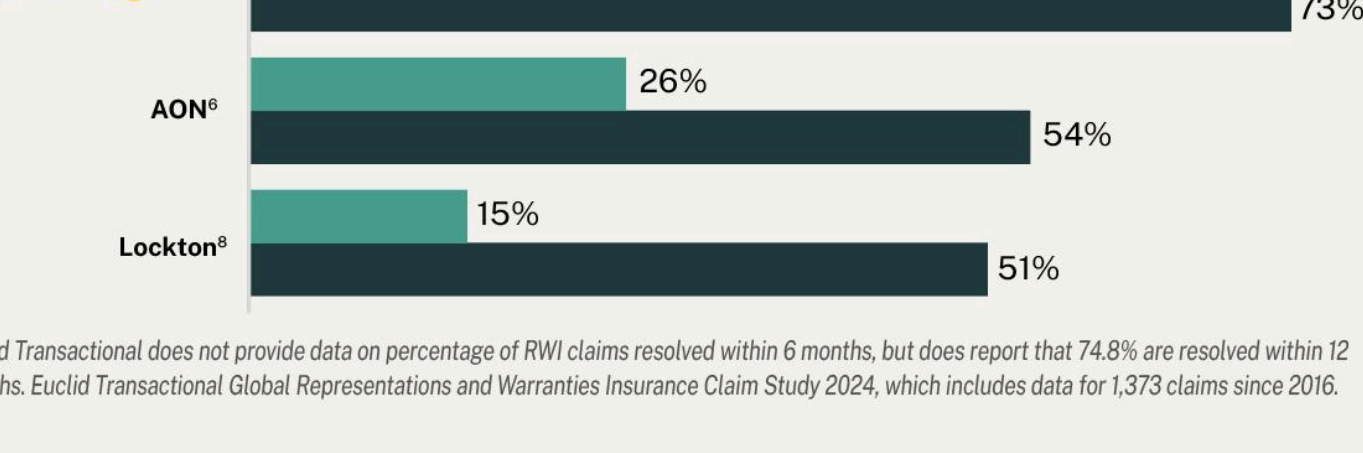
SUBSET: 1,100+ private-target M&A deals closed 2021 through Q1 2025 with fully resolved expense funds on which SRS Acquiom served as professional shareholder representative.

How does RWI affect the deal process?

[Our analysis uncovers](#) a variety of impacts that the presence of Reqs & Warranties Insurance (RWI) can have on a deal, including more rigorous diligence requirements and lengthy claim resolution times.

- **More claims:** Claims occur slightly more often for deals with RWI, and they take longer to resolve when insurance is involved.
- **More escrows:** Private M&A is experiencing an increase in the number and size of escrows generally, a trend that is partly driven by the use of RWI. More than three in five deals with RWI identified included two or more escrows.
- **More delays:** Just under half of claims on deals with RWI are not resolved within 12 months. By contrast, SRS Acquiom data shows that 73% of claims can be resolved within 12 months when we serve as the shareholder rep.

CLAIM RESOLUTION EFFICIENCY: SRS ACQUIOM VS. RWI BROKERS*

* Euclid Transactional does not provide data on percentage of RWI claims resolved within 6 months, but does report that 74.8% are resolved within 12 months. Euclid Transactional Global Representations and Warranties Insurance Claim Study 2024, which includes data for 1,373 claims since 2016.[GET THE FULL STORY](#)

How will the OBBB affect your next deal?

Tax law changes as a result of the One Big Beautiful Bill (OBBB) could materially affect deal structuring, pricing, diligence, and post-closing risk. Read our report, [Key Tax Considerations for M&A in 2025](#), to find out how.

- **SALT cap increase:** The OBBB increases the state and local income and property tax (SALT) cap to \$40,000, effective for tax years starting on or after January 1, 2025. This increase is subject to income based phase-outs.
- **What about R&D?** The OBBB reinstates the original immediate deduction for research and development expenditures.

[READ UP ON THE CHANGES](#)

Expense funds for the win-win.

Expense funds alleviate heavy post-closing administrative burdens and are also [strategically important for sellers](#). Choose an experienced shareholder rep who will use them wisely, knowing expense funds don't have to be a sunk cost of the deal.

- **Signaling preparedness:** The presence of an expense fund (along with its size) sends a signal to buyers about sellers' ability to handle post-closing matters.
- **Protect your proceeds:** An expense fund is an investment in protecting the seller's escrow and/or earnout, and therefore the ultimate value of the deal.
- **Admin mitigation:** There is almost always one (or more) post-closing transaction expense, which drains resources — not to mention time and energy.

“ When SRS Acquiom is the shareholder rep, sellers rarely have to use up the entire expense fund; that only happens on about 6% of deals.

Casey McTigue

MANAGING DIRECTOR, PROFESSIONAL SERVICES GROUP

[DOWNLOAD THE DETAILS](#)

Go Further

- **Unintended consequences:** Read our perspective on why you might want to [exclude deferred tax assets and liabilities](#) from your working capital adjustment calculation.
- **Check all your boxes** with our [Working Capital Adjustment M&A Checklist and Guidelines](#).
- **What's market?** Understand the latest private-target M&A deal points with [our MarketStandard tool](#).

TRANSACTIONS OF NOTE

Dotmatics

acquired by

SIEMENS

S sentillia

acquired by

coinbase

UTILITY therapeutics

acquired by

Alembic

Touching Lives over 100 years

OUR SOLUTIONS

Mergers & Acquisitions



DUE DILIGENCE

Virtual Data Room



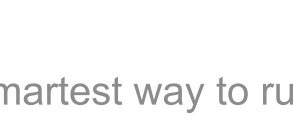
DEAL & CLOSING

M&A Paying Agent
M&A Escrow Agent
Digital Shareholder Solicitation

POST-CLOSING

Shareholder Representation

Loan Agency

Administrative Agent • Facility Agent • Collateral Agent • Security Agent • Successor Agent
Replacement Agent • Escrow Agent • Sub-Agent[BROWSE OUR SOLUTIONS](#)SRSACQUIOM ELEVATE YOUR GAIN[unsubscribe](#) | [privacy notice](#) | [update preferences](#)

SRS Acquiom delivers the smartest way to run a deal™ with solutions that reduce the administrative burden throughout the entire deal lifecycle.

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