

A woman with long, wavy hair is seen in profile, looking out over a city at sunset. The sun is low on the horizon, creating a warm, golden glow. The city below is a dense grid of buildings, and a body of water is visible in the distance. The woman is standing on a balcony or ledge, with a railing visible on the left.

# SEARCHER START-UP MANUAL

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# Introduction

- This manual has been prepared to aid aspiring searchers with their first steps in setting up a search fund. This manual includes practical steps and points out potential pitfalls based on our experiences as legal advisor to searchers.
- This manual assumes a classical Standard-model search fund structure under Dutch law. Generally, self-funded searcher will have no or less formalities upfront as there will be no, or only limited, fund structure to incorporate.
- This manual is based on practical experiences. Nothing in this manual is, nor must be interpreted as, legal advice. We advise to consult external legal and tax counsel.

# What do I need to set up a search fund?

1. Private Placement Memorandum
2. Investors
3. Fund structure (legal and tax)
4. Bank account
5. Legal documentation

External advisors to be engaged:

- Lawyer
- Tax advisor
- Civil-law notary
- Debt advisor?

# Do's

1. Incorporate a search fund vehicle (e.g. a limited liability company) early on. This is a straightforward action by a civil-law notary and will allow you to apply for a bank account and start the time-consuming KYC process at the bank
2. Fund raising and fund structuring can partially run in parallel
3. Engage external advisors early on to navigate complexities and streamline the incorporation process. If possible, engage legal counsel before sharing the PPM with investors
4. Maintain transparent and frequent communication with investors to prevent misalignment
5. Consider the time-consuming process of going through the legal formalities of the civil-law notary to be able to issue shares to (foreign) investors

# Don'ts

1. Try not to deviate too much from the standard terms of the search fund model. If you do, explain to investors the background to such deviation(s)
2. Do not forget that investors that are in the cap table will only really look at the investment terms once the searcher has found a target and they are being asked to provide financing. Investment terms that investors may seem to have accepted in the search phase because they did not respond to them (e.g. in the PPM or certain key terms of the future shareholders agreement) may still become subject of debate when investors are being asked to provide financing
3. Sharing expertise and experiences with a co-searcher can be valuable. Consider if you want to start your search fund journey alone or with a co-searcher



For further advice, please contact:  
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