Capital Markets
Europe, Middle East, India and Africa

Reporting and regulatory support for capital markets transactions
Capital Markets at Ernst & Young supports multidisciplinary teams and draws on the full breadth of Ernst & Young’s global reach, capabilities and experience to help our clients succeed.
Capital Markets

Today, capital markets are more interconnected, complex and dynamic than ever before. Market opportunities occur almost anywhere in the world.

Whether a company is looking to launch its initial public offering (IPO) or undertake a transaction, cross-border deals can be highly challenging and complex.

Ernst & Young supports clients in executing their capital raising strategies and transactions through detailed support on accounting, regulatory and reporting matters across all jurisdictions in the international capital markets.

Working collaboratively with clients, investment bankers, private equity, attorneys and others, we bring together service lines including assurance, tax, transactions and advisory to ensure you receive the highest-quality support.

With a team of more than 80 senior professionals located in the capital markets centers across Europe, Middle East, India and Africa (EMEIA), working together with the US and Asia, we offer extensive experience to clients, encompassing many aspects of the regulatory and capital raising process.
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How we can help you

Regulatory support
► Our cross-border experience and network help our clients achieve their cross-border capital raising objectives effectively and efficiently.
► We interact with regulatory bodies and publish timely summaries of regulatory changes and revisions to keep clients apprised of the latest developments and best practices.
► We host client seminars, conferences and roundtables to discuss emerging themes, share best practice insights, information and experiences and facilitate peer group dialogue and networking.

Capital raising including IPOs
► We help issuers to be better prepared by supporting companies in understanding the regulatory requirements for IPOs and their impact on financial information, internal control and governance requirements and responsibilities.
► We develop road maps for capital raising so that issuers can prioritize and allocate resources and management time appropriately.
► We work closely with clients and their advisors to help our clients in executing transactions.

Acquisition and divestiture financial information
► Acquisitions and divestitures bring new opportunities and challenges. We help clients navigate the purchase accounting process through project management and financial information and reporting support.
► We provide pre-acquisition and post-acquisition support to help companies better understand the financial information and reporting implications.
► We work with our Tax and Valuations Teams to support clients with purchase accounting and ongoing financial reporting.

Financial information support
► We provide technical and industry experience and insights to help clients understand the financial information implications of raising funds on international markets and of cross-border transactions.
► We have skilled and experienced teams who help companies in preparing for and implementing financial information conversions.
► We advise clients on the impact and direction of accounting and reporting.
Regulatory support

The issues you face
Throughout the capital raising process, whether you have issued securities or acquired a company, you may find your organization subject to regulatory challenges in multiple jurisdictions. Navigating the regulatory requirements of other jurisdictions is both complex and challenging.

How we help our clients
1. Our cross-border experience and network help our clients achieve their cross-border capital raising objectives effectively and efficiently.
2. We have extensive experience in dealing with securities regulators and listing and prospectus regulations. This helps our clients understand both how the rules are applied and what the implications are for their business and financial reporting.
3. When our clients receive communications from regulators, we work closely with them as they prepare responses, using our extensive experience to help address the regulators’ perspectives and questions in an appropriate way. We inform clients on regulatory developments and emerging themes and issues.
5. We issue periodic newsletters updating clients on recent developments.

How we can help you
▶ Providing guidance on applicable regulations including the prospectus directive
▶ Advising you in dealing with regulators
▶ Advising you in your preparation of regulatory documents and submissions
▶ Providing multiple comfort and arrangement letters to underwriters
Capital raising including IPOs

The issues you face
Deciding where and when to raise capital is a vital strategic decision. Issues to consider include liquidity, access to an enthusiastic investor base, follow-on offerings, value of your capital as an acquisition currency and motivating employees. Balanced with these considerations are the regulatory and reporting requirements.

How we help our clients
1. We have prepared detailed IPO readiness assessments and market comparisons for clients to better understand their options and plan their capital markets transactions.
2. A company with significant global operations sought an IPO. We assembled an international team to assist the company with a financial information conversion. The full project team included professionals from our Valuations and Business Modelling Teams, Tax and Risk Advisory.
3. We assisted a client to complete its IPO, including timetable and project management, support in researching and understanding issues and compliance with regulatory rules and requirements.
4. We have assisted and supported clients in going public and listing via special purpose acquisition companies (SPACs) and through many other structures.

How we can help you
▸ Preparing a tailored analysis of the challenges of listing on various markets
▸ Delivering IPO readiness assessments and creating timetables
▸ Addressing possible regulatory and financial information challenges
▸ Supporting management regarding regulatory and financial reporting requirements
▸ Providing project management assistance
Acquisition and divestiture financial information

The issues you face

Pre-acquisition, it can be difficult to fully comprehend the accounting and reporting implications of all aspects of a transaction. Clauses in agreements may impact the accounting for, or valuation of, assets acquired or liabilities created or assumed. It is important to identify and assess these areas to help management appropriately navigate the transaction.

Post-acquisition, it is often the finance team’s responsibility to deliver the purchase accounting information and ongoing financial reporting. To achieve these, effective project management and communication are vital across accounting, valuation and tax and with the acquired company’s finance team.

How we help our clients

1. A global multinational company headquartered in Europe, with significant operations in Europe and the US, acquired a public company. In doing so, the European company became a public company. We assisted the company with converting its financial statements and in preparing pro forma financial information. This enabled the client to meet its financial reporting and deal timetable requirements.

2. A FTSE 100 company completed a major cross-border acquisition coinciding with its year-end reporting. Our professionals supported the client throughout the acquisition and financial information reporting process on a number of aspects of the financial integration process.

3. We helped a major utility company perform its purchase accounting process and subsequent financial reporting. Complex areas included derivatives, emissions credits, regulatory assets and taxation. The key to success was outstanding project management and excellent communication and coordination.

How we can help you

Prior to completion

► Providing insight and perspectives on the financial and regulatory reporting implications of the transaction
► Assisting in determining the impact of acquired businesses on future results, liquidity and financial position

Post-completion

► Assisting you in establishing opening fair values and balance sheet and disclosure information
► Determining and documenting the financial information and reporting requirements

Ongoing issues

► Understanding the ongoing implications of the purchase accounting entries
► Assisting in financial information transition and offering insights on harmonizing financial reporting
Financial information support

The issues you face
Irrespective of which accounting and reporting framework a company is applying, accounting literature and practice constantly develop and evolve. Complexity is added when a company enters into new agreements or transactions. Understanding the implications of new business agreements and the impact of changes in accounting rules and regulations can put pressure on limited resources.

How we help our clients
1. A company domiciled outside Europe acquired a European company in a specialized industry. We assisted the company in determining the financial information requirements for the related capital markets transactions.
2. We delivered a financial information conversion project for a Fortune 500 company. The project identified and prioritized the key areas. It recommended a timetable of adoption, prioritized by country. It also highlighted first-time adoption issues and decisions. The company used this as an input into the rollout of its new global enterprise resource planning (ERP) system.
3. We assisted a company in applying revenue and cost recognition rules. A key outcome was that it enabled the company to introduce enhanced methods of addressing customer service offerings and contracts in the bid process.
4. We assisted a global investment bank with financial information support and subsequent training.

How we can help you
► Developing financial information conversion and implementation plans
► Advising on financial reporting requirements
► Advising on the impact of new accounting standards
► Supporting you to produce and deliver training across your business
► Supporting you through effective project management
We are the first professional services organization to bring a borderless approach to the established markets of Europe and the emerging markets of India, Africa, the Middle East and the CIS.

Business and capital act without borders. Global businesses want consistency wherever they do business around the world. The creation of EMEIA (Europe, Middle East, India and Africa) means we can move more swiftly to bring together the best teams to service our accounts, drawing on all our expertise, across sectors, services and geographies.

**EMEIA sub-areas**

**Africa**
- Angola, Botswana, Congo, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Kenya, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Tanzania, Uganda, Zambia, Zimbabwe

**BeNe**
- Belgium, Netherlands

**GSA**
- Germany, Switzerland, Austria

**CIS**
- Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Russia, Ukraine, Uzbekistan

**CSE**
- Albania, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, FYR of Macedonia, Malta, Moldova, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey

**FraLux**
- Algeria, France, Luxembourg

**Financial Services Office**
- India

**Mediterranean**
- Italy, Portugal, Spain

**Middle East**
- Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Pakistan, Palestinian Authority, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates

**Nordics**
- Denmark, Finland, Iceland, Norway, Sweden

**UK & Ireland**
- United Kingdom, Republic of Ireland, Isle of Man
Ernst & Young's Assurance Services

Around the world, the journey to success is governed by increasingly complex and broadening regulatory requirements and stakeholder demands. Strong independent assurance helps meet these demands by providing a timely and constructive challenge to management, a robust and clear perspective to audit committees and critical information for investors and other stakeholders.

The quality of our audit starts with our 60,000 assurance professionals, who have the breadth of experience that comes from auditing many of the world’s leading and fastest growing companies, and to whom we provide ongoing personal and professional development. We provide a consistent worldwide audit by assembling the right multidisciplinary team to address the most complex issues, using a proven global methodology and deploying the latest, high-quality auditing tools and perspectives.

And because we understand that, to achieve your potential, you need a tailored service as much as a consistent methodology, we work to give you the benefit of our broad sector experience, our deep subject matter knowledge and the latest insights from our work worldwide. It’s how Ernst & Young makes a difference.

Independence requirements

Ernst & Young has a Global Independence Policy that contains the independence requirements for member firms, professionals and other employees. It is a robust policy predicated on International Federation of Accountants (IFAC) independence rules, with more stringent requirements where prescribed by a given regulator. The Global Independence Policy also contains helpful supplementary guidance on a wide range of topics to aid professionals and other employees in applying the complex independence rules. The Global Independence Policy is readily accessible around the world through our intranet.

Ernst & Young policies and processes are designed to enable member firms and professionals to comply with the independence standards applicable to specific engagements including, for example, independence standards under the IFAC Code of Ethics and local independence standard setting bodies. All professionals and certain other employees are required to participate in annual independence learning, to help maintain Ernst & Young’s independence when performing services for audit clients. The goal is to help our people understand both their personal and Ernst & Young’s obligations to be free from interests that might be regarded as being incompatible with objectivity, integrity and impartiality in serving an audit client.
About Ernst & Young
Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 144,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

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