

# Cross Border Mergers & Acquisitions - Main Risks and How to Address Them

PANEL DISCUSSION

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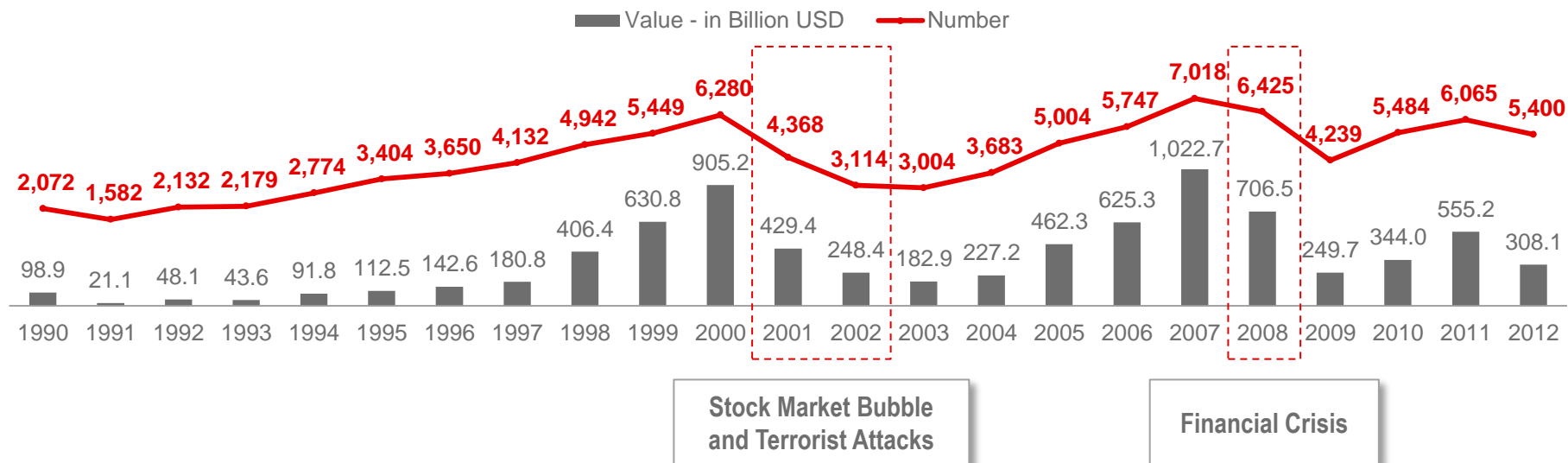
**Mathias Schröder**, Partner, *Heuking Kühn Lüer Wojtek*

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# Dynamics of Cross Border M&A

## Cross Border M&A Transaction

Value and Number of Transactions, from 1990 to 2012



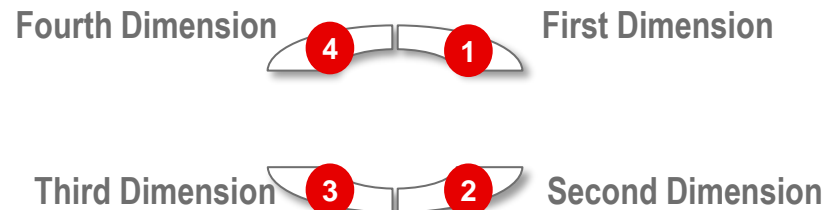
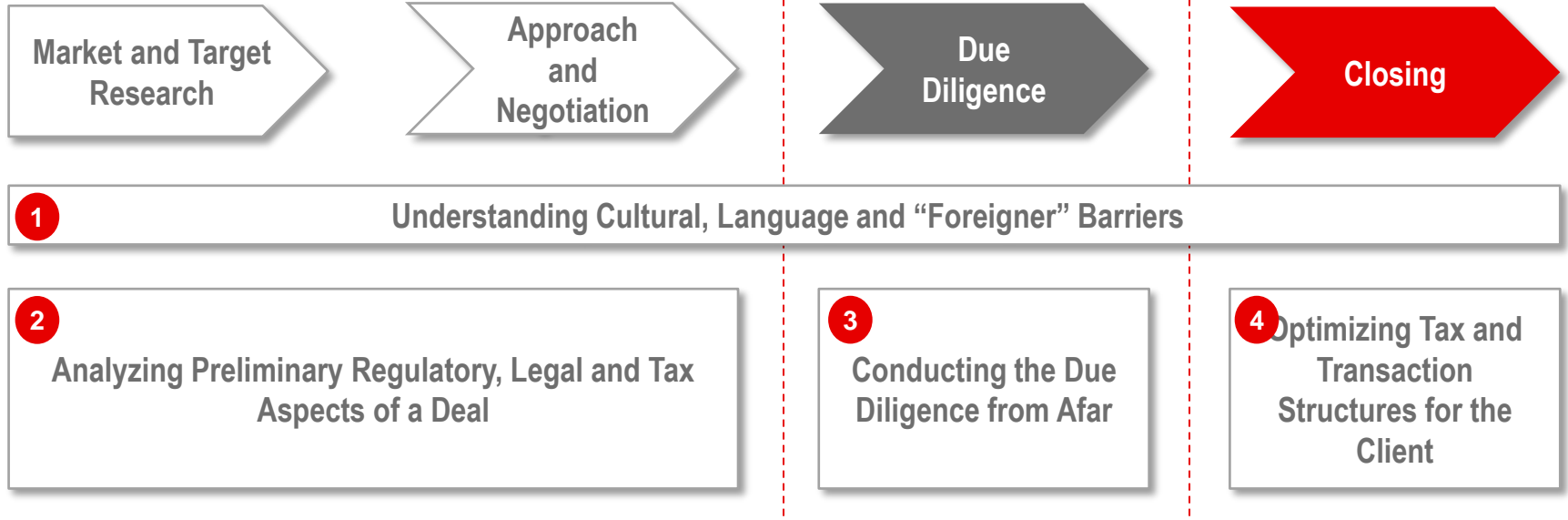
✓ Cross-border M&A activity follows a “wave” pattern, always ending when a major economic adversity intervenes:



✓ It is unknown when the next wave comes; however, as a percentage of global economic activity has been growing, and empirical evidence says the 70% of all Foreign Direct Investment is represented by M&A.

# Four Different Dimensions of Risk in a Cross Border M&A

## M&A Process and Four Dimensions of Risks





*Investment Banking & Consulting*

# Cross Border M&A: Identifying and Interpreting Transaction Risks to Ensure a Straightforward Deal

WSG Annual Conference (Rio de Janeiro)

September 20, 2013

**Takenaka Partners LLC is a boutique investment bank and consulting firm that specializes in cross-border M&A and strategic transaction advisory services.**

- **Year Founded:** 1989
- **Headquarters:** United States (Los Angeles) and Asia (Tokyo)
- **Liaison Office Locations:** U.S. (Chicago, Detroit, and New York), South Korea (Seoul), Japan (Osaka), China (Beijing), Hong Kong, Thailand (Bangkok), Singapore, France (Paris), and India (New Delhi).
- **Core Strengths:**
  - A successful history of executing cross-border M&A and strategic transactions
  - Key executives & advisors with credentials from globally recognized investment banks, financial institutions, Big 4 accounting, valuation advisory firms & strategy consulting firms
  - Long-established relationships with Corporate Japan and East Asia, providing unparalleled access to key decision-makers.
  - Professionals with multicultural and multilingual capabilities, which enable us to overcome barriers and communication issues that often arise in cross-border transaction negotiations.



**Mr. Yukuo Takenaka, CPA  
Founder, President & CEO**

## Investment Banking Services



- Greenfield Research
- Financial and Business Due Diligence
- Corporate Valuation
- Capital Investment & Financing
- Deal Structure & Negotiation
- Post-Transaction Management

## Consulting Services



- Corporate & Global Strategy
- Financial & Operational Reviews
- Industry, Market & Competitive Analysis
- Global Restructuring & Reorganization
- Management Buyouts and Leveraged Buyouts
- Liquidation, Divestitures, and Insolvency

- Global Fortune 500 Asian companies and their U.S. subsidiaries
- Private, middle-market entities, and other non-Asian companies seeking strategic investments or partnerships with Asian corporations



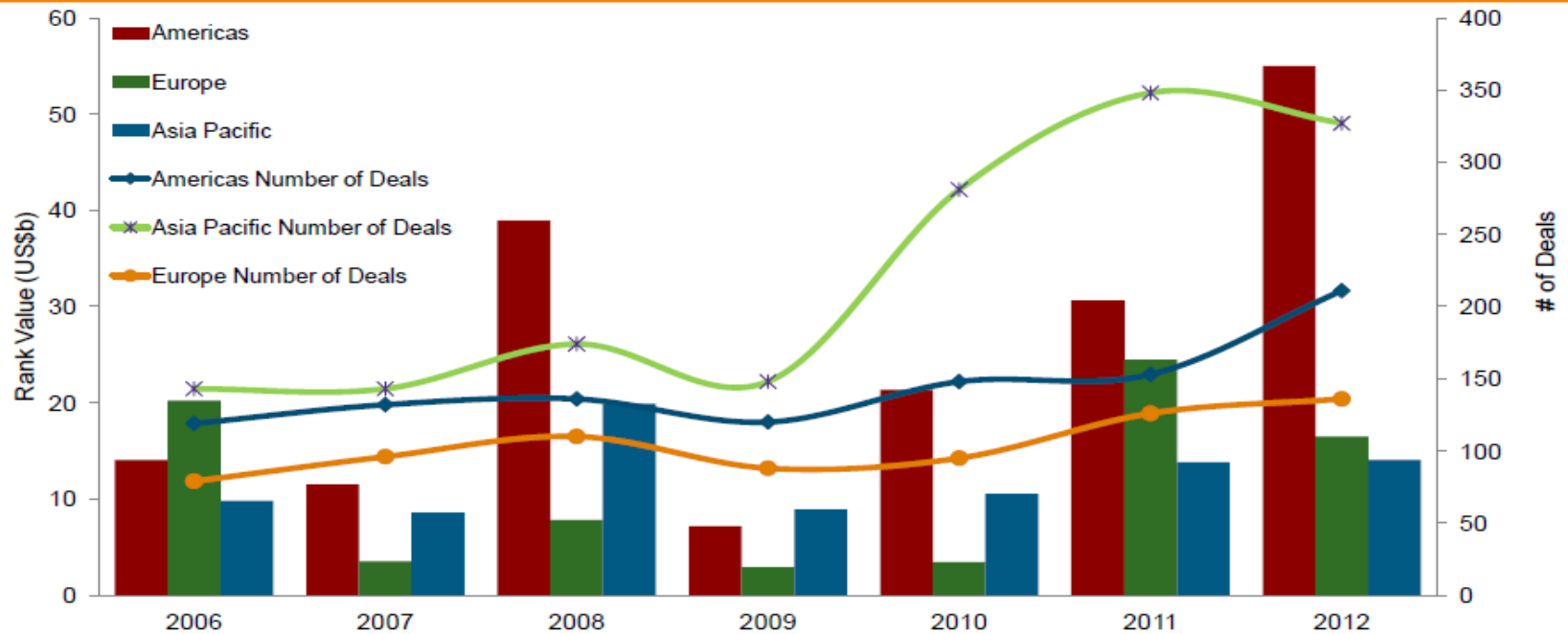
- Acquisition of the telecommunications business unit from Koninklijke Philips Electronics N.V. (Netherlands)
- Acquisition of leading security and technology company focusing on the public safety market in Argentina
- Acquisition of niche banking IT supplier and SWIFT specialist in Singapore
- Acquisition of leading provider of identity management software and services based in Canada
- Acquisition of global logistics and freight-forwarder with operations in the U.S., Taiwan, China and Hong Kong
- Acquisition of steel manufacturing company in Korea
- Acquisition of restaurant chain in Mexico
- Strategic Alliance with cranes and components manufacturer Demag (Germany)
- Market entry strategy in India on behalf of a global transport corporation with operations in over 23 countries
- Various other acquisitions or investments of U.S. companies in a variety of industries



- **Japanese companies spent a record amount in 2012 to acquire foreign assets:**
  - \$86+ billion spent for outbound M&A in 2012 (679 deals)
  - An increase of 24% from the \$68 billion spent in 2011
  - Nearly 64% of acquisitions by Japanese companies were made in the United States.
  - Japanese companies paid 10.3x EBITDA in 2012, a decline of 2.5 turns from 2011 averages (buyers are becoming more sophisticated in valuation and negotiation)
  - Average bid premia (to 4-week prior stock price) increased 0.8% over 2011 to 35.5%
  - Notable transactions:
    - Softbank Corp's \$21.6 billion takeover of 72% of U.S.-based Sprint Nextel Corp. is on record as the largest ever acquisition by a Japanese company of a foreign target.
    - Marubeni's acquisition of Gavilon Group
    - Daikin Industries' acquisition of Goodman Global Group
- **Reasons for strong M&A / investment activity:**
  - Strong yen making investment transactions cheaper combined with cash rich balance sheets and lower debt levels
  - Fundamental shift in corporate Japan's attitude to foreign M&A transactions
  - Need to diversify risk and maximize growth opportunities outside of Japan due to fundamental issues in the home country (e.g. shrinking population, weak economic growth).

**Japanese Outbound M&A Target Nation Region**

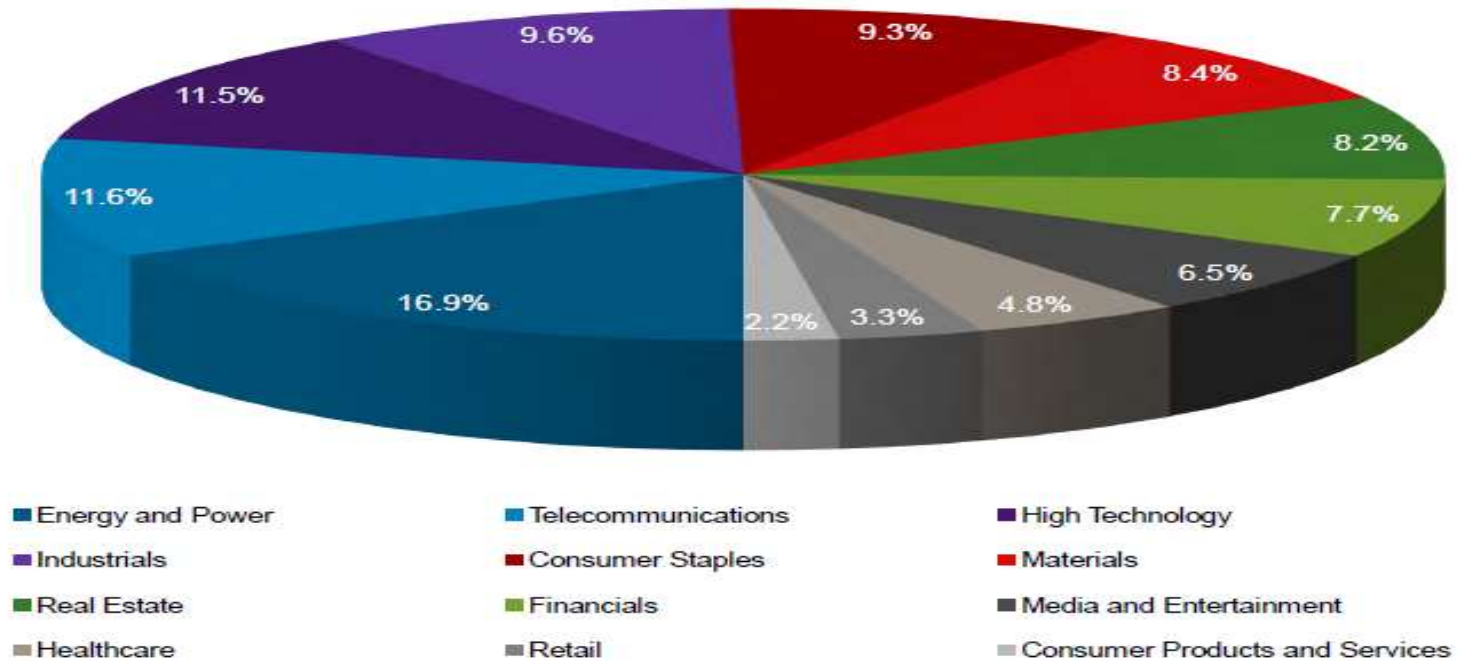
Jan 1 - Dec 31



Source: Thomson Reuters

## Top Industry Targets for Japanese Companies

Japanese Involvement Announced M&A Target Industry by Value



Source: Thomson Reuters

- Extremely detail oriented, asking many questions and requests for information during due diligence
- Becoming more sophisticated buyers in terms of pricing and deal strategy
- Deal process and decision making still takes a long time as compared to western standards due to many internal authorization processes; however, once a decision is made, they move quickly
- Tend to be good strategic partners even in a majority acquisition transaction, taking good care of management and employees (Japanese companies try to avoid drastic human resource related decisions post-transaction)
- Very important to involve an experienced advisor to help assist the Japanese company during the due diligence and negotiation phases, especially to ease any misunderstandings or communication gaps.

## Asia Headquarters



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**Cross-Border M&A**  
Analyzing Preliminary Regulatory, Legal and Tax  
Aspects of a Deal

Dr. Mathias Schröder, LL.M.

Prinzregentenstrasse 48  
80538 Munich  
Germany

## Agenda

- I. Heuking Kühn Lüer Wojtek
- II. Cross-Border M&A: Analyzing Preliminary Regulatory, Legal and Tax Aspects of a Deal

## **Our partnership is one of the leading independent law firms in Germany**

- With more than 270 lawyers, tax advisors and notaries we offer comprehensive service of consultation in business law (“full service”).
- On an international level, we cooperate with leading independent law firms, in particular within the WSG network.
- We currently operate seven offices in Germany and offices in Brussels (European Antitrust Law) and Zurich (German Law).





## Our clients are

- National and international medium-sized companies and large conglomerates in the manufacturing, trade and service industries
- Associations, public sector organizations
- Private Clients



# Heuking Kühn Lüer Wojtek is one of the leading law firms relating to German mid-market M&A

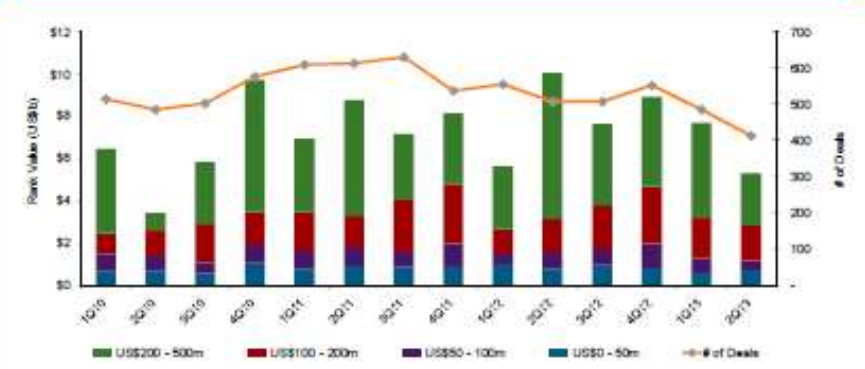
MML06 - Undisclosed Values & Values up to US\$500m Jan 1 - Jun 30

Legal Advisors	# of Dealt/er Advisor		Change in # of Deals	Rank Value (per Advisor (USD\$m))				
	2012 Rank	2013 Rank		2012 Rank	2013 Rank	1Q13 Rank	YoY Chg. (%)	
OMG	1	1	30	-8	418.5	219.5	11	-49.0
Gifford Chance	3	4	29	3	507.8	447.7	4	-44.1
Frostfields Barchhaus Deringer	5	2*	20	-8	1,216.9	927.4	1	-60.0
Jones Day	4	10*	18	0	550.1	421.5	6	-24.4
Luther Rechtsanwaltsgesellschaft mbH	5*	14	15	4	307.3	190.0	21	-37.3
PfP Pollack + Partner	9*	9	15	-5	576.5	407.8	5	-29.0
Allen & Overy	7	10*	14	5	510.0	385.0	7	-24.3
Woods & Cragg LLP	8	2*	13	3	592.5	291.4	3	-50.5
Hanger Bouvier	9	2*	11	-17	1,002.4	827.0	2	-17.9
Good LLP	10*	10*	10	-8	587.1	305.4	12	-47.8
Basar & McAnzie	10*	7*	10	-3	102.0	142.7	23	-39.2
Heuking Kühn Lüer Wojtek	12*	18	8	0	107.3	138.8	26	-18.8
Hogan Lovells	12*	7*	0	-10	80.6	71.7	36	-40.2
Linklaters	14*	13	7	-8	80.4	72.6	30	-40.3
Greiner Lutz	14*	19*	7	0	200.3	136.1	12	-30.6
DLA Piper LLP	15*	8	6	-13	6.4	5.0	55	-20.8
Pfandorf & Ellis	15*	30*	6	4	0.0	0.0	56*	-
Schoberl Kötterer & Lax	15*	30*	5	3	0.0	0.0	56*	-
Coburn Clarke	16*	70*	4	3	0.0	0.0	56*	-
SGP Stockmann + Kollegen	16*	36*	4	1	152.4	117.0	31	-23.0
Advokatfirma Vinga	19*	70*	4	3	56.7	43.8	42	-
Gowling Lafleur Henderson LLP	22*	-	3	3	296.3	227.0	17	-
Heuff & Duran	22*	-	3	3	7.9	6.0	52	-
Wilberg Rein & Qi	22*	-	3	3	76.4	60.7	36	-
Tache Schumann Comichaus	22*	70*	3	3	0.0	0.0	56*	-
GÖRG Rechtsanwälte	22*	30*	3	0	0.0	0.0	56*	-
Kahrst	22*	16*	3	-4	45.1	31.3	44	-27.7
McNeil Rose	22*	32*	3	-2	0.0	0.0	56*	-
Davis Cassels & Graydon	22*	30*	3	0	22.3	21.7	48*	-42.6
Clawson	22*	30*	3	1	0.0	0.0	56*	-
Winkle Parr & Gallagher	22*	32*	3	-2	356.3	296.3	14	-4.4
Osney Gottlieb Steen & Hamilton	22*	32*	2	-4	416.5	316.0	10	-23.2
Leyens & Loeb	32*	31*	2	-2	0.0	0.0	56*	-
Gomez Acoba & Pombé	30*	70*	2	1	0.0	0.0	56*	-
Rieder Grosswang	30*	-	2	2	12.3	9.4	51	-
BJ Berntz	30*	70*	2	1	473.1	303.0	9	-
Rowd and Partner	30*	31*	2	-2	0.0	0.0	56*	-
MünchKern & Swoboda Advokattens	30*	30*	2	0	85.3	83.8	36	-
SGTTCU SUTJO-AROT	32*	19*	2	-5	0.0	0.0	56*	-
IGTM	32*	-	2	1	0.0	0.0	56*	-
Commissaire Generalis Perels	32*	70*	2	1	196.8	142.8	22	-
Goldman	32*	22*	2	-4	0.0	0.0	56*	-
LAWH	32*	-	2	2	0.0	0.0	56*	-
Havel Haskel & Partners arc	32*	36*	2	-1	0.0	0.0	56*	-
Oryan Cave LLP	32*	70*	2	1	0.5	0.4	57	-
King & Wood Malleson	32*	30*	2	0	102.8	120.8	27	-13.8
Advokatfirma Wiersholm AG	32*	70*	2	1	0.0	0.0	56*	-
Wilson Sorokin Goodrich & Rosati	32*	-	2	2	0.0	0.0	56*	-
Milbank Tweed Hadley & McCloy	32*	30*	2	0	0.0	0.0	56*	-
Perkins	32*	15	2	-3	199.7	82.0	34	-58.1
Sar & Hauer	32*	-	2	2	0.0	0.0	56*	-
King & Spalding	32*	-	2	2	0.0	0.0	56*	-
Latham & Watkins	32*	7*	2	-18	99.6	60.3	37	-
Wiel Gotshal & Manges	32*	30*	2	0	0.0	0.0	56*	-
Chromard Studio Legal	32*	-	2	2	0.0	0.0	56*	-
Industry Total			591	-106	12,869.3	8,378.0	-17.1	-

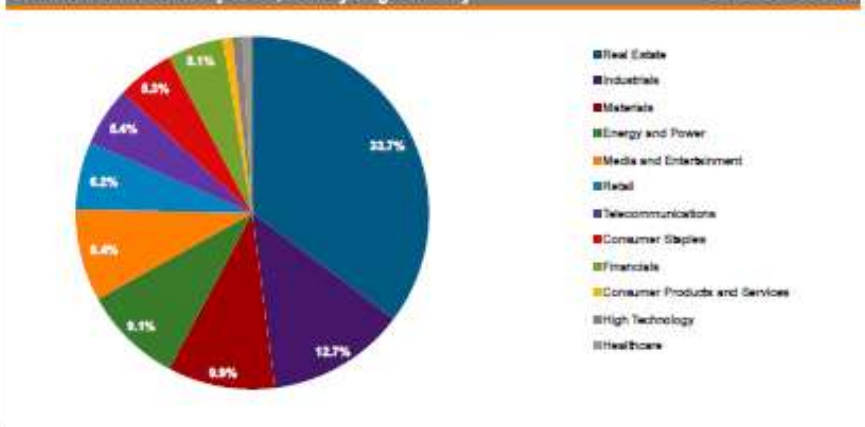
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Quelle: Thomson Reuters

German Mid-Market M&A up to US\$500m by Rank Value Range



German Mid-Market M&A up to US\$500m by Target Industry Jan 1 - Jun 30 2013



## Agenda

- I. Heuking Kühn Lüer Wojtek**
- II. Cross-Border M&A: Analyzing Preliminary Regulatory, Legal and Tax Aspects of a Deal**

## Size of parties is relevant when preparing a transaction

### Multi-national players



- Trend: **Decreasing** number of transactions leads to lower overall M&A volume
- Challenge: Transactions become more and more **complex**

### Medium-sized companies



- Trend: **Increasing** number of cross border transactions leads to higher M&A activity
- Challenge: Transactions in **unfamiliar environment** („Once in a lifetime deal“)

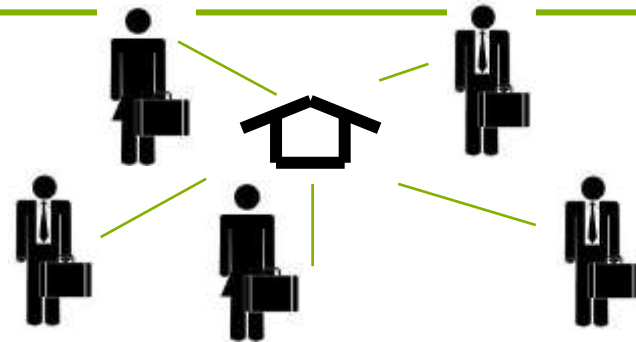
## Cross-border transactions require a competent team

### Multi-national players



- Inhouse experts supervise or even lead the transaction
- Experienced external counsels accompanying the transaction
- Expertise in cross-border transactions

### Medium-sized companies



- „Family lawyer“ is not sufficient as single advisor
- Additional international experts and local counsels required
- Professional preparation required to prevent high costs or even failure of the transaction

## Investigation of regulatory environment to assess feasibility of the transaction

### ■ Prohibition and constraints by national investment regulation

- Restrictions in special sectors as media, banking, food, pharma, defense, insurance, utilities or real estate
- Obligation to implement special investment structures such as a JV company

### ■ Control mechanisms of national authorities

- Permission and concession procedures regarding investment of foreigners
- Influence of national authorities via merger control possible

*„A new bottleneck: International dealmaking is growing more complex and expensive as companies must win approval from regulators in up to 100 countries.“*  
 Financial Times, August 28, 2013

## Evaluation of applicable laws to determine major issues from a legal perspective

### ■ Corporate law

- Structure of the transaction

### ■ Special rules and restrictions under national law

- Assessment of potential impact on „national security“

### ■ Antitrust law

- Determination of relevant jurisdictions
- Restrictions of mergers and acquisitions

### ■ Patent law

- Applicability of patent protection

*“Patent wars: Has India taken on Big Pharma and won? A game-changing ruling may force drug companies to put patients, rather than profits at the heart of its business model”*

*The Guardian, May 14, 2013*



## Tax considerations to identify the most effective investment structure

### ■ Tax aspects regarding the investment structure

- Evaluation of tax laws of countries involved
- Investment structuring to optimize tax

### ■ Other tax aspects

- Trade tax
- Stamp duty
- Real estate transfer tax





**Thank you very much for your attention!**

Heuking Kühn Lüer Wojtek  
[www.heuking.de](http://www.heuking.de)

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# **Cross Border M&A: Identifying and Interpreting Transaction Risks to Ensure a Straightforward Deal**

**CONDUCTING DUE DILIGENCE FROM AFAR**

**September 20, 2013**

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David A. Allard, Partner  
LL.B (University of British Columbia),  
B.C.L. (Oxford)

# LAWSON LUNDELL LLP

- Lawson Lundell LLP is a leading Western Canadian business law firm with offices in Vancouver, British Columbia Calgary, Alberta; and Yellowknife, Northwest Territories.
- We specialize in mergers and acquisitions, corporate finance, taxation, litigation and dispute resolution, resource development, regulatory proceedings and environmental, aboriginal, banking and pensions issues.
- Key areas of industry focus include the energy, forestry, mining and technology industries.
- Clients are leaders not only in our jurisdictions, but also around the world.



# LL CLIENTS REQUIRING DUE DILIGENCE “FROM AFAR”



# PRIMARY CROSS BORDER DUE DILIGENCE FACTORS

Following initial risk assessment for cultural, language or “foreigner” barriers and primary regulatory, legal and tax risks, cross border M&A due diligence customarily requires consideration of four primary factors:

- What
- Who
- How
- When



# THE WHAT FACTOR

The WHAT factor is what /are the key legal issues related to the target jurisdiction, whether as part of threshold or detailed due diligence.

## EXAMPLES:

- Title to Property/Tenures
- Taxation
- Industry Specific Regulation
- Competition/Anti-Trust
- Foreign Investment/Exchange Control
- Environmental
- Aboriginal
- Foreign Corrupt Practices Issues
- Physical Safety and Security Risks

# THE WHO FACTOR

The WHO factor is who are the key advisors who can carry out the due diligence. World Services Group can be a vital component and resource in this part of the diligence process.

## EXAMPLES:

- Lawyers
- Financial Advisors
- Accountants
- Other Specialists  
(Operational, Environmental,  
Aboriginal, Safety, Security)





# KEY ADVISOR SELECTION CRITERIA

The selection of key advisors goes to the core of a successful due diligence process, including a clear understanding of the target in its jurisdiction of operation; transaction implementation; and operations post-closing.

Major factors to consider (some non-legal) are the following:

- Language and communication
- Reporting expectations and timeliness
- Culture, politics, rule of law





# THE HOW FACTOR

The HOW factor is how are we (advisors) and the client to manage and allocate responsibilities among the regular (home jurisdiction) advisory and management team and the local (target jurisdiction) advisors.

## EXAMPLES:

- Geographic location
- Lines of communication
- Clear allocation of responsibilities
- Clear common understanding of issues

# THE WHEN FACTOR

The WHEN factor is timing: when is the due diligence report required.

Timing can be a significant challenge in multi-jurisdictional, cross-border M&A both in terms of ensuring completion for review and, most importantly, performing adequate due diligence on a timely basis to assess “deal killers”.



# PRIMARY RISKS OF FAILURE

- Failure of the transaction - due to uncertainties or disagreements with the counter party (as a result of incomplete understanding/lack of information)
- Severely negative economic or operational consequences - incomplete identification or understanding of risks may result in increased costs of operations, loss of revenue opportunities and/or frustrations in carrying out operations post closing
- Liability, enforcement actions and litigation –including class actions, negligence claims, securities law violations, regulatory enforcement and foreign corrupt practices exposure

# EXAMPLES OF CHALLENGES OF DUE DILIGENCE FROM AFAR

## Sino-Forest Corp.

- A Chinese forest products company listed on the Toronto Stock Exchange.
- A Cdn \$7.0 billion class action filed seeking damages against the company, its senior officers and directors, its auditors (E&Y) and its underwriters.
- Claims based on alleged material misstatement of the company's assets and operations.
- In June, 2013 E&Y settled the claim against it for Cdn \$117 million.
- Basis of the claim against E&Y was a lack of diligence in reviewing the company's ownership of timber rights in China.



# EXAMPLES OF CHALLENGES OF DUE DILIGENCE FROM AFAR

## Hudbay Minerals Inc.

- *Choc v. Hudbay Minerals Inc.* (2013, Ontario Superior Court of Justice) highlights the risks of operating in a foreign jurisdiction, in this case Guatemala.
- Claims based on serious human rights related allegations (including rape and murder) against the Canadian parent in respect of a subsidiary operating in Guatemala.
- Merits not yet tested, but the Canadian court agreed the claims may be brought against the parent company in Canada.
- May pierce the corporate veil and be a precedent with wider application
- Highlights the need for vigilance in assessing ongoing foreign operations and acquisitions.



# EXAMPLES OF CHALLENGES OF DUE DILIGENCE FROM AFAR

## Enbridge Inc.

- A major Canadian energy company
- Its Northern Gateway Project is a proposal to build a Cdn \$6.5 billion pipeline from the Alberta oil sands to the Canadian west coast (through British Columbia) destined for the Asian markets.
- Project has met with unprecedented opposition (environmental and aboriginal groups in particular and a large segment of the BC public generally)





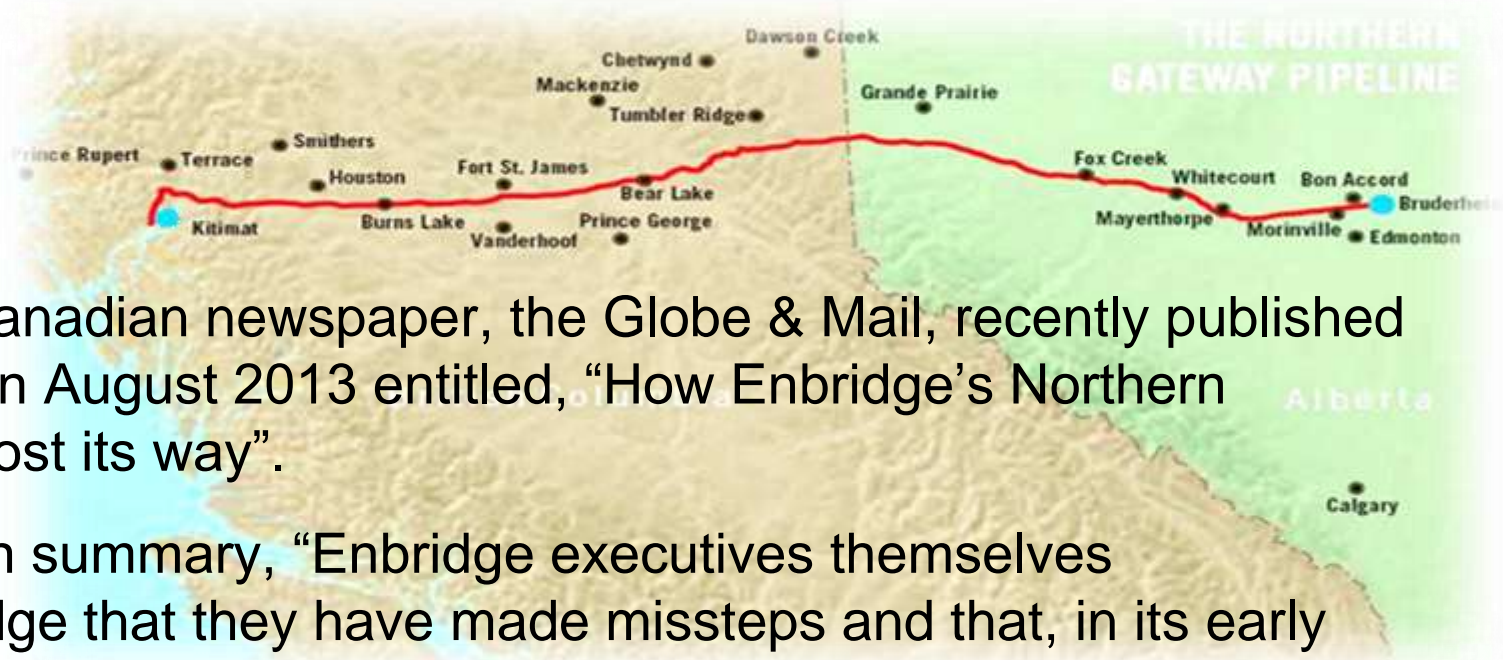
# EXAMPLES OF CHALLENGES OF DUE DILIGENCE FROM AFAR

## Enbridge Inc.

- A major Canadian newspaper, the Globe & Mail, recently published an article in August 2013 entitled, “How Enbridge’s Northern Gateway lost its way”.

It stated, in summary, “Enbridge executives themselves acknowledge that they have made missteps and that, in its early days, the Alberta company did not fully understand British Columbia; that it leaned too heavily on outside help; and that it had not listened well enough.”

- Moral of the story: Due diligence “from afar” need not be very far at all.





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***Cross Border M & A :***  
**Identifying and Interpreting Transaction Risks  
to Ensure a Straightforward Deal**

***Optimizing Tax and Other Transaction  
Structures for the Client***

***by: Peangpanor Boonklum***

**The 2013 WSG Annual Meeting, Rio de Janeiro, Brazil**

# *Weerawong, Chinnavat & Peangpanor Ltd. – Profile*



## **The Firm . . .**

- **Thai independent law firm:** over 60 lawyers and 11 partners, providing, full legal services; banking & finance, capital markets / securities, corporate, litigation & arbitration, and mergers & acquisitions
- **Formerly operated as *White & Case (Thailand) Limited*:** established in 1993
- **Dedicated to adding value for Thai / international clients:** in all types of legal transactions and dispute resolution
- **Known for technical / practical problem-solving skills:** focus on complex issues of Thai law / regulations / cross-border work
- **Represents:** private, state enterprise / public sector clients
- **Coverage :** Thailand and the region (*and follow the client wherever they go*); Our Indochina Practice has been established office with the Yangon Office will be opened by the end of 2013

# How Are We Doing ?



## Independent Views . . . Firm

- **Most Responsive Domestic Law Firm – Thailand; Energy and Natural Resources-Thailand Firm of the Year 2013, ASIA-MENA COUNSEL, In-House Community**
- **Thailand Firm of the Year 2012, Capital Markets, Restructuring & Insolvency, ASIA-MENA COUNSEL, In-House Community**
- **Band One – Capital Markets, Chambers Asia (2009-13)**
- **Tier One – Mergers & Acquisitions, IFLR1000 (2010-13)**
- **Band One – Restructuring & Insolvency, Chambers Asia (2013)**
- **Highly Recommended – Firm Dispute Resolution, AsiaLaw Profiles (2013)**

# *Cross Border M&A*

## **Optimizing Tax and Other Transaction Structures for the Client**

# *Optimizing Tax and Other Transaction Structures for the Client*

- **Clients operate in a very competitive environment**
  - proper and competitive legal and tax structures can give them an edge over their competitors; minimize what can turn to be [unquantified] legal risks.
  
- **When the right structures are needed?**
  - at the time of entering into M&A
  - during the live of the venture
  - at the time of exit

# *Optimizing Tax and Other Transaction Structures for the Client*

- **Governments, Regulators and Tax Authorities have lately followed closely** : how sophisticated they can be? Samples of issues and limitation on structures include:
  - Foreign ownership limit and the structure to maximize the economic benefits and control
  - Takeover (tender offer regulations in case of publicly listed companies)
  - Anti-trust/Merger control and filing
  - Foreign exchange laws
  - Tax structuring : Sham transaction/tax avoidance vs. tax evasion/tax treaty shopping

# *Optimizing Tax and Other Transaction Structures for the Client*

## *PHASE I : GETTING INTO M&A*

### ▪ **Acquisition Structure : Shares vs. Assets/Business**

- legal viability and risks : foreign ownership restriction on shares, especially in regulated businesses, such as commercial banking, insurance, telecommunication; holding real property e.g.
  - Thai laws consider a company with 50 % or more held by foreigners as foreign companies while Myanmar consider a company with one share held by foreigner as a foreign company
  - Vietnam prescribes the term of license, then forces dissolution if not extended.

# *Optimizing Tax and Other Transaction Structures for the Client*

- preference (commercial aspects)
- transactional costs (transaction taxes/transfer fees, etc.)
  - o Income tax/capital gain tax/withholding tax; VAT; Business Tax; Transfer fee; Stamp Duty : Possible exemption or waiver / reduction
  - o who is responsible for such taxes (legal obligation/commercial deal) ?
- legal implications/risks (liabilities)



# *Optimizing Tax and Other Transaction Structures for the Client*

- **Acquisition Funding: Financing/Leverage Buy Out**
  - legal restrictions (thin capitalization/permitted activities)
  - available security
  - transactional costs (withholding tax on interests, etc.)

# *Optimizing Tax and Other Transaction Structures for the Client*

## **PHASE II : LIVING WITH THE ACQUIRED ENTITY / BUSINESS / ASSETS**

- **Economics Benefits** : Consideration includes:
  - all tax implications (income, VAT, business tax); deductibility of expenses
  - dividends payments/remittance tax
  - foreign exchange control
- **Governance Structures via** :
  - Board of directors / shareholders; deadlock

# *Optimizing Tax and Other Transaction Structures for the Client*

## **PHASE III : EXIT**

- **Exit Structure : Shares vs. Assets**
  - legal viability (listed vs. non listed securities)
  - commercial agreements (right of first refusal/right of first offer; drag along; tag along; shoot out, etc.)
  - preference (commercial aspects)
  - legal risks (liabilities)
  - transactional costs (transaction taxes/transfer fees, etc.), e.g. sale of shares/assets vs. return on capital

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## **Factors for Consideration**

- Risks allocation : Sellers/Buyers
- Risk appetites amid changing legal environment and government' scrutiny
- Variances in sophisticated legal and tax regimes in different jurisdictions
- Balance / prioritize needs

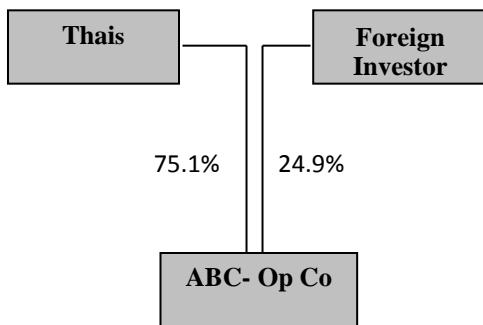
## And

- Engage Experts
  - - Financial Advisors
  - - Accounting/Tax/Legal Advisors

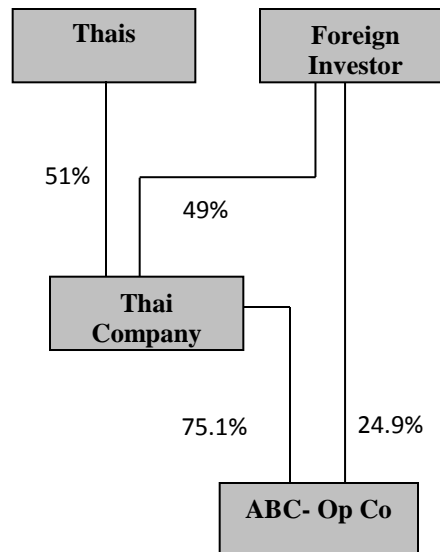
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The laws allow foreign shareholders to hold less than 25 %  
in an insurance company

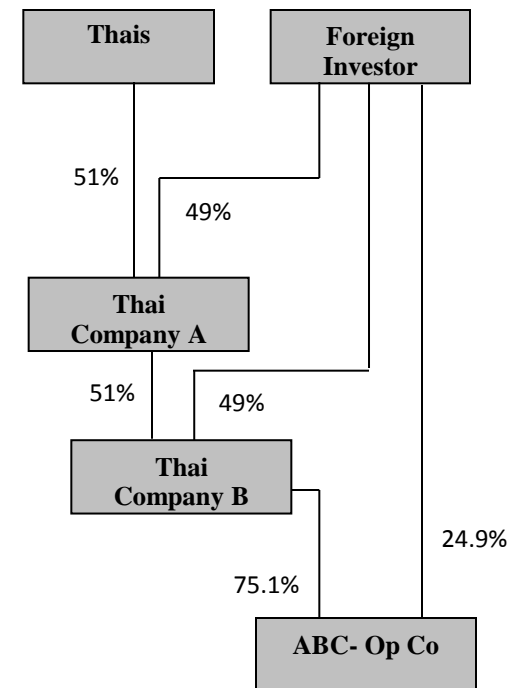
## 1. Most Conservative Approach



## 2. Less Conservative Approach

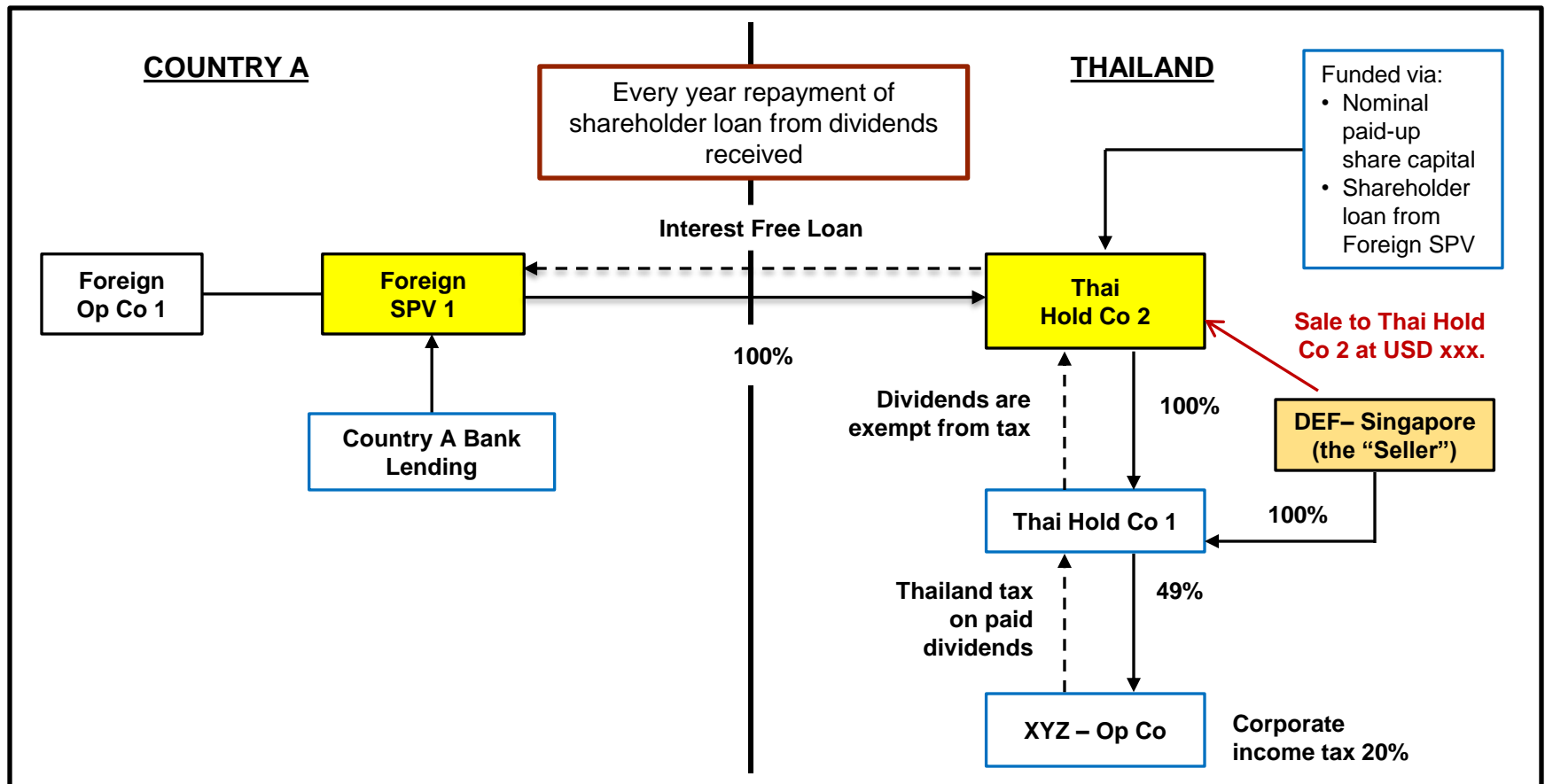


## 3. More Aggressive Approach



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## Sample Tax Structure at Acquisition, During the Live of Venture and For Exit



*Thank you*

**Q&As**





WSG Annual Meeting  
**Rio De Janeiro**  
18-20 September 2013

