

Legal Structure

Q1	Do the entities need to be setup before the approval by the EIF is granted?
	The intended fund structure and all related entities must be described (i.e. legal structure, governing laws and whether regulated or not), but not necessarily established, at the point of submission of the expression of interest. Establishment will be needed at the time of engagement of the Financial Intermediary.
Q2	Annex 2 of the Call for Expression of Interest allows for the fund manager to be set up after the submission of the Expression of Interest to FoF/EIF – are there any requirements as to the legal form of the Applicant?
	See answer to Q1. There are no specific requirements at the moment of submission of the Expression of Interest. The intended structure must be described, but not established. It is up to the Fund Manager to propose appropriate legal structure.
Q3	The “Expression of Interest” is written in a form addressing existing teams. If the attendant is a new team of experienced investment and venture capital professionals not organized under same legal entity, would it be possible to sign “Expression of Interest” by team members personally, without specifying legal entity reg. number etc.? The plan is to establish new legal entity once necessary stages in the process have been passed.
	Yes, in such a case the team members should sign the Expression of Interest personally.
Q4	In case there is no legal entity in place now, who is supposed to sign “Declaration of Honour”?
	It should be signed by the team members who are expected to have ownership in the planned fund management company and carry rights in the planned fund.
Q5	Certain information which is part of the requested information is strictly confidential (e.g. parts of track record related to ongoing arrangements), and may require end-to-end NDAs. Does the EIF have a procedure/recommendation on how to mark this information and on how ensure the strict confidentiality of these parts?
	EIF adheres to strict professional standards. Applicants undertake to designate information contained in any submitted document or file as Confidential Information only if, and to the extent that, they believe in good faith that such information is in fact confidential. To the extent that the received information is marked as “Confidential Information”, EIF will not disclose any of that information, other than to its mandators, shareholders, governing bodies, partners, directors, officers, employees, agents or advisors (including, without limitation, attorneys, accountants, consultants, bankers and financial advisors), or unless required by a treaty, law, Court order or by any rules or regulations which may be applicable to EIF.

	Should EIF disclose any of that information to the above-mentioned parties, EIF will make these parties aware of the confidential nature of such information. However, EIF is not in the position to assume responsibility for any action of any of those parties which could result to Confidential Information to become public or otherwise being abused.
Q6	What are the rules for determining the persons having power of representation, decision-making or control over the Financial Intermediary as set out in the Declaration of Honour? Does the term “person” include both legal and natural persons for the purposes of the Declaration of Honour?
	The determination of the persons having power of representation, decision-making or control over the Financial Intermediary depends on the governance and legal structure (including without being limited to the composition, competencies and voting mechanisms in the different entities and their bodies) of the Financial Intermediary. The term “person” includes both legal and natural persons
Q7	As the management team is in the process of evaluating possible Investment managers joining the team as the Fund is set up, final details might not be available at the deadline of the call. Will detailed description of the plans be sufficient? Are amendments to the team allowed later on?
	A detailed description about the team and its members is required when applying to FoF. The core members of fund management team are expected to be identified at the time of application and will be assessed as part of the Applicant’s proposal. Changes of core team members after submission of application are possible if duly justified, subject to adequate replacement and with market-standard level of investor control and oversight.

Form

Q8	What is the preferred structure of the Business Plan? Should it follow closely the outline detailed in Appendix 2 or are deviations from the structure permissible as long as the key points detailed in Appendix 2 are addressed somewhere in the document?
	We encourage Applicants to follow the outline detailed in Appendix 2.
Q9	What is the preferred format of the Business Plan? Is it permissible to attach both a pitch deck and a private placement memorandum example, as long as the key points detailed in Appendix 2 are addressed in the documents
	See answer to Q9. Attaching pitch deck and a private placement memorandum example as supporting materials is allowed.
Q10	What is the preferred file format of the Business Plan? Word, PDF, Powerpoint?
	PDF (it is suggested that tables are also submitted in excel).

Q11	What level of detail is expected in the description of competitors? Would age, fund size, investment size, strategy and region of operations be sufficient?
	The description of competitors is meant to show the Applicant's understanding of the competitive landscape.
Q12	How should we submit the application?
	<p>Please refer to section 6 in the Call for Expression of Interest document.</p> <p>Please note that the Expressions of Interest shall be submitted on or before the deadline both by (i) e-mail and (ii) registered mail or professional courier service. The Deadline applies (i) in case of e-mails, to the reception by EIF and (ii) in case of registered mail or professional courier service, to the date of dispatch proven by the post office stamp or a dispatch receipt.</p> <p>The Deadline for the submission of Expressions of Interest is 30 November 2020.</p>

Requirements

Q13	Can you explain which particular information is expected to provide under "List joiners and leavers of the team, their date of arrival/departure, position at arrival and current title"? Who are these joiners and leavers?
	For existing teams, it is the information about people that have left or joined those teams since inception. Not applicable for new teams.
Q14	When detailing a description of the joint experiences of the team members, what level of depth is expected? Is listing each team member's area of expertise sufficient?
	The joint experience question is essentially looking for a previous evidence of team members being able to successfully work together. Describe the professional or private situations where two or more team members have worked together (company, time period, positions/roles, joint projects etc).
Q15	In regards to the point "Detail the history of the Applicant and its previous/existing business activities, particularly describing any activity having potential of conflicts of interest with the planned fund". If the Applicant is yet to be registered and has no previous/existing business activities, would the clause requesting information on fund manager team profile and board involvement be a sufficient substitute?
	This point is meant to allow the Applicant and the team members to openly disclose any past or current activities that may be reasonably deemed to have potential of conflicts of interest with the planned fund and time dedication. Applicant is expected to list such activities or declare absence of such and provide an explanation of their (i) potential conflict of interest and (ii) future time dedication.

Q16	What level of depth is expected in the description of governance and legal structure for all fund related entities? Would an outline of the envisioned structures and responsibilities be sufficient?
	The Applicant is expected to provide a full description of (i) the different entities of the envisioned structure, their legal form and their function as well as (ii) the various boards established in the fund related entities (i.e. composition, competences, voting mechanisms, shareholdings and entitlements). Typically, this should include the board of directors, the investment committee, the advisory board, any industry committee, etc. The envisioned structure shall include any personal SPV, any carried interest vehicle, any team commitment vehicle and any other entity. Furthermore, the rationale for the choice of the jurisdiction and/or legal entity of each vehicle shall also be described, including any tax implication on investors and/or team members.
Q17	Is EIF the sole and exclusive body responsible for the implementation of the Fund?
	The Hellenic Republic is the mandator and cornerstone investor of this initiative. It has entrusted EIF to be the sole and exclusive manager of the scheme. EIF has the sole and exclusive responsibility for the implementation of the Fund, including the selection procedure and for the monitoring and reporting of all the operations. EIF is the sole and only counterparty to any legal agreement.

Questions related to the Eligibility/Selection Criteria

Q18	If incorporation is necessary and new legal entity must be established prior to application, how clauses 1.9 to 1.11 will be assessed in case of totally new entity?
	See answer to Q1 regarding incorporation. Eligibility Criteria 1.9 to 1.11 come from EU rules and are not crafted specifically for risk capital, but are generic for any EU supported financial instruments, including banks. EIF will apply them to the team, the proposed structure and the Expression of Interest as a whole.
Q19	“Applicant has adequate economic and financial viability” – what is meant by adequate economic and financial viability? Is this question tackling the economic and financial viability of the fund or the owner of the entity of the Fund?
	See answer to Q17. In substance it means whether the proposed fund management team has adequate economic and financial viability to perform the required role if selected under the CEOI.
Q20	Point 1.12 of the Eligibility Criteria described in Annex 2 states that Applicant should adequately demonstrate that it will establish an accounting system providing accurate, complete and reliable information in a timely manner. What level of depth is required of the accounting procedure to satisfy this criteria?
	Eligibility Criteria 1.12 come from EU rules and are not crafted specifically for risk capital, but are generic for any EU supported financial instruments, including banks. EIF will apply them to the team and the Expression of Interest as a whole and as reasonably applicable. An outline would be sufficient at this stage.

Q21	Is there a required level for own investment in the Fund for Fund Managers and/or Management Company?
	It is required that the team (via Fund Manager/Management Company or directly) invests into the Fund, but there is no fixed maximum level. The team's investment is meant to serve as an alignment tool between investors and the manager, the necessary size of it to be assessed against fund operational economics and broader financial position of the individuals in the team.
Q22	Is there any difference in eligibility or quality assessment regarding where the Fund will established?
	Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q23	What is an acceptable level of management fee over the lifetime of the Fund?
	The terms and conditions of the proposed Fund and its legal structure is part of the selection criteria and will be assessed. It is expected that the proposals will be according to market standards with regards to fee levels, carried interest and associated hurdles.

Questions related to the Fund term-sheets and terms

Q24	Are there any restrictions regarding the jurisdiction where the financial intermediary or the fund manager is established (other than the exclusion of non-cooperative jurisdictions)?
	No further restrictions than set in CEOI.
Q25	Does EIF have some policies/restrictions with respect to clawback terms?
	EIF will apply market-standard terms.
Q26	Does EIF have any restrictions or limits on the winding up provisions of the Financial Instrument, including the return of resources from the fund to the FoF/EIF?
	EIF will apply market-standard terms.
Q27	Are there any geographical allocation targets?
	The source of funding is only one. There are no regional geographical allocation targets within Greece.

Legal Entity

Q28	Are there any requirements regarding the linkage between Greece and the financial intermediary or the fund manager (e.g. is an official office or branch needed in Greece)?
	There is no requirement to domicile either the fund or fund manager in Greece. However it is hard to envision successfully managing a Greek focused fund without local presence.
Q29	Are the fund managers/board members allowed by FoF to own the management company of the fund through a company, i.e. not personally?
	Yes, provided it is duly justified and transparent.

Miscellaneous

Q30	Are you at all considering new teams without or with limited VC investment track-record but relevant start-up and angel investing experiences?
	Yes, new and emerging teams with no or limited experience in venture capital will be considered, but with other relevant experience, including investment track-record gained by start-up and angel investing experience. Nevertheless, some professional investment experience, present in the team, will be an advantage.
Q31	Please clarify what is entailed in the notion "Independent/Independence" as is it used in: "Describe any linkages restricting full independence of the management team and fund manager" and "The fund manager must be independent".
	For information on the required level of independence, please see section "Fund Manager" of the term sheet. In this respect, it is of particular importance that the Fund Manager be able take management and investment decisions independently, in particular without the influence of investors, sponsors or any other third party which is not integrated in the structure.
Q32	Will re-investments of the proceeds from the Fund following successful divestments be allowed and if so, will re-investments be regulated in any way?
	EIF will not invest in ever-green funds. It may permit Fund Manager to re-use and re-invest proceeds, but with net invested capital [i.e. total acquisition cost of the underlying investments (including the realized investments) minus the total acquisition cost of realisations] not exceeding 100% of such Fund size at any time. It is to be regulated in the Operational Agreement with each selected Fund Manager.
Q33	What is the meaning of "geographical focus" in the business plan section of the Call?
	The geography(ies) – regions within Greece or/and countries apart from Greece – where the fund is going to invest.

Q34	What is the meaning of Non-Cooperative Jurisdiction in criterion 1.14?
	<p>“Non-Compliant Jurisdiction” means a jurisdiction:</p> <ul style="list-style-type: none">a. listed in the Annex I of the European Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes;b. included in the OECD/G20 list of jurisdictions that have not satisfactorily implemented the tax transparency standards;c. listed in the Annex of the Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies;d. rated as “partially compliant” or “non-compliant”, including corresponding provisional ratings, by the Organisation for Economic Cooperation and Development and its Global Forum on Transparency and Exchange of Information for Tax Purposes against the international standard on exchange of information on request;e. included in the Financial Action Task Force statement “High risk Jurisdictions subject to a Call for Action”; orf. in the Financial Action Task Force statement “Jurisdictions under Increased Monitoring”, <p>in each case as such statement, list, directive or annex may be amended and/or supplemented from time to time.</p> <p>Frequently Asked Questions on the EIBG NCJ Policy are also available at: https://www.eib.org/en/about/compliance/tax-good-governance/faq</p> <p>It should further be noted that the Fund Managers shall not be established and shall not maintain business relations with entities incorporated in territories, whose jurisdictions do not cooperate with the Union in relation to the application of the internationally agreed tax standards.</p>