

High growth companies and how to fund them – a real driver of economic growth?

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The working session in Prague is entitled “*High growth companies and how to fund them – a real driver of economic growth?*” In the working session we plan to address funding alternatives for high growth companies (i.e. companies with significant annual growth over time); opportunities and challenges that both entrepreneurs and investors may encounter in your jurisdiction. The working session will also look at corporate governance issues in connection with investments in high growth companies. This questionnaire mainly concentrates on these two topics in relation to high growth companies, but will also cover commercial and regulatory opportunities and constraints.

1. CORPORATE FINANCE – FUNDING ALTERNATIVES

1.1 Which financial instruments are typically used when investing in high growth companies; ordinary shares, preference shares, convertibles, warrants, stock options, debt instruments such as bonds, hybrid instruments such as participating debentures etc.?

Dutch law is flexible with respect to various types of financial instruments. Consequently, a variety of financial instruments is used in Dutch high growth companies. For example: ordinary shares, preference shares, shares without voting rights, shareholders' loans, convertible loans, bank loans and various other debt instruments.

Debt is often used to fund high growth companies but such companies are also good candidates for equity investments. High growth companies are generally building and scaling the company's infrastructure and working capital and require all available cash to be directed towards supporting the company's growth instead of towards servicing debt. This is obviously something to take into account when investing into a high growth company. Investors should also take into account various other factors when choosing the most appropriate financing instrument. Which financial instrument will be preferred, largely depends on the amount of the investment and how much risk the investor is willing to take. In case of smaller investments, for example, debt financing is often the preferred instrument.

As set out above, there is not one typical financial instrument used in the Netherlands. The legal frame work offers a lot of flexibility and therefore many types of financing instruments can be (and are) used, taking into account of course, amongst others, regulatory and tax aspects.

1.2 Please elaborate on the pros and cons of the instruments used (ref. 1.1 above) (Describe 2-3 most widely used instruments more in-depth (any combinations as well, if applicable). Also other features, i.e. typically electronically registered instruments or not? etc.)

Generally, debt financing is considered to be an inexpensive source of capital for business, especially when compared to equity, which involves giving up part of the ownership of the company.

An important distinction when weighing the rewards of shares vs. debt instruments is that shares have (theoretically) an unlimited ability for appreciation. Accordingly, there is in principle no upper limit to how valuable they can become. On the other hand, a lender generally knows the upper limit to

expect on such an investment, especially if it is held to maturity. A debt instrument can, under certain circumstances, be sold at a premium prior to maturity, but the potential for appreciation here is nowhere near as great as it is for shares.

Both options have their risks as well. With shares, although theoretically there may be no ceiling, there is a bottom. Shares can drop in value and become worthless. With loans, there is an interest rate, inflation and credit risk. Credit risk is the risk that the borrower will be unable to make its payments on time or at all, effectively defaulting on the loan. In smaller businesses, personal guarantees are often required on debt instruments.

Another fundamental difference between equity and debt investors is that equity investors become partners while debt investors become creditors. Since equity returns depends on a company's growth and success, equity partners have greater incentive to help the owners grow the business, while a creditor is primarily concerned with ensuring the business can cover its periodic interest payments.

1.3 Are there any regulatory constraints to the instruments used (ref. 1.1 above)?

Introduction

The below is a brief overview of Dutch regulatory constraints to instruments as mentioned under 1.1 above, from an entrepreneurs' and/or investors' perspective. With respect to each specific financial instrument and in each specific case, it should be carefully considered which (other) Dutch regulatory requirements are applicable.

Prospectus requirements

Under the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*, the **AFS**) no party may offer transferrable securities to the public in the Netherlands, unless a prospectus is generally available in respect of the offer which has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**) or by a competent authority of another Member State, unless an exemption applies. With regard to marketing (advertising) and the contents of the offering/prospectus specific (on-going) AFS-requirements apply, including additional requirements for offerings to retail investors.

Prohibition of inviting repayable funds

Under the AFS it is not permitted for persons or legal entities, not being a licensed bank, in the pursuit of a business outside a restricted circle (i.e. from the public), to invite, acquire or have the disposal of repayable funds (e.g. loans) from parties other than professional market parties. This prohibition however does not apply to, amongst others, those inviting repayable funds by providing transferrable securities in accordance with the Dutch prospectus rules (see above) and in case

the funds that are attracted from one party amount at least to EUR 100,000 (nominal value). In addition, on request, the Dutch Central Bank (*De Nederlandsche Bank*) may, whether or not for an indefinite period and under requirements, grant dispensation from the prohibition.

1.4 Is crowdfunding a funding alternative in your jurisdiction? How wide is the practice? If at all, please describe pros and cons.

Crowdfunding can be a good alternative for investing and raising money in the Netherlands, in particular in cases where traditional finance parties, such as banks, are not willing to provide for funding. Following developments in the US, several crowdfunding platforms, such as 'Geldvoorelkaar' and 'CrowdAboutNow', were launched in the Netherlands over the past few years. The Dutch crowdfunding market is still relatively small compared to the crowdfunding market in other countries, especially the US. However, it has been growing at an impressive pace. The total value of crowdfunding transactions in the Netherlands increased by 50% last year. In 2013, a total of 1,250 projects have been crowdfunded in the Netherlands involving a total amount of EUR 32,000,000. It is expected that this amount will exceed EUR 60,000,000 in 2014.

We note that crowdfunding in the Netherlands will trigger various legal requirements and challenges that need to be dealt with (e.g. regulatory, privacy, civil law and tax law). The various legal aspects adhering to crowdfunding can lead to (substantial) costs for the parties involved. These costs may form a barrier for new parties intending to enter into the Dutch crowdfunding market.

2. INVESTORS VIEWPOINT – OPPORTUNITIES AND CONSTRAINTS, LEGAL AND COMMERCIAL

2.1 Who are typical investors into a high growth company in your jurisdiction? Sources of funding (i.e founders-family-friends, angel investments, venture capital investments, private equity)

According to the Dutch 'FD Gazellen top 100' (being the 100 fastest growing companies in the Netherlands), approximately 90% of the Dutch high growth companies uses equity of (one or more) of its founders to finance its early stage business. However, often such equity will not be sufficient. Consequently, the company will be required to raise external funds at a certain stage of its development. As described under 1.1 above, the type of (external) funds a business might raise will depend on various factors.

According to the Dutch 'FD Gazellen top 100', a 'traditional' bank loan is (still) the most common way of financing the (high growth) business. In this regard, it should be noted however that, due to the difficult economic environment, banks have become more cautious in providing credit which makes it more difficult for individual companies to attract (sufficient) bank financing.

Apart from attracting bank financing, venture capitalists and angel investors are a good alternative. In addition to such investors, also other (less) typical investors, such as friends and family, make investments into high growth companies. We note however that investments by friends and family are often used as pre-seed capital for start-up ventures. This source of funding is attractive because it is often available without or only limited interest and entrepreneurs are normally not required to repay such loans on any pre-arranged schedule. Private equity is not a very common source of funding of Dutch high growth companies. Amongst 'the Gazellen top 100', for example, only 2% of has been financed with private equity.

2.2 Is there a typical size of the investment into a high growth company in your jurisdiction?

There is no overall typical size of investment into high growth companies in the Netherlands. The size of the investment very much depends on the preferred financial instrument, the type of business, the stage of the business' / company's development, existing financing arrangements etc.

2.3 Describe the process of documenting the investment (Which documents are typical? Which terms need to be included in the articles to be enforceable? etc.)

Equity

The investment documentation that will be required, obviously, very much depends on the type of investment. In case of an equity stake, for example, the following documents (amongst others) will normally be negotiated / entered into: a participation and shareholders' agreement, a notarial deed of issue of shares, articles of association of the company and possibly also one or more shareholder's loan agreements. In addition, various corporate resolutions, powers of attorney etc. will normally also be required.

Especially with regard to the notarial documentation (i.e. the deed of issue of shares and the articles of association of the company) certain requirements pursuant to (mandatory) Dutch law have to be taken into account. For example: (i) the articles of association have to state the name, the registered seat and the objectives of the Dutch limited liability company (*besloten vennootschap met beperkte aansprakelijkheid; BV*) and (ii) the articles of association have to contain provisions in case of absence or impediment of managing directors' and/or supervisory directors' (if any).

We note that it is not always advisable to incorporate too many specific (commercial) arrangements agreed upon in a participation and shareholders' agreement in the articles of association. First of all this is not always permitted by law. Furthermore, the articles of association have to be filed with the trade register of the Dutch Chamber of Commerce and are (for that reason) publicly available.

Furthermore, the transfer and issuance of shares in the capital of a BV, requires the execution of a notarial deed executed before a Dutch civil law notary. The particulars of the shares issued are registered in the company's shareholders register. The amount of the issued and paid-up share capital is also registered with the trade register of the Dutch Chamber of Commerce.

In any event, it is advisable to have a clear and well-written participation and shareholders' agreement, and to harmonise the articles of association with this agreement. It should be noted that the articles of association in principle prevail over the participation and shareholders' agreement, although it is normally agreed between the parties to such agreement that, in the event of any ambiguity or discrepancy between the provisions of the agreement and the articles of association, the provisions of the agreement shall prevail *between the parties*, to the extent permitted by law.

Debt

In case debt instruments will be used for financing of the high growth business, the process of documenting the investment is substantially different. In such case, at least the following documents will normally be negotiated / entered into: a loan agreement and security documentation (e.g. notarial deed of pledge of shares). In addition, various corporate resolutions, powers of attorney etc. will normally also be required.

2.4 Are there incentive schemes for investing into high growth companies (governmental grants (including co-investment funds, state as a guarantor of loans, etc.)?)

The Dutch government has been very proactive in supporting high growth companies. In the Netherlands, policy makers have set up several incentive schemes for investors in (high growth) companies. For instance, the government has set up: (i) the SEED capital-scheme, (ii) the Dutch Venture Initiative, (iii) the Growth Facility Scheme, (iv) the SME+ Innovation Fund, (v) the Business loan guarantee scheme, (vi) the Qredits Micro finance and (vii) the Growth Accelerator.

(i) SEED capital-scheme

This is a seed and early-stage co-investment fund, formerly called the Technopartner seed-facility. The SEED capital-scheme allows emerging technology and creative entrepreneurs to be assisted by investors to convert their knowledge into suitable products or services. The scheme improves the risk-return ratio for investors and increases the financing possibilities for emerging technology and creative entrepreneurs. Emerging entrepreneurs can turn to the participating investment funds for this.

(ii) Dutch Venture Initiative (DVI)

The DVI investment fund improves the access to the risk capital market for rapidly-growing innovative companies. DVI is a fund-of-funds initiative launched jointly by the European Investment Fund (EIF) and a Dutch regional venture capital company ('Participatiemaatschappij Oost Nederland') with the support of the Dutch Ministry of Economic Affairs.

(iii) Growth Facility Scheme

The Growth Facility Scheme (*Regeling Groeifaciliteit*) makes it easier for small and mid-sized enterprises (**SME's**) to raise capital. Under the scheme, financiers that provide venture capital to SMEs receive a guarantee. If they incur a loss on the investment, they can reclaim 50% of such loss. The guarantee applies to, for instance, losses incurred on the sale of shares, the writing off of a loan or bankruptcy.

(iv) SME+ Innovation Fund

The SME+ Innovation Fund aims to help entrepreneurs in the Netherlands to convert their innovation plans into profitable new products, services and processes. The SME+ Innovation Fund also focuses on investors.

The Innovation Credit is used to stimulate development projects to which financial risks are attached. Businesses cannot raise (sufficient) funds in the capital market in order to finance these projects. The Innovation Credit is available for innovative SMEs and SMEs+ that require financing. These businesses must be established in the Netherlands, Bonaire, Sint Eustatius or Saba. The minimum project size of the innovation credit is EUR 150,000.

(vi) Business loan guarantee scheme

The Business loan guarantee scheme (*Garantie Ondernemingsfinanciering*) makes it easier for large and medium-sized companies in the Netherlands to borrow substantial amounts of money. Capital providers receive a 50% guarantee from the government. The term of the guarantee is a maximum of 8 years.

(vii) Qredits Micro finance

Qredits is a foundation for microcredit for entrepreneurs. The Foundation (nonprofit) is a unique joint venture between ABN AMRO Bank, ING and Rabobank Netherlands and the Netherlands Fund Work on Housing, the Ministry of Economic Affairs, Agriculture and Innovation and Ministry of Social Affairs and Employment.

(viii) Growth Accelerator (*Groeiversneller*)

In the Netherlands, the Growth Accelerator program supports ambitious growth of enterprises with an annual turnover between 2 and 12 million euro. Within five years, the participating firms' growth is supported by senior advice and contacts to networks of entrepreneurs and finance providers. The Growth Accelerator is an initiative by the Dutch Ministry of Economic Affairs and its Innovation Platform.

2.5 Any instruments referred to in section 1 preferred from the point of view of an investor? Why? Would the answer differ if the investor is international or domestic?

In general, there is not one specific instrument an investor prefers. The financial instrument investors prefer when investing in a high growth company, largely depends on the type of investor, the relevant amount to be invested and the type and stage of the target business' / company's development.

3. ENTREPRENEUR'S VIEWPOINT – OPPORTUNITIES AND CONSTRAINTS, LEGAL AND COMMERCIAL

3.1 Which company form is most popular? (Special company forms for high growth companies? Tiers of management typical for a high growth company? Liability point of view?)

In the Netherlands, the most commonly used legal entity is the private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid; BV*). The BV is a flexible form of company and is therefore used in the vast majority of all cases, especially after the simplification and flexibilisation of the rules governing Dutch BV's (effective as from 1 October 2012). BV's generally have either one single board of directors or a two-tier board system consisting of a board of directors and a board of supervisory directors. As from 1 January 2013, however, the Dutch legislator enacted the monistic system, allowing Dutch companies to install a one-tier board with executive and non-executive directors in stead of the traditional two-tier board structure. It is expected that more and more companies will install a one-tier board in the future.

The main advantages of a BV are:

- the BV has registered shares only;
- no minimal capital requirements as from 1 October 2012, it is now possible for example to incorporate a BV with one share having a par value of EUR 1;
- no compulsory share transfer restriction clauses (anymore);
- as from 1 October 2012, the financial assistance rules are abolished. Consequently, the possibilities for financing of transactions have been increased;
- possibilities to differentiate in types of shares, for example, shares without or only limited voting rights and shares without or only limited profit rights; and
- possibility to adopt resolutions outside the general meeting of shareholders.

Alternatively, one could of course also opt for another Dutch legal entity such as the Dutch cooperative association (*coöperatie*). The cooperative has become an increasingly popular vehicle for structuring fund investments and acting as a group holding company, due to the favorable Dutch tax treatment it receives and its flexibility from a Dutch law perspective. A cooperative is a legal entity with legal personality. A cooperative is different from a limited liability company,

instead of shareholders a cooperative has members. The cooperative is an association incorporated by at least two members by way of a notarial deed. The liability of the members of the cooperative can be excluded in the deed of incorporation. The cooperative has been a popular legal entity because, amongst others, distributions from cooperatives to their members are in principle not subject to Dutch dividend withholding tax (although certain anti-abuse provisions apply).

Another legal entity which is used for commercial activities in the Netherlands is the Dutch (public) limited liability company (*naamloze vennootschap; NV*). The NV is similar to the BV in its organization and structure, although less flexible, and identical in its tax treatment. The NV is normally used, amongst others, in case it is envisaged that (part of) the share capital of the company will be listed.

3.2 What sectors are most preferred by high growth companies in your jurisdiction (information and communications technologies, biotech, etc.)?

In 2012 and 2013, the emergence of successful ICT companies increased. According to the 'FD Gazellen top 100', last year even more than one third of the high growth businesses was active in the ICT sector.

3.3 Are there incentive schemes for entrepreneurs incentivising high growth companies (e.g accelerators/incubators? Other?)

In the Netherlands, the number of (start-up) incubators and accelerators has increased dramatically since the start of the financial crisis. The most familiar incubators/accelerators which incentivize entrepreneurs in the Netherlands are (i) Startupbootcamp Amsterdam, (ii) Rockstart Accelerator, (iii) Founder Institute, and (iv) nReduce.

3.4 Any instruments referred to in section 1 preferred from the point of view of an entrepreneur? Why?

That (again) very much depends on the facts on circumstances. However, normally an entrepreneur would prefer, in addition to its own equity stake (if any), bank loans as financial instruments in order to retain maximum control over its company. Entrepreneurs are more reluctant to use business angels or venture capitalists as external investors because than a (significant) loss of control over

the business is inevitable. Therefore, the entrepreneur would normally first try to arrange for a bank loan or other debt like items. This may be different, however, in case an (equity) investor can offer real added value to the company, such as (i) access to certain knowhow, (ii) access to a certain network and/or (iii) certain prestige by their mere presence.

Furthermore, friends and family are also favoured from the point of view of an entrepreneur as their money can be quicker and cheaper to arrange (certainly compared to a standard bank loan) and the interest and repayment terms are usually more flexible than a bank loan.

Moreover, it largely depends on the amount of investment an entrepreneur requires. If only small amounts are needed, then friends and family will be preferred. However, if large amounts of cash are needed to build up and scale the company's infrastructure, a professional external investor could not only be a source of funding, but also a mentor.

In our experience, most high growth companies opt for a blend of both equity investors and debt financing to meet their needs when expanding their activities. Multiple instruments together are considered to work well to reduce the downsides of each instrument. The right ratio will vary according to the type of business, cash flow, profits and the amount of money it needs to expand its business.

4. CORPORATE GOVERNANCE – CONTROL ISSUES

4.1 In a typical investment into a high growth company, whether a loan related investment or equity investment, how much control would a typical investor take? and what is of particular importance to an entrepreneur? In particular, please elaborate on the following terms from the perspective of your jurisdiction and practice:

- a. Anti-dilution measures
- b. Rights of first refusal, pre-emption rights, drag and tag along
- c. Protective provisions
- d. Information rights
- e. Dead-lock resolution
- f. Board seats / observer rights
- g. Any other terms specific/important in your jurisdiction?

With respect to control, the entrepreneur and the investor have opposite goals. While the entrepreneur will attempt to maintain control as far as possible, the

investor will require sufficient comfort in ascertaining that his investment is safe. Simple loan agreements at market rates will not generally require the entrepreneur to relinquish any direct control of the company. Equity based investment deals, instead, do. Although in theory non-voting shares may be issued to the investor, allowing to share in dividends only, this is not likely worth considering for most investors, especially in a high growth company that will rather reinvest its profits.

Anti-dilution measures

An investor will want some protection with regard to share value and being able to avoid share issues at unfavourable rates is a strong weapon in that respect. An investment and shareholder agreement between the investor and the high growth company, or even the company's articles of association themselves, are thus likely to contain some form of anti-dilution measure. However, since high growth companies are expected to continue to require additional rounds of funding it is advisable to exercise some restraint in implementing anti-dilution measures, as not to hinder growth opportunities for the benefit of a single investor. Anti-dilution measures may thus be less far-reaching as compared to regular investment scenario's.

Anti-dilution measures apply only in equity investment scenario's.

Rights of first refusal, pre-emption rights, drag and tag along

A right of first refusal for existing shareholders used to be mandatory in Dutch private companies with limited liability. Since 2012, shareholders may however opt to omit such clauses. Private companies with limited liability can however ascertain their continuing private nature only if selling shareholders are required to offer their shares to the other current shareholders. For that reason, despite the fact that the new legislation allows the removal (for existing 'older' companies) or omission (in new companies) of the rights of first refusal from the articles of association, they are still commonly found in the articles of association of private companies with limited liability. Since rights of first refusal allow the other shareholders an opportunity and are not construed to be purchase obligations, they are not considered to encumber the company and may thus be found in high growth companies as often as in other types of companies.

The same holds true for pre-emptive rights and drag along / tag along clauses. These may be included in the company's articles of association, but it is more common to find them in shareholder agreements.

Rights of first refusal and pre-emptive rights are generally granted only in equity investment scenario's, although they could theoretically be used in loans. Drag along and tag along apply only in equity investment scenario's.

Protective provisions

Dutch law contains ample options for creating protective provisions both in the shareholders agreement and in the company's articles of association. The

shareholders agreement may contain clauses for requiring shareholder permissions for certain managerial decisions and may also require larger majority votes for specific subjects, increasing minority shareholders' voting position in the company.

With respect to the articles of association, share categories may be customised at will. As long as a shareholder is allowed to attend the general meeting of shareholders, and a share carries at least (any) voting rights and/or (any) right to dividends, they may be endowed with special voting rights, such as the right to cast more than one vote, or to exclusively decide on diverse subjects such as the appointment of certain managerial positions within the company.

Since protective provisions effectively favourably alter the voting powers for minority shareholders, they may be considered bothersome from future investors' perspectives and should thus be used with care.

Information rights

Since shareholders in Dutch private companies with limited liability have a very limited right to (financial and other) information in the company, specific information rights for shareholders should be agreed upon in order to improve the investors insight in the company developments. The management is often required to provide monthly financial overviews, as well as quarterly reports, annual business plans, et cetera. Shareholders have no right to instruct the management on the day-to-day running of the company and can thus depend on the information provided to keep an eye on the company's developments only, and not to alter the course directly.

Dead-lock resolution

There are no special requirements in this respect. The possibility of dead-locks should be avoided rather than providing options for the ad-hoc resolution thereof. In general, the entrepreneur will not allow the investor to break dead-locks in the latter's favour unless the investor has obtained a majority interest in the company.

Board seats, observer rights

Seats in the board of managing directors in a Dutch private company with limited liability are allocated by the general meeting of shareholders. Normal majority voting applies, i.e. the majority shareholder can appoint and dismiss any managing directors; if an investor will want to obtain a managing directors board seat, he will need to ascertain that he is allowed one via the shareholders agreement or will need to obtain such types of shares that allow him to exclusively arrange for the appointment of a specific managing director (see 'Protective provisions' and 'Information rights').

If an investor obtains any shares at all, he will be allowed to attend the general meeting of shareholders and observe the proceedings in that capacity. Managing directors will be allowed to attend such sessions as well.

5. EXIT STRATEGIES AND TIME HORIZON

5.1 Type of exit which is most common (sale to venture capital/private equity firms/funds, trade sale, write-off, initial public offering)? Typical transaction length?

The type of exit and the exit horizon depends on the type of investor. Since high growth companies typically do not (generously, or at all) offer dividend distributions to shareholders, instead reinvesting profits to increase growth, share value at exit is a much more important factor. Put options, to be exercised at times convenient to the investor, may be used to allow the investor to be able to realise its profits. Call options may also be used to force a shareholder to release its shares after a particular period of time.

Typical transaction length for exits in high growth companies is no different than in any other divestment scenario and may vary from weeks to months or even years.

5.2 How are new investors dealt with in your jurisdiction? How would the issues set out in section 5 above be dealt with? Are initial investment and shareholders' agreements/shareholders' agreements upheld in the next round, or new agreement is entered into?

In general, new investors will need to comply with the provisions already in place. If the provisions have been laid down in the company's articles of association, those will apply to the new equity investor simply by virtue of his having become a shareholder. Shareholder agreements commonly provide that the existing shareholders shall arrange for a new shareholder to be bound by the provisions of the existing shareholders agreement. Of course, if all shareholders agree, the parties are free to change either the articles of association or any shareholders agreements in place.

6. REGULATORY ISSUES

6.1 Any tax implications (positive or negative) that a high growth company encounters in your jurisdiction?

Dutch corporate income tax is paid over the annual profits realised on the income less annual expenses of a Dutch tax resident company. Due to the strong financing

demand of high growth companies, often funded through loans, substantial deductible interest expenses are incurred which reduce the profits of the company. Losses are available to be offset against future profits for nine years, so also in profitable years losses carry forward could cause no corporate income tax to become due. In addition, the sale of shares in an operational high growth company should be exempt for Dutch corporate income tax purposes under the participation exemption. Initial investors generally aim at realising a tax exempt capital gain on the sale of the shares in the high growth company once they exit from the structure.

Other typical tax facilities that Dutch high growth companies can benefit from are particularly the Research and Development profit box which allows profits derived from R&D activities to be taxed at the attractive 5% rate rather than the statutory 20% for profits up to EUR 200,000 and 25% for the excess profit.

6.2 In addition to any of the issues set out above, any other regulatory incentives or constraints with respect to high growth companies? Any constraints deriving from obligation for local participation in a high growth company? Co-investment obligation? etc.

We are not aware of any specific regulatory incentives or constraints applying to high growth companies. However, in the Netherlands as well as the EU, certain markets are regulated in a more general sense: regulatory authorities are in place to monitor the market participants' compliance with applicable legislation. Important markets subject to such regulatory measures are the energy, mail, telecommunications, transport and health care sectors. Entrepreneurs as well as investors that intend to enter such markets should take into account that they may have to deal with regulatory constraints.

7. OTHER

7.1 Please elaborate on any other issues relevant to your jurisdiction with respect to high growth companies which have not been discussed in responses to earlier questions (if any).

None.