

Launch of the Venture Capital Investment Model Agreements – Enhancing venture capital deal flow and growing the Singapore start-up ecosystem

WongPartnership LLP is proud to be part of the core Working Group for the Venture Capital Investment Model Agreements ("**VIMA**"), an initiative jointly launched on 23 October 2018 by the Singapore Academy of Law and the Singapore Venture Capital & Private Equity Association to enhance deal efficiency for early stage financing and growing the Singapore start-up ecosystem. The core Working Group for VIMA was led by Temasek and included lawyers from three law firms based in Singapore (including WongPartnership LLP).

The VIMA comprises a pragmatic set of standard-form model documents that have been calibrated to balance the interests of both the investor and the company. With the VIMA as a considered starting point, the scope of open issues is narrowed and the need for extensive negotiations between parties is reduced, thereby facilitating efficacious investment rounds and allowing founders to focus on what matters the most – the business of their company.

These model agreements are targeted at the Seed and Series A rounds of venture capital financing and contain both drafting and explanatory notes to help users decide the position they wish to adopt to meet their specific legal and commercial requirements. The VIMA also includes a lexicon, which will be helpful for first time founders as key terms and concepts in venture capital financing are elaborated upon.

As there is currently no agreed market standard or form documents for venture capital investments in Singapore and across the Southeast Asia region, the VIMA is the first step in moving towards providing a set of industry norms that is acceptable to all parties, enhancing the sophistication of the investment process. This is particularly relevant given the growth of Singapore as a start-up hub, the increasing preference of Singapore as the gateway for venture capital investments in the ASEAN region and the corresponding usage of Singapore as the forum for dispute resolution.

While more form documents may be added during later revisions, the VIMA currently consists of the following:

- a. a lexicon of common terms used in venture capital financing;
- b. a template non-disclosure agreement;
- c. a template Convertible Agreement Regarding Equity (CARE) that may be used for seed funding;
- d. a template long form term sheet for Series A funding;
- e. a template short form term sheet (which may be used if the founders and the investors are seasoned players in the venture capital space);
- f. a template share subscription agreement; and
- g. a template shareholders' agreement.

The VIMA is a culmination of an industry-wide consultation and collaboration by more than 30 venture capitalists, domestic and international law firms and Singapore agencies.

The VIMA documents are available for free download on the [SAL](#) and [SVCA](#) websites.

In line with this initiative, we would like to profile our Start-Up / Venture Capital Practice which brings together expertise from various practice groups to offer comprehensive advice to our clients in this area.

If you would like information on this or any other area of law, you may wish to contact the partner at WongPartnership that you normally deal with or any of the following partners who lead the Start-Up / Venture Capital Practice:



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