

Agreed-Upon Procedures (AUP) Engagements in Cross-Border M&A: What They Cover and When They Apply

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By the Guillen Pujol CPA Group Editorial Team

Executive Summary

- **The context:** In an international M&A transaction, a buyer, investor, lender, or investment committee may need factual findings on specific data before closing, financing, or adjusting the terms of the deal.
- **The operational challenges of an international structure:** When the target company operates across multiple jurisdictions, Data Room information may come from different currencies, accounting systems, subsidiaries, intercompany balances, and tax positions. That makes direct comparison difficult.
- **What an AUP engagement adds:** An AUP engagement allows a CPA to perform agreed-upon procedures on selected information and report factual findings, without issuing an audit opinion or replacing financial due diligence.
- **The deal team's response:** The transaction team must define precisely what information needs to be reviewed, who will use the report, what its purpose is, what data sources are available, and under what criteria the procedures will be carried out.

In an international transaction, a Data Room can contain hundreds of files: financial statements, management reports, contracts, customer lists, related-party balances, tax reports, debt schedules, and documents prepared by local advisors. But access alone doesn't guarantee that the information is actionable. The buyer, the fund, the investment committee, or the lender can't always make decisions based on that information as it arrives — especially in cross-border M&A deals, where the target company operates through subsidiaries across multiple countries, with different currencies, accounting policies, reporting systems, and tax structures.

This is where the [AUP engagement](#) comes in. Rather than auditing the entire structure or replacing financial due diligence, this service applies procedures to specific data and produces a report of factual findings with a defined scope — documentation the deal team, the investment committee, and advisors can use as a basis for their own conclusions.

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Read more: [The Benefits of Outsourced Bookkeeping: Why Partnering with a CPA Firm Will Promote Business Success](#)

When and Why an AUP Engagement Fits in Cross-Border M&A Due Diligence

In an international acquisition, a full audit of the target company is rarely justified. The buyer needs to verify specific data — revenue metrics, Working Capital, EBITDA adjustments, intercompany balances, debt-like items — that directly affect price, financing, or closing conditions.

An AUP engagement fits precisely when the deal team has a defined question and knows what information needs to be verified: whether a revenue schedule from the Data Room matches the accounting records, whether certain intercompany balances are reconciled, whether a Working Capital calculation follows the agreed criteria.

In a cross-border deal, verification becomes more demanding: data lives in different systems, under accounting logics that don't always reconcile directly. That dispersion is exactly what makes a focused review more useful than a general one.

What an AUP Engagement Does—and Doesn't Do—in a Transaction

An AUP engagement is an attestation engagement performed under AICPA professional standards, specifically SSAE 19.

Under this framework, the CPA executes agreed-upon procedures on selected information. The final report documents which procedures were performed, on what data they were applied, and what factual findings were identified.

An AUP has a strictly defined scope: it doesn't issue an audit opinion, doesn't value the company, and doesn't replace the buyer's commercial judgment.

It also doesn't replace financial due diligence, tax due diligence, legal review, or the work of M&A advisors—it complements them when the parties need specific procedures on specific data.

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An AUP doesn't answer whether the company is worth what's being paid. It answers what procedures were applied to selected information and what factual findings were obtained.

Where an AUP Fits in the M&A and Private Equity Process

An AUP engagement adds value at different points in a transaction, especially when the buyer, the fund, or the investment committee needs to document findings on specific information before moving forward.

In the pre-closing confirmatory due diligence stage, the AUP comes in when the buyer has advanced in negotiations but needs to review specific information before closing.

In private equity funds, family offices, or corporate groups, the AUP supports the investment committee's internal review when the decision must be backed by clear, documented information.

When there is a Purchase Price Adjustment, the AUP allows verification of items such as Working Capital, net debt, restricted cash, or intercompany balances that affect the final value of the deal.

During an Earn-out period, post-closing metrics trigger additional payments to the seller — and the AUP allows review of calculations, schedules, and specific data within a defined scope.

In all these scenarios, the AUP must remain within a clear scope. Its purpose isn't to validate the entire transaction, but to document specific findings for those who will use them.

Cross-Border Complexity: The Bridge Between M&A, Tax, and Financial Documentation

In a domestic transaction, financial information typically comes from a more homogeneous accounting system. In an international transaction, homogeneity disappears: the acquirer faces data generated across multiple jurisdictions, currencies, and reporting systems.

That complexity directly affects due diligence. A single indicator may depend on currency conversions, [transfer pricing policies](#), withholding taxes, [cash repatriation rules](#), or differences between local and consolidated reporting.

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On top of that technical fragmentation, there's a human fragmentation: information comes from different teams—local accounting, tax advisors, lawyers, and management — each with their own criteria and timelines.

If that information isn't traceable and comparable, the investment committee doesn't have a solid basis to assess real risk. Behind every figure in the Data Room sits a transfer pricing position, a repatriation rule, an intercompany inventory adjustment, or a tax obligation that affects the deal's cash flow. Without a process that documents this data in a structured way, the deal team's discussion rests on assumptions, not evidence.

When the deal team needs factual findings on that information, an AUP turns scattered data into a clear report with a defined scope. In that process, international tax advisory and agreed-upon procedures work on the same data but with different roles: one understands the structure, the other documents it for third parties.

Read more: [IRS Refunds After Paper Checks End in 2025: FAQs for Expats and Non-Residents](#)

How to Interpret an AUP Within M&A Due Diligence

An AUP coexists with financial due diligence, tax review, and legal analysis, but answers a different question.

Financial due diligence analyzes the business in broad terms: performance, revenue quality, trends, Working Capital, and debt. The AUP, by contrast, executes agreed-upon procedures on selected information and reports factual findings.

The choice depends on the question. If the buyer needs to understand the business in broad terms, the answer is financial due diligence. If they need to review specific data under defined procedures, the answer is the AUP.

Within that logic, the AUP doesn't seek to replace the buyer's work or that of their advisors. It provides documentary clarity on specific questions.

Do You Need Factual Findings for an International Transaction?

In an international transaction, the challenge is rarely a lack of information — it's turning that information into clear, traceable evidence for those who need to act on it: the deal team, the investment committee, the CFO,

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and the legal and tax advisors on the other side of the table.

At [Guillen Pujol CPA Group](#), we work with investors, family offices, private equity funds, and companies with international operations that need financial, tax, and transactional documentation to withstand third-party review.

Our related services include:

- [Agreed-Upon Procedures \(AUP\)](#): scope definition, criteria, procedures, data sources, intended users, and intended use to report factual findings on selected information.
- [International Tax Consulting & Compliance](#): review of cross-border structures, transfer pricing, treaty planning, withholding, cash repatriation, and coordination of multi-jurisdictional information for transactional decisions.
- [International Business Ownership Structuring](#): alignment between corporate structure, informational obligations, intercompany documentation, and supporting documentation across fiscal years.

If your team needs factual findings on specific information in a cross-border transaction, the next step is an evaluation session with our senior team. We review the context of the deal, the purpose of the report, the available data sources, the intended users, and the preliminary scope of procedures.

The session is exploratory: it allows us to understand your context before issuing a tailored technical proposal.

[\[Request your evaluation session\]](#)

Disclaimer: This content is provided for informational purposes only and does not constitute legal, tax, or financial advice. Before taking action, consult with qualified legal, tax, and financial professionals regarding your specific circumstances.

Editor's Note: This post is part of the '[GPCPAs Info Hub](#),' an initiative dedicated to empowering you with the knowledge and strategies needed to navigate the complexities of the U.S. tax system and financial decision-making. Visit our [Information Hub](#), a curated resource offering the latest in tax, economic, and business news, alongside actionable guidance on tax strategies, accounting, and business advisory—because Planning Tomorrow starts [here](#).

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