

Subject: FW: Call
From: "Ronica Ragavan" <
Date: 2015/07/03, 8:47
To: Ajay Gupta; AJAY PA

Show to boss

Regards
Ronica Ragavan



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From: Saloojee, Muhammad [mailto:
Sent: 02 July 2015 03:54 PM
To: O'Sullivan, Macky
Cc: Ronica Ragavan; Issa, Nabil; Hansraj, Shivona; Du Toit, Jaco
Subject: RE: Call

Nabil/Macky,

Thanks for the call just now with you and Ronica. To confirm the discussions:

1. Varun will be the initiator for his Dubai structure (Kamal initiator for his Dubai structure) .
2. Ashika will be lender under Mudaraba to "Varun's" DIFC SPC. Soo Young will be lender under Mudaraba to "Kamal's" DIFC SPC.
3. There will be no trust arrangement in place.
4. The share call option will be in favour of the lenders.
5. Ashika and Soo are not South African tax residents, and are not connected to the Initiators (Varun and Kamal).
6. Client is happy on the good standing of the lenders in case the call option needs to be exercised.

Ronica please revert if anything incorrect. Based on the aforesaid, Mackay will lodge the papers for the DIFC setup.

Kind regards.

Muhammad Saloojee
Director and Head of Corporate Tax

Corporate Tax
KPMG Services (Pty) Ltd

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From: Saloojee, Muhammad
Sent: 02 July 2015 8:17 AM

To: O'Sullivan, Macky
Cc: Ronica Ragavan; Issa, Nabil; Hansraj, Shivona; Du Toit, Jaco
Subject: Re: Call

Macky, I suspect that client will not be happy to have Soo Young having the share charge and call option over the Emirati's shares in the DiFC SPC. I suggest in this case that Ashika be the sole provider of finance and holder of the call option and share charge. Ronica to confirm this.

What I am not certain of is the following:

1. What type of finance is envisaged initially? I assume here that the finance which Ashika will provide will be to set up the legal structure (so we are not talking big sums – I would guess max Dir50 000 per structure). Is this correct?
2. If further finance is required by the Dubai LLC, is there anything stopping the Dubai LLC from getting such funding from third parties or banks or the initiators themselves?
3. The Mudaraba will also be a further (and second source of funding) which will be advanced by Ashika to the DIFC SPC allowing Ashika to take 99% of all dividends and profits of the Dubai SPC? The Mudaraba will be an arrangement between Ashika and the Emirati?
4. Will the Mudaraba arrangement be in place from the outset so as to tie down the Emirati?
5. There should be no formal arrangement between Ashika and the Initiators as this could claw back the SA tax in the hands of the initiators.

Please revert. If needs be lets arrange a Concall today please.

Kind regards. Muhammad

Sent from my iPhone

On 01 Jul 2015, at 4:10 PM, O'Sullivan, Macky wrote:

Dear Muhammad,

Further to our call today regarding the structure, we suggest the following revised structure:

– Varun/Kamal remain the Initiators. We explain to the DIFC Registrar of Companies that the DIFC SPC is being set up to bring in financing from the Lender (Soo Young Jeon/Aashika Singh) which will be invested by the DIFC SPC into the Dubai LLC of which the Initiator is a 49% shareholder and will therefore benefit from the proceeds of such financing.

Please note that the “Initiator” is simply the party establishing the SPC. The Initiator is the party that appoints the Corporate Service Provider and instructs them moving forward. Consequently, the Emirati shareholder cannot be the Initiator.

–There will be no trust deed between Varun/Kamal and the Emirati shareholder. The shares will not be held on trust for Varun/Kamal.

– Soo Young Jeon/Aashika Singh will have a share charge and call option over the Emirati shareholder's shares in the DIFC SPC.

–Kamal/Varun will have a separate arrangement with Soo Young Jeon/Aashika Singh.

Please let me know whether the above works from a South African tax perspective. I am available to discuss at your convenience.

Best regards,
Macky
Macky O'Sullivan
Associate

King & Spalding

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Middle East Offices in Abu Dhabi, Dubai and Riyadh (Affiliated Office)

From: O'Sullivan, Macky

Sent: 01 July 2015 17:26
To: 'Saloojee, Muhammad'
Subject: Call

Hi Muhammad,

Just tried calling you. Please could you give me a call on my direct dial when you have a minute?

Thank you.

Macky O'Sullivan
Associate

King & Spalding

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