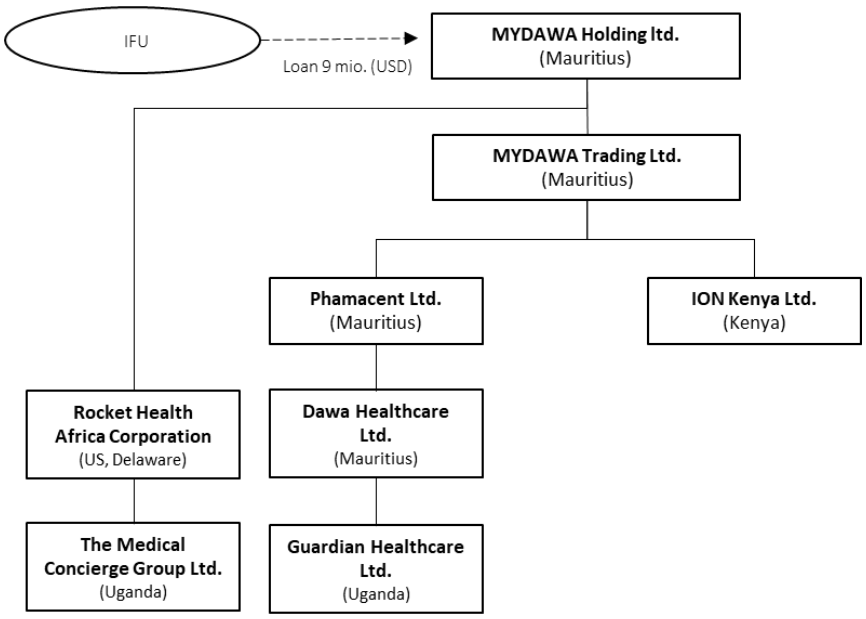
Tax policy compliance statement for MyDawa Holding Mauritius

1. The contemplated investment structure



IFU will be providing finance to MyDawa Holding operating and owning a combination of online and physical pharmacies in Uganda and Kenya, by means of a loan to a Mauritius based investment platform holding the operative companies in Uganda and Kenya. The local African companies and the Mauritian holding companies are all informed to be taxable entities subject to local corporate income tax.

2. Compliance with IFU's tax policy

The investment structure has been subject to due diligence and based on the facts and circumstances made available, TaxRoom is of the opinion that the investment structure complies with IFU's tax policy for the following main reasons:

- The local operative African companies are taxable entities subject to corporate income tax where the activities are performed.

- The Mauritian holding companies are taxable entities subject to corporate income tax in Mauritius.
- The US Holdco for the Medical Concierge Group is a taxable entity in US. It has no tax treaty impact because Uganda and the US have no tax treaty, and the company is expected to be liquidated when Guardian Healthcare (Uganda) has taken over the business activities of The Medical Concierge Group (Uganda).
- The Mauritian two-tier holding company structure is established for robust commercial reasons like (i) having the trading license, product brands, and IT-systems being used by the group, separated out from the local operating entities, (ii) being close to similar to the investment platform established by the majority shareholder, and (iii) having a holding company platform making it possible/easier to expand to new countries.
- No key employees are currently working out of Mauritius but the Mauritius holding companies are not benefiting from inappropriate tax benefits.
- The mere holding activities are not expected to trigger taxation in Mauritius but that is in line with international and European taxation standards (participation exemption regimes).
- MyDawa has accepted undertakings in the agreed head of terms ensuring compliance with IFU's tax policy and the Mauritius holding companies are only allowed to take tax treaty benefits if supported by a local reputable tax advisor from the withholding tax suffering nation confirming compliance with local law and OECD BEPS guidelines.
- None of the African companies are deducting net interest expenses above OECD BEPS guidelines and MyDawa has signed up to keeping in this way.
- MyDawa has agreed to update its transfer pricing policy and documentation to enable it to substantiate that inter-group transactions are being carried out on arm's length terms and having prepared transfer pricing documentation based on local law and OECD BEPS principles.
- Mauritius is not listed on EU's blacklist for non-cooperative jurisdictions in tax matters and is on OECD's Global Forum Exchange of Information for Tax Purpose ranking listed to be compliant.

3. Disclosure, cf. EU Directive 2018/822/EU

The contemplated debt investment into a Mauritian holding company should not be subject to disclosure under the EU DAC6 Directive as the listed hallmarks for disclosing are not viewed to be met.

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