

# Legal and Regulatory Checks in Asset Selection

## Full Description

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The following legal and regulatory checks should be undertaken in assessing the suitability of an asset for recycling:

- Legal compliance: full compliance with applicable regulatory requirements; if not, the transaction preparation will require the remediation of any non-compliance.
- Litigations and claims: not subject to any current or threatened disputes, claims or other legal liabilities, such as, disputed land ownership or associated arrears, history of adverse environmental impacts and associated liabilities, as this will likely raise concerns from potential investors and adversely impact the attractiveness of the transaction to the market.
- Other legal risks identification: The Relevant Authority should review legal risks which may affect the asset and transaction including required licences for the private sector to hold and operate the asset, if applicable, and any existing rights applicable to the transfer or assignment of material agreements; transfer of staff.

## Useful Links

[Legal Framework/ Enabling Environment Assessment for PPPs](#)

[World Bank/ PPIAF: Handbook For Evaluating Infrastructure Regulatory Systems](#)

[Regulation of Sectors and Regulatory Issues Impacting PPPs](#)

## Related Content

[Guidelines for Implementing Asset Recycling Transactions \(Download PDF version\) - Now Available!](#)

## Page Specific Disclaimer

*The Guidelines have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions To find more, visit the Guidelines to Implementing Asset Recycling Transactions [Section Overview](#) and [Content Outline](#), or [Download the Full Report](#).*

