

IQ-EQ



Sridhar Nagarajan
Regional Managing
Director

IQ-EQ is a leading investor services group that combines global expertise with an unwavering focus on client service delivery.

AVCA speaks to IQ-EQ about the company's growth, investment opportunities in Africa, and Mauritius being removed from the Financial Action Task Force's (FATF) list of jurisdictions.



NAME OF PROFESSIONAL SERVICES FIRM

IQ-EQ

FIRM TYPE

Professional Services Firm

Q: Tell us about IQ-EQ and how the firm has grown over the years. How does IQ-EQ distinguish itself from competitors?

IQ-EQ is a leading investor services group that brings together a rare combination of global technical expertise and deep understanding of client needs. We have the know-how and the 'know you' to provide a comprehensive range of compliance, administration, asset and advisory services to fund managers, multinational companies, family offices and private clients operating worldwide.

We employ a global workforce located in 24 jurisdictions across the Americas, Europe, Africa and Asia and have assets under administration (AUA) exceeding US\$750 billion. IQ-EQ works with 11 of the world's top 15 private equity firms.

Growing with our clients is important to us, and so far we've grown from 300+ people in our organisation in 2015 to over 4300 today. This is something we continue to work on, and plans are in motion to increase our footprint in Africa, the Middle East and Asia throughout the remainder of 2022 and beyond.

Within our Fund & Asset Managers segment, our global team of fund administration professionals provide alternative fund services for open and closed-ended fund structures, combining their technical understanding of funds with a proven track record in private equity, venture capital, real estate,

hedge, hybrid, infrastructure, debt and credit fund administration across multiple jurisdictions.

Compared to our competitors, we have an unrivalled breadth of service offering, an extensive global footprint, deep domain knowledge, long-term relationships with our clients and we are adaptive to technological evolution, offering a number of proprietary technology platforms to meet client needs in areas such as investor reporting, ESG compliance and onboarding AML/KYC.

Q: What are some of the opportunities that Africa presents for IQ-EQ, and how has doing business in Africa benefitted the firm?

IQ-EQ's Africa, India and Middle East operations are led from Mauritius, which is increasingly being used as the springboard for doing business in continental Africa and provides an attractive risk mitigating platform due to its governance and legal framework as well as ease of doing business. A significant proportion of intra-Africa business is supported by the Mauritius International Financial Centre (MIFC).

Within the IQ-EQ Group, there is also a noteworthy percentage of inbound Africa business supported by our UK and European offices. For instance, our teams in the UK and Crown Dependencies have long-standing

engagements with countries like Nigeria, Kenya and South Africa.

Q: Mauritius was removed from the Financial Action Task Force's (FATF) list of jurisdictions under increased monitoring towards the end of last year. In your view, which other jurisdictions in Africa are making progress towards creating an enabling legal and regulatory environment for private investment to thrive?

Mauritius has been following the development of the Kigali International Financial Centre (KIFC) in Rwanda. The development of the KIFC is seen as a serious emerging competitor to the MIFC because Mauritius has positioned itself for a long time as the jurisdiction of choice for investments in Africa.

Rwanda and Mauritius have both, over the last few years, shared Africa's top rankings for ease of doing business. The two countries also share an amicable working relationship that builds on their competitive advantage, especially since entering into a Double Taxation Agreement (DTA) in 2014. The DTA was meant to promote commerce, trade and business between the two nations, which have also signed an Investment Promotion and Protection Agreement (IPPA) in 2001. However, the IPPA is not yet in force.

The KIFC is developing Kigali to become a leading financial centre on the African continent to stimulate investment and business in Rwanda, and therefore, Africa as a whole. Moreover, the KIFC observes international legal and regulatory standards which ensures legal certainty and improves the pro-business environment already present in the region. Rwanda is gradually become a competing gateway to Africa, and we will continue to see evidence of this in the near future.

Q: Last year, IQ-EQ launched 'IQ-EQ Compass' to help clients identify and manage ESG risks. Tell us more about ESG compliance in African private investment with reference to industry-leading activities by some of IQ-EQ's clients.

There is no doubt that changes in the international regulatory landscape, paired with the COVID-19 pandemic, have accelerated investors' interest in sustainable investments while also increasing pressure on organisations to provide more transparency around environmental, social and governance (ESG) reporting. We believe that businesses are evolving – it's not just about financial returns, but also ensuring they are having a positive impact on the world around them. Some companies are already conscious about the importance of ESG and have some sort of ESG adherence in place. However, most of them do not have a clear, formulated policy or ESG guidelines, and we want to help ensure they're coping with regulatory demand.

After months of research and identifying the right partners, we came up with an offering that can assist a company, a fund manager or an ultra-high-net-worth family during different stages of their investment life cycle. IQ-EQ Compass incorporates a full suite of ESG services, from gap analysis and reputational assessments, through support with drafting policies and procedures, to consolidated ESG performance reporting, with benchmarking against the world's leading ESG frameworks.

In correlation with the rise of ESG compliance and regulatory measures, many investors are setting their sights on producing a positive social impact from their investments. The private equity impact investing market in Africa, and other emerging markets, is gaining momentum as the continent offers investment opportunities in various sectors. These include agribusiness, education, technology, infrastructure, renewable energy and food poverty eradication, amongst others. Impact investing is increasingly changing the investment dynamics in Africa, with Development Finance Institutions (DFIs) ensuring that corporate governance becomes integral to attracting investment flows.

Q: How has AVCA membership been of value to IQ-EQ?

We are delighted to be part of AVCA as the association provides us with the opportunity to connect with the broader private equity and fund management community across Africa. Through AVCA's platform, we have access to valuable resources such as industry reports, latest industry trends, and tailored trainings. Attending this year's AVCA's annual conference in Dakar finally gave us the opportunity to connect in person since 2019, and discuss the future of private equity and venture capital in Africa.

CONTACT AVCA

37 North Row
3rd Floor
London W1K 6DH

E avca@avca-africa.org
W www.avca-africa.org
C www.avcaconference.com
T +44 (0)20 3874 7008

