**FREQUENTLY ASKED QUESTIONS IN RESPECT OF AN INVESTMENT AGREEMENT**

|  |  |  |
| --- | --- | --- |
| No. | QUESTION | ANSWER |
|  | What is an Investment Agreement? | An investment agreement is a contract entered into between a company and an investor. This document sets out the terms and conditions of the investment transaction. It is very important to have an investment agreement because it covers the key terms of the investment (see our checklist on Investment Agreements). |
|  | Which other forms can an Investment Agreement take? | The type of Investment Agreement is dependent of the type of investment that an investor is engaging in. Below are the other types of investment agreements:   1. Share subscription agreement; 2. Convertible loan agreement; and 3. Loan agreement and etc |
|  | What is the perfection process? | Once the Agreement is signed by the parties, it should lodge with the Collector of Stamp Duty for purposes of assessment of stamp duty and stamping. An agreement that has not been stamped with stamp duty cannot be produced in court as evidence.  There is no requirement for registration. |
|  | What is the difference between an Investment Agreement and a Shareholders Agreement? | While an Investment Agreement sets out the terms of an investment transaction, a shareholder’s agreement is an agreement entered into between the company and its shareholders. It governs the relationship between the company and its shareholders and sets out the framework for decision making in the company. (see our template on Shareholders Agreement)> |
|  | What are the key terms that should be contained in an Investment Agreement? | Please see our Investment Agreement Checklist on further guidance. |