

Offshore SPACS comparison table

CAREY OLSEN

OFFSHORE LAW SPECIALISTS

BERMUDA BRITISH VIRGIN ISLANDS CAYMAN ISLANDS GUERNSEY JERSEY
CAPE TOWN HONG KONG LONDON SINGAPORE

careyolsea.com

Offshore SPACS comparison table

With a significant uplift in special purpose acquisition companies in the US over the past couple of years, and with opportunities for increased SPAC activity in Europe, the advantages of offshore SPAC structures are more relevant than ever.

Set out below is a comparison of the suitability of various offshore jurisdictions as a domicile for SPAC entities. Although Delaware has typically been the jurisdiction of choice for US SPACs, each of the following offshore jurisdictions provide a viable alternative for both US

and European SPACs. They are mature offshore financial centres, with stable political systems and well-developed common law. Their flexible company law legislation, light touch regulation and competitive operating costs mark them out as genuine contenders.

Carey Olsen has been involved in establishing a number of offshore SPACs listed on a variety of exchanges. Please contact us for further information.



SERVICE AREA

/ Listing Services



LEGAL JURISDICTIONS

/ Group



PUBLISHED

/ November 2021

Establishment and listing

	Delaware	Bermuda	British Virgin Islands	Cayman Islands	Guernsey	Jersey
Company incorporation	Next day incorporation, or expedited (up to 1 hour incorporation) for additional fee.	Standard incorporation within 2-3 business days.	Possible within one day.	Standard incorporation within 2-3 business days; express 24 hour service available (usually same day).	Within 24 hours (usually same day) or expedited (15 minute incorporation possible) for additional fee .	Speed of incorporation determined by registry fee paid. 2 hour and out-of-hours incorporations possible.
Corporate powers	Wide statutory powers.	Unrestricted objects/ natural person powers (ie wide corporate capacity).	Unrestricted objects/ corporate capacity.	Unrestricted objects/ corporate capacity.	Unrestricted objects/ corporate capacity.	Unrestricted objects/corporate capacity.
Local service provider required?	Delaware registered agent to provide registered agent services (ie liaising with the Delaware Division of Corporations with respect to corporate filings) and registered office in Delaware only.	Not required but typically engaged to deal with statutory filings, to provide corporate administration (including maintaining the beneficial ownership register), registered office and resident representative services.	BVI registered agent, to provide registered agent services (ie liaising with the BVI Registry with respect to corporate filings) and registered office in the BVI.	Cayman Islands registered office service provider required.	Guernsey corporate services provider, to deal with statutory filings and provide registered office only.	Jersey corporate services provider, to deal with statutory filings and provide registered office only.
Capital requirements?	Par and/or no par value shares may be issued.	No concept of capital maintenance. Par value shares must be issued.	No concept of capital maintenance. Par and/or no par value shares may be issued.	No concept of capital maintenance. Par and/or no par value shares may be issued.	No concept of capital maintenance. Par and/or no par value shares may be issued.	Restricted concept of capital maintenance (with flexible distribution rules). Par and/or no par value shares may be issued.
Requirement to be regulated or subject to regulatory oversight in the jurisdiction?	No.	No.	No.	No.	No.	No.
Local tax status	There is no state income tax imposed on Delaware corporations not doing business in Delaware.	No taxes on profits, income, dividends or capital gains and no limitation on profit accumulation or any requirement to distribute dividends.	No corporation tax or similar.	No taxes on profits, income, gains or appreciations, or which is in nature of estate duty or inheritance tax.	May be eligible for exempt status. Alternatively, Guernsey tax resident and taxable at the Guernsey standard rate of company income tax (currently 0%).	If Jersey tax resident, taxable at the Jersey standard rate of company income tax (currently 0%).

Continued

	Delaware	Bermuda	British Virgin Islands	Cayman Islands	Guernsey	Jersey
Requirement for local directors?	No.	No.	No.	No.	No.	No.
Requirement for local bank account?	No.	No.	No.	No.	No.	No.
Can shares be listed on the major stock exchanges (including those used for SPACs, ie NYSE, Nasdaq, LSE, Euronext)?	Yes.	Yes.	Yes ¹ .	Yes, either direct equity listing or via depositary receipts (depending on the exchange).	Yes.	Yes, either direct equity listing or via depositary receipts (depending on the exchange).
Does the UK Takeover Code apply with respect to listings on the London Stock Exchange?	No.	No.	No.	No.	Yes.	Yes.
Can redeemable shares and warrants be issued?	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.

Business combination options and flexibility

	Delaware	Bermuda	British Virgin Islands	Cayman Islands	Guernsey	Jersey
Voting rights	Different classes can have the right to vote on different matters meaning eg founder shares can be given the right to vote on any resolution of members required for any corporate action in relation to a business combination (unless the law requires a specific class to vote).	Flexible depending on the will of the members. Voting rights are typically attached to the class of shares or set out in the bye-laws. A class vote is required to vary class rights. Mergers and amalgamations require the approval of the holders of each class of shares.	Different classes can have the right to vote on different matters meaning eg founder shares can be given the right to vote on any resolution of members required for any corporate action in relation to a business combination (unless the law requires a specific class to vote).	Different classes can have the right to vote on different matters eg founder shares can be given the right to vote on any resolution of members required for any corporate action in relation to a business combination (unless the law requires a specific class to vote).	Different classes can have the right to vote on different matters meaning eg founder shares can be given the right to vote on any resolution of members required for any corporate action in relation to a business combination (unless the law requires a specific class to vote).	Different classes can have the right to vote on different matters eg founder shares can be given the right to vote on any resolution of members required for any corporate action in relation to a business combination (unless the law requires a specific class to vote).

¹ Via depositary receipts or similar.

	Delaware	Bermuda	British Virgin Islands	Cayman Islands	Guernsey	Jersey
Amendment to constitutional documents	Once a corporation has received payment for any of its capital stock, with the consent of any class of members affected by the amendment, subject to certain exceptions.	Typically requires the approval of the board of directors and the members.	By resolution of members or resolution of directors.	By special resolution of members (generally 2/3 majority although may be increased).	By special resolution of members.	By special resolution of members (generally 2/3 majority although may be increased).
Ability to issue shares in different classes	Every corporation may issue one or more classes of stock or one or more series of stock within any class thereof, any or all of which classes may be of stock with par value or stock without par value and which classes or series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the certificate of incorporation or of any amendment thereto.	Yes.	Memorandum of association must set out the maximum number of shares the SPAC is authorised to issue (which can be an unlimited number), the classes of shares the SPAC is authorised to issue and the rights, privileges, restrictions and conditions attaching to each class. Typically, a SPAC's memorandum will also authorise the SPAC to issue "blank cheque preferred shares", ie shares with such preferred rights as may be specified by amending the memorandum subsequently (which can be done by the directors), and by stating that the issue of any shares ranking pari passu (or with preferred rights) shall not constitute a variation of rights of the ordinary shares.	If authorised by the memorandum or articles of association, the board can issue shares of such number (which may be unlimited), such class and with such preference or priority as regards dividends, distributions, voting or otherwise over any other shares of any class whether then issued or not. Typically, a SPAC's articles of association will also authorise the SPAC to issue "blank cheque preferred shares", ie shares with such preferred rights as may be specified by amending the articles of association subsequently.	If authorised by the memorandum or articles of incorporation, the board can issue shares of such number (which may be unlimited), such class and with such preference or priority as regards dividends, distributions, voting or otherwise over any other shares of any class whether then issued or not. It is not necessary that the specific classes a SPAC is authorised to issue or any class rights attaching thereto are expressly stated in the memorandum or articles.	If authorised by the memorandum or articles of incorporation, the board can issue shares of such number, such class and with such preference or priority as regards dividends, distributions, voting or otherwise over any other shares of any class whether then issued or not. Depending on structure it may not be necessary that the specific classes a SPAC is authorised to issue or any class rights attaching thereto are expressly stated in the memorandum or articles.
Migration out to another jurisdiction?	Yes, with the approval of the members.	Yes, by resolution of the members or each class of members or in such manner as may be authorised by the bye-laws of the company.	Yes, with the approval of either the board or a resolution members (ie the holders of more than 50% of the shares entitled to vote and voting).	Yes, with the approval of the board and also a special resolution of members (a majority of at least 2/3 of those shares entitled to vote and voting).	Yes, with the approval of a special resolution of members (the holders of not less than 75% of those shares entitled to vote and voting).	Yes, with the approval of the board and also a special resolution of members (a majority of at least 2/3 of those shares entitled to vote and voting).

	Delaware	Bermuda	British Virgin Islands	Cayman Islands	Guernsey	Jersey
Merger?	<p>Where one corporation owns at least 90% of the shares of each class of stock entitled to vote on a merger and at least one is a Delaware corporation, the parent may merge into or with the subsidiary, with board approval only. For any other mergers of one or more Delaware corporations (into or with any other incorporations (including foreign corporations) shareholder approval is required.</p>	<p>One or more Bermuda companies and/or one or more foreign corporations may amalgamate and continue as a company registered in Bermuda or as a foreign corporation registered overseas; or merge and the surviving company continue as a company registered in Bermuda or as a foreign corporation registered overseas.</p> <p>All authorizations of the merging/amalgamating companies must be submitted to the Bermuda Registrar of Companies.</p>	<p>Merger (two or more companies merging into one of those companies) or consolidation (two or more companies merging into a new company) with BVI or foreign companies is possible and requires approval of a resolution of members unless merger with a BVI subsidiary (where at least 90% of the shares are owned by the parent), in which case board approval is sufficient.</p> <p>The terms of a merger can include the manner and basis of cancelling, reclassifying or converting shares in each constituent company into shares, debt obligations or other securities in the surviving company or consolidated company, or money or other assets, or a combination thereof.</p>	<p>The Cayman Islands merger statute permits both consolidations (with the creation of a new company) and mergers (with the continuation of a surviving entity) of two or more entities, at least one of which must be a Cayman Islands entity. The consolidated or surviving entity may be a Cayman Islands or non-Cayman Islands entity.</p> <p>The Cayman Islands merger statute also facilitates mergers of entities other than companies which have legal personality (such as Delaware or BVI limited partnerships). A merger or consolidation requires the approval of the board, the shareholders by special resolution (and such other authorisation as may be required pursuant to the company's articles of association), and also secured creditors.</p> <p>The terms of a merger or consolidation may provide for the conversion of shares in each constituent company into shares in the consolidated or surviving company, or into other property (consisting of shares, debt obligations or other securities in the consolidated or surviving company, or any other corporate entity, or money or other property, or a combination thereof).</p>	<p>Two or more companies (including overseas companies) may amalgamate and continue as one company which may be one of the amalgamating companies or a new company, with the approval of a special resolution, except that a company (including overseas companies) may amalgamate with a wholly owned subsidiary (provided one of those companies is a Guernsey company) with board approval only.</p> <p>The terms of amalgamation can include the manner in which the interests and liabilities of each member of the amalgamating company are to be converted into interests and liabilities of the amalgamated company or, if they are not to be so converted, the consideration a member will receive.</p>	<p>Two or more companies (including overseas companies) may merge and continue as one company which may be one of the merging companies or a new company, with the approval of a special resolution.</p> <p>The terms of merger can include the manner in which the interests and liabilities of each member of the merging company are to be converted into interests and liabilities of the merged company or, if they are not to be so converted, the consideration a member will receive.</p>

	Delaware	Bermuda	British Virgin Islands	Cayman Islands	Guernsey	Jersey
Scheme of arrangement?	No.	A compromise or arrangement with any class(es) of creditors or members is possible with the sanction of the Bermuda courts, subject to approval of a majority in number representing 75% in value of the members or class of members or creditors or class of creditors (as the case may be) present and voting.	Schemes of arrangement (equivalent to those available in England) and plans of arrangement (equivalent to those available in U.S. jurisdictions) are available. A scheme of arrangement is a compromise with one or more classes of the SPAC's creditors or members is possible with the sanction of the BVI courts, subject to approval of a majority in number representing 75% in value of the members or class of members or creditors or class of creditors (as the case may be) present and voting. Typically there is no right to dissent (ie object to the action taken and seek fair value from the SPAC for shares held) a court sanctioned scheme. A plan of arrangement is an arrangement (including those specified under BVI law) which requires BVI court sanction (but not shareholder approval, unless required by the court). Typically there is a right to dissent a plan of arrangement.	A compromise or arrangement with any class(es) of the SPAC's creditors or members is possible with the sanction of the Cayman Islands courts, subject to approval of a majority in number representing 75% in value of the members or class of members or creditors or class of creditors (as the case may be) present and voting.	A compromise or arrangement with any class(es) of the SPAC's creditors or members is possible with the sanction of the Guernsey courts, subject to approval of a majority in number representing 75% in value of the members or class of members or creditors or class of creditors (as the case may be) present and voting.	A compromise or arrangement with any class(es) of the SPAC's creditors or members is possible with the sanction of the Jersey courts, subject to approval of a majority in number representing (1) in the case of members, 75% of the voting rights of the members or class of members and (2) in the case of creditors, 75% in value of the creditors or class of creditors (as the case may be) present and voting.
'Foreign private issuer' status available on US exchanges²	No.	Yes.	Yes.	Yes.	Yes.	Yes.

² 'Foreign private issuer' status on the US exchanges is generally seen as advantageous as it will include: reduced reporting and disclosure requirements; certain exemptions from US proxy rules; flexibility to elect to apply accounting standards other than US generally accepted accounting principles, and in choice of reporting currency; and the ability to apply certain 'home country' standards in respect of the composition, election and classification of directors and key corporate governance practices.



Key contact

For further information or professional advice, please contact our team below:



Gavin Woods

Partner

D +1 441 542 4519

E gavin.woods@careyolsen.com

Gavin advises on all aspects of Bermuda commercial and corporate law, specializing in corporate finance and corporate structuring. He has extensive experience in insurance-related matters, including the licensing and ongoing regulatory requirements of insurance companies and insurance intermediaries, as well as mergers and acquisitions, debt and equity financing and alternative risk financing transactions (including cat bonds, insurance-linked securities and side-cars) involving insurers and insurance groups. In addition, Gavin regularly advises on investment fund matters, Bermuda Stock Exchange listings, segregated accounts, the migration of companies to/from Bermuda, and a wide variety of general and structured finance transactions.



Nick Bullmore

Partner

D +1 345 749 2012

E nick.bullmore@careyolsen.com

Nick Bullmore advises on all aspects of Cayman Islands corporate law with a particular emphasis on investment funds (including fund financings), structured finance (including CLOs), joint ventures and general corporate and commercial matters. He also advises family offices and UHNWIs on the structuring, governance and regulation of family offices and private investment structures, as well as providing advice on the practical and legal aspects of physically relocating UHNWIs and their families to the Cayman Islands.

In October 2021, Nick advised Global Technology Acquisition Corp. I, a special purpose acquisition company (SPAC), on its initial public offering (IPO) on the Nasdaq Global Market (Nasdaq). The total gross proceeds of the IPO amounted to US\$200,000,000.



Tom Carey

Partner

D +44 (0)1481 741559

E tom.carey@careyolsen.com

Tom is a partner in the corporate and finance group. He advises clients both locally and internationally on a wide variety of corporate transactions, including private equity, investment funds and restructurings. Tom acts for asset managers, banks and fund promoters on the structuring and establishment of closed-ended and open-ended collective investment schemes. He also advises on corporate transactions including insolvency and restructuring as well as banking and real estate finance. He specialises in permanent capital vehicles, TISE, AIM and Main Market listings as well as all aspects of private equity.



James Cooke

Senior Associate

D +44 (0)1481 732016

E james.cooke@careyolsen.com

James is a senior associate in the Guernsey corporate and finance group. He provides both Guernsey and BVI legal advice on a wide variety of corporate and commercial matters, including mergers and acquisitions, banking and finance, investment funds and special purpose acquisition companies (SPACs). James has advised on the establishment, listing and business combination of a variety of SPACs over the past decade, including Justice Holdings*, the largest LSE-listed cash shell at the time, which acquired a stake in Burger King, Nomad Foods Limited*, which acquired Iglo Foods Holdings Limited, Europe's leading frozen food company, and Landscape Acquisition Holdings Limited, which acquired AP WIP Investments Holdings, LP, one of the largest international aggregators of rental streams underlying wireless sites.

*Acted while at another law firm.



Key contact

For further information or professional advice, please contact our team below:



James Willmott
Partner

D +44 (0)1534 822307
E james.willmott@careyolsen.com

James' practice covers a wide range of corporate activities with a focus on mergers and acquisitions, IPOs and private equity transactions. He also has significant experience advising on joint ventures, reorganisations, start-ups and technical and regulatory matters. His clients include LSE Main Market, NYSE, Nasdaq, AIM and TISE listed companies, global financial institutions including banks, insurance companies and brokers, investment managers and fintech businesses, natural resources companies and international retail groups.

James has recently advised SPACs, Churchill Capital Corporation on its acquisition of Clarivate Analytics, and Alkuri on its reverse-takeover of Babylon Holdings Limited (the Jersey holding company of a leading online health platform) which completed in October 2021.



Michael Padarin
Managing Partner

D +852 3628 9006
E michael.padarin@careyolsen.com

Michael's practice concentrates on the formation, operation and restructuring of private investment funds, primarily private equity and venture capital funds, and their related fund sponsor vehicles.

Michael also represents early and later stage companies in a range of industries, including fintech, life sciences and technology, in relation to private financings, listings, cross-border investments and other M&A transactions.

Michael lived and worked in the Cayman Islands before returning to Hong Kong and has a wealth of experience dealing with inbound and outbound China deals. He specialises in Cayman Islands, British Virgin Islands and Bermuda law.



Anthony McKenzie
Managing Partner

D +65 6911 8311
E anthony.mckenzie@careyolsen.com

Anthony is the managing partner of our Singapore office. He advises on Cayman Islands, British Virgin Islands and Bermuda law and has a broad range of experience in corporate and investment funds transactions, with a focus on mergers and acquisitions, private equity, preference share financings, IPOs and capital markets transactions for PRC, Southeast Asian and Australian clients. He has led a number of ground-breaking IPOs on major international stock exchanges such as Nasdaq and ASX and is one of the few offshore lawyers in Asia advising clients seeking to list on China's Science and Technology Innovation Board ('STAR' Market).

Anthony also regularly advises global financial institutions, sponsors and borrowers on leveraged and acquisition finance, syndicated lending, structured finance and fund finance transactions.



FOLLOW US

Visit our listing services team at careyolsen.com



PLEASE NOTE

This briefing is only intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied on as such. © Carey Olsen 2021.