

Regenera Ventures

Request for Proposal: Evaluation of the Tax and Corporate Implications of Investment Instruments, Alternatives, and Recommendations.

I. Introduction

SVX MX is an impact investment advisory firm established in 2015 specialized in climate finance, regenerative economy, gender equity, and transformative finance working in Mexico and Latin America. SVX MX is launching **Regenera Ventures Fund I** to invest in companies that make the regeneration of Mexican ecosystems possible.

Regenera Ventures I is a USD\$20m to USD\$30m women-led investment fund that invests in companies committed to regenerative practices that lead to positive impact on communities, landscape, and biodiversity. Regenera Ventures Fund pioneers impactful nature-based investments, emphasizing local leadership, diversity, and gender inclusion for financial success.

Fund Size	USD \$20 million to USD \$30 million
Timeline	10 years, subject to 2 years of extension period
Instrument	Preferred Equity / Debt / Preferred Redeemable Equity
Exit	Redemption, Strategic acquisition, Repayment at Maturity
Investment Period	3 - 5 years for debt products / 5 - 7 years for equity products
Return	Estimated return 14% - 20% (Preferred return of 8%)
Fees to LPs	2.5% management fee, decreasing 10% each year from year 6 20% Carry
Investment target	12 - 15 companies / Average ticket of USD \$1.1 million
	All rural Mexico with special focus on Oaxaca, Chiapas and the Yucatan Peninsula
Investment target	Agriculture, cattle ranching, forestry, fishing, nature tourism, financial inclusion for small producers
Minimum Commitment	USD \$500k for institutional investors / USD \$100k for F.O. and individuals
Blending	USD \$1 million as a junior equity tranche subordinated to the capital and hurdle rate returns of private investors /available grants for fund expenses (operating costs, and launching costs)
Closing	First close: USD\$12.3 million during 2025
	Final close: 2027

II. Background

The assignment requires an analysis of the feasibility of share buybacks under Mexican law, assessing their tax and corporate implications for the investee companies and the fund. The analysis will identify opportunities and risks associated with redeemable shares, evaluate the tax treatment, corporate governance, offer alternatives, and explore legislative compliance.

III. Scope of Services

The selected consultant will assess:

- **Tax and Corporate Implications:** Analyze the tax treatment of share buybacks under current Mexican legislation, assessing their effects on investee companies and the Fund. Review compliance and regulatory requirements of the instrument (e.g. notaries and reporting to SAT). Examine corporate implications, including shareholder equity impacts and governance considerations.
- **Viable Instruments:** Evaluate the financial instruments the fund anticipates utilizing including debt, preferred redeemable equity, and preferred equity identifying their compatibility with the fund's goals, with a specific focus on tax implications for the Fund. This includes assessing the practicality of share buybacks as a viable exit strategy, and recommending alternative mechanisms to achieve investor returns while maintaining financial stability.
- **Recommendations:** Provide actionable insights to optimize tax efficiency and corporate governance. Recommend strategies for mitigating potential tax, compliance, and regulatory risks while leveraging legislative opportunities to enhance financial outcomes.

IV. Deliverables

The consultant will be required to deliver:

1. A detailed memorandum summarizing the tax implications of each instrument for the investee and the Fund. The memorandum should also include corporate impacts, regulatory requirements, and the evaluation of viable financial instruments.
2. A concise email highlighting key findings and recommendations, facilitating understanding and decision-making.

3. Active participation in follow-up calls to clarify findings and offer tailored advice.

IV. Proposal Submission

Please provide a proposal that includes the following elements:

- Technical proposal
 - A brief summary of the firm, ideally with relevant project experience.
 - Names and bios of people that will work on the assignment.
 - Work plan and timeline for completion, including detailed information regarding the approach the consultant will take.
- Financial proposal
 - Fee estimate based around the Scope of Work set about above ideally with a capped fee estimate (expressed in terms of “max number of hours” x “hourly rate”).
 - For any components of the Scope of Work that are not included in the capped fee estimate an indication of the estimated time needed to perform that task and an hourly rate.

Interested service providers are encouraged to engage with the Regenera Ventures team before submission and shall submit their proposal in writing to cecilia@svx.mx, alma@svx.mx, and anacaro@svx.mx by 4 May 2025, copying programme@icfa.lu.