

Setting up a SPAC? Here's how we can help

Is a special purpose acquisition company ("SPAC") right for you?

Here's a quick introduction to SPACs and some of the main reasons why asset managers are using them:

A 'blank cheque' company

A SPAC raises capital through an initial public offering ("IPO") with the sole intention of acquiring a target company, which will then become the listed entity. SPACs behave similarly to private equity firms in that the sponsor raises funds to strategically buy companies, except the SPAC executes a public, instead of a private, offering.

Targeting high growth, early stage businesses

SPACs enable companies that are future candidates for an IPO to tap into public markets sooner, with the risk of an unsuccessful listing mitigated as investor commitment is secured in advance. Collaborating with a SPAC sponsor that has a strong track record can be advantageous as the sponsor's reputation, expertise in Special Purpose Acquisition Companies (SPACs) and standing in the market will generally provide a more favourable outcome when accessing public market liquidity.

Speed to market

While the typical IPO process can take 2-3 years from start to finish, the listing of a SPAC can be achieved in a significantly shorter time frame. Lengthy negotiations with underwriters are also often unnecessary.

Flexibility for investors

SPACs normally have two years to complete an acquisition or they must return their funds to investors, who can also exercise a redemption right if they're not supportive of the vehicle's proposed acquisition.

An alternative route to IPO

A merger with a SPAC can achieve a fast track route to IPO for a private equity fund's portfolio company. Private equity managers can also create SPACs within their own funds in order to acquire and list new target companies, or to create co-investment SPACs with their existing investors. This can provide a route to IPO for their own target companies or act as a separate investment strategy to the main fund.

How we can support you

Having decided to establish a SPAC, your advisers will provide you with guidance and counsel on the listing process and the associated structuring considerations. A key part of this process will involve determining the appropriate stock exchange on which to list the vehicle. The London, Frankfurt and Netherlands exchanges are typically the preference for listings in Europe.

Working alongside you and your advisers, we can provide a comprehensive range of services to your SPAC, from incorporation through to supporting with the complex listing process and your ongoing administration requirements:

Incorporation

- Acting as nominee shareholder
- Providing initial directors
- Set up of bank accounts
- Liaising with notaries
- Assisting with operating memorandum

Pre-listing

- Quarterly reporting

- Payment of third-party fees/cash management

IPO

- Assistance with drafting documents required for the IPO, including prospectus, FPPP and terms of reference for committees
- Liaison with the book runners, accountants, registrar and lawyers to facilitate the IPO on behalf of the sponsor

Post-IPO

- Ensuring that the SPAC remains in good standing in the local jurisdiction
- Ongoing compliance with the relevant listing rules □
- Ongoing administration services, including: registered office, accounting services, listed company secretarial and cash management
- Ongoing services to the listed vehicle

Why work with us?

SPAC experience

We've supported a number of listings in Europe, including SPACs listed on major European stock exchanges - knowledge we can draw on and insights we can apply when servicing your requirements.

Specialist listed expertise

We have listed specialists, well-versed and experienced in administering listed vehicles, who can manage all aspects of the listing process and provide ongoing transactional, regulatory and governance support.

A central point of contact

Our dedicated team acts as the central point of contact between the paying agent, listing agent, subscription agent and settlement agent, allowing you to focus on core activities.

Multi-jurisdictional capabilities

We can service your SPAC and wider fund and corporate structures across the major jurisdictions, including Guernsey, Jersey, Luxembourg and the Netherlands – the jurisdictions typically favoured for the provision of administration services to SPACs.

Dedicated relationship team

We'll provide you with your own dedicated team of specialists, including qualified company secretaries and corporate administrators, ensuring you have relationship continuity and the right expertise on hand when you need it. Your relationship team will also be supported by a range of in-house experts in areas such as compliance, risk, law, financial systems and regulatory reporting.

Market-leading technology

We use best-of-breed systems, such as Board Intelligence and ViewPoint, to drive efficiency, deliver best-in-class reporting and maintain the highest standards in operational control and information security. We'll also be as flexible as you want us to be, deploying our own technology, using your existing platform or a combination of both.

Robust controls

We're ISAE 3402 Type II accredited for our management controls and ISO 27001:2013 certified for information security, meaning that you can be confident we're delivering our services in line with best practice.

Want to learn more?

To discover for yourself what makes us The Bright Alternative and how we can support you, please contact:

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