



## SPOTLIGHT ON AFRICA: A Q&A WITH PATRICK COLEGRAVE

**To mark the one year anniversary of the firm's appointment of a representative in Africa, Afria Group Head Patrick Colegrave reflects on the state of the market, the value of the firm's offering to Africa clients, and how Africa fits in with Harneys' overall strategy.**

**Q:** What is the main purpose of Harneys' representative presence in Africa?

**A:** In addition to the more traditional developed markets of the world, historically Harneys has had a strong focus on key emerging market regions. Harneys advises on British Virgin Islands ("BVI"), Cayman Islands and Cyprus law and a significant differentiator between Harneys and our lead competitors is the approach taken by us to develop our business in such emerging market regions. A distinguishing component of this approach is placing senior experienced offshore professionals from the relevant emerging market regions within such regions. I personally spend much of my time in sub-Saharan Africa, but together with my colleagues in our London office, also focus on the MENA region. In addition to Africa, we also have representative presences in Brazil and Central and Eastern Europe. Our representatives in these emerging market regions are supported by the wider network of Harneys' offices in Montevideo, the Cayman Islands, the BVI, London, Cyprus and Hong Kong.

We believe that by carefully selecting our representatives in emerging market regions and by having "boots on the ground" we have a unique insight into doing business within such regions,

plus a significant advantage in developing and strengthening regional contacts and providing superior services to clients and intermediaries. This strategy allows us to offer clients seeking to invest into the emerging market regions we cover, the benefit of local knowledge and local business contacts known to us and to offer clients within such emerging market regions advice in real time. In addition, we can offer clients within these emerging market regions the opportunity to deal with Harneys professionals who are of the same

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or a similar culture, who often speak the same language and who can meet such clients face to face should they desire (given the size and diversity of Africa, in the Africa context, this is particularly relevant to Southern Africa). Finally, by placing our representatives in key emerging market regions, we can bridge

the needs of clients based in these emerging market regions and the international financial centres from which foreign direct investment flows, and do so in a manner, and at a cost, that is highly attractive to both sets of clients, whilst at the same time positioning ourselves perfectly within such emerging market regions to grow both our legal and corporate services businesses.

In addition to Africa, I personally also spend time in London and the Cayman Islands. This geographical combination allows Harneys us to build relationships with both sets of clients, as discussed above, and

service providers, i.e. those operating in Africa and looking to diversify globally and those operating outside of Africa and looking to invest in Africa. From these locations I have access to: (i) South Africa, regionally the most developed market; (ii) rapidly developing African nations such as Nigeria, Ghana, Angola, Kenya, Tanzania and Mozambique to name a few, as well as the MENA region; and (iii) the leading institutions, many based in London and New York, which operate Africa-focused professional teams, such as bankers, lawyers, accountants and other key service providers.

**Q:** *Please give one or two examples of high-profile deals/ mandates recently closed / won by Harneys in Africa.*

**A:** We are currently active in the corporate, finance and funds space in Africa, advising on both BVI law and Cayman Islands law. Whilst Harneys has traditionally had a long history of transactional work involving Africa generally, the recent formalisation of our Africa Group has allowed us to centralise our expertise throughout the Firm and to give renewed focus to Africa as one of our growth regions. Recent deals we have been involved in include the following:

Harneys acted as BVI counsel to Sierra Rutile Limited, a BVI company listed on AIM (the “**SR Company**”) on the cash offer to acquire all of the shares in the SR Company (the “**SR Offer**”) by Pala Investments Holdings (an existing shareholder of the SR Company, “**Pala**”). Given that the SR Company is a company incorporated in the BVI, the City Code on Takeovers and Mergers (the “**Code**”) would not ordinarily apply to the cash offer. However, the SR Company has adopted specific provisions of the Code in its Memorandum and Articles of Association which meant that certain Code provisions needed to be complied with by the SR Company with respect to the SR Offer from Pala. Leading this transaction for Harneys was Erica Mandryko assisted by Murray Roberts, both of our BVI office. Olswang acted as onshore counsel for the SR Company. The SR Company is a mining concern that operates in western Sierra Leone and this deal demonstrates the economic recovery and activity in Sierra Leone and our involvement in West Africa, one of the most economically active and exciting regions of Africa.

Harneys recently won the mandate to act as BVI legal counsel to Imara Asset Management and to the BVI domiciled funds managed by Imara Asset Management (the “**Imara Funds**”). Imara Asset Management is part of the Imara Group and is an

award winning investment manager with an African focus and offices in South Africa, Zimbabwe, Kenya, the United Kingdom and Mauritius. In addition to providing legal services to the Imara Funds, our affiliated corporate and fiduciary services company, Harneys Services, provides the registered office and registered agent functions to the Imara Funds. Onshore counsel to the Imara Funds is Bingham.

In addition to the above, we are working on a number of other corporate, finance and funds related transactions with an Africa focus that are yet to close and on which we are advising on matters of BVI law or Cayman Islands law. Unfortunately, given that these matters are on-going, we are unable to disclose details of the same.

**Q:** *Do you intend to open an office in an African Jurisdiction in the near future?*

**A:** The formalisation of our Africa Group is a recent development, as is our representative presence on the continent. By having a representative presence in Africa supported by our wider Africa Group, we can reduce our cost base whilst the practice grows and develops and pass this saving on to clients by means of delivering value added services at no additional cost to them. In effect, we are able to bring the expertise gained in the leading international financial centres such as London, New York and the Cayman Islands, to the local African markets.

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As a Firm, we are very encouraged to have seen a significant increase in Africa related work resulting from our representative presence in Africa and from the formalisation of our Africa Group,

both of which have been well received by the market. We expect these work flows to increase, not least because of the market leading position we are establishing for ourselves in the Africa space, the increasing levels of foreign direct investment into Africa and the rapid development of the local African markets themselves. With this in mind, it is not inconceivable that at some stage in the future we may open a formal office on the continent.

**Q:** *Which African jurisdictions are proving most lucrative for Harneys, and why, and in which sectors and for what kind of clients?*

**A:** With 54 fully recognised member states of the United Nations in Africa, our preference is to focus on regions as opposed to individual jurisdictions. In addition to this, Africa can be divided into North Africa and sub-Saharan Africa. Although Harneys does work on transactions with a North Africa focus

and this is a region we are actively targeting, given the size of Africa and my Harare base, my initial focus has been on sub-Saharan Africa. This is a huge area in itself and one which, in my opinion, we have only just begun to scratch the surface. In the sub-Saharan Africa context, we are currently active on transactions in Central, East, West and Southern Africa with work in Sierra Leone, the Republic of Congo, the Democratic Republic of Congo, South Africa, Kenya, Tanzania and Zimbabwe and a spread of potential instructions in the pipeline. As mentioned we are active in the corporate, finance and funds space, with current transactions including the mining sector, private equity related acquisitions, fund formations and general trust work. Our client base is varied with instructions coming from mining companies, private equity managers, hedge fund managers, tourism companies, banks, individuals and major regional law firms to name a few.

**Q:** *Why did you join Harneys?*

**A:** I have always thought of Harneys as a highly entrepreneurial and innovative law firm, partly because of their vision regarding emerging market regions and their strategy of developing their business within these markets, which we have already discussed. I had also heard very good reports about the collegiate culture at Harneys and their drive and vision in developing their business as a whole. I kept in contact with Jon Culshaw, the managing partner of Harneys' Hong Kong office and a former colleague of mine and we began discussing synergies between me and Harneys, including the identification of Africa as a growth region by Harneys. Given the interest of my wife and I in spending more time in our home country Zimbabwe, this seemed like a natural fit and we agreed an arrangement whereby I would spearhead Harneys' drive into Africa, whilst reporting into and being formally attached to our London office and our Cayman Islands practice team. Things have developed from there and I get to be heavily involved in marketing and business development whilst still undertaking transactional work. I must confess to being very happy with my choice.

**Q:** *What can Harneys' Africa Group offer by way of added value to clients seeking to do business in Africa and clients within Africa itself?*

**A:** I think the first point to note is that amongst our competitors, we are the first and only international offshore law firm advising on the laws of the jurisdictions we practice with a dedicated Africa Group. What this allows us is a collective pooling of knowledge and resources that we can pass on to our clients, dedicated contact points for our clients doing business within the continent and internally a specific

focus and strategy regarding the development of our Africa related business which translates into an optimal quality of service to our clients. The second point to note is our "on the ground" capability, which gives added credibility to our Africa Group and our practice generally. In my mind, having regional contacts and developing local knowledge cannot be underestimated when doing business in Africa and that partnering up with service providers with real Africa experience can only facilitate success. Following on from this, clients doing business in Africa and engaging the services of our Africa Group can expect:

- fast, accurate and commercial advice;
- a team dedicated to Africa with transactional knowledge, a solutions based approach, and a strong commitment to doing business on the continent;
- an established network of professionals and business contacts in Africa that is being strengthened continuously through our presence on the ground;
- a general awareness of the intricacies and challenges involved in doing business in Africa, particularly sub-Saharan Africa;
- access to first rate legal networks able to provide quality local law advice across a wide range of African jurisdictions; and
- a representative presence in Africa, through myself, able to meet clients face to face and to provide client relationship support and, where within my areas of expertise, advice in real time in Africa.

**Q:** *Do you see Harneys as having an advantage over your competitors in Africa?*

**A:** The answer to this question has to be yes given what we have already discussed and coupled with the strength and depth of our people and Harneys' reputation as a leading international offshore law firm that has been operating for over 50 years.

### **Patrick Colegrave**

*Patrick is legal counsel at Harneys' admitted both in the BVI and the Cayman Islands. Patrick specialises primarily in Cayman Islands law, with a particular focus on hedge funds and private equity. Prior to joining Harneys, Patrick worked as a senior associate with Walkers and prior to that worked as an associate in Linklaters' investment management group. Patrick began his legal career in Zimbabwe, where he was born and raised. Patrick has extensive experience of doing business in Africa. For further information on Harneys and Harneys' Africa Group, please contact Patrick on [patrick.colegrave@harneys.com](mailto:patrick.colegrave@harneys.com) or tel: +44 780 863 9835 or +263 777 046829.*