

ashurst

## Integrity Due Diligence service







## OUR OFFERING

# A best-practice compliance service combining risk and legal expertise.

The regulatory framework for anti-bribery and corruption and other risks such as sanctions has strengthened globally. Simultaneously, 'integrity' issues leading to incidences of reputation damage have come to light.

For these reasons, the Integrity Due Diligence (IDD) service is now essential in doing business. Potential IDD 'Targets' include a broad range of counterparties within litigation and corporate mandates. IDD complements our client's legal and financial due diligence, to assess 'real risks' related to M&A targets and other deal compliance, local partnerships, suppliers and other third parties, or vetting of senior hires. This is particularly the case when doing business in higher risk and frontier markets.





### **ACTIONABLE**

Our focus is on converting research into analysis and mitigation of any identified issues

### **MULTIDISCIPLINARY**

We are a team of practicing lawyers, risk specialists and experts in financial crime that draws on expertise from the global firm

### **SEAMLESS**

Our service offers a cost-efficient and confidential alternative to separately engaging a consulting firm

FT Asia-Pacific Innovative Lawyers  
Awards 2018: *'Highly Commended'*

NEW PRODUCTS & SERVICES



# Our service

The IDD is an open source search of identifier information on a target individual or target entity and its shareholders and directors. The search includes available public records sources such as corporate and compliance databases, subscriptions, journals and media. All research in our reports is referenced to inform our analysis.

Our executive summary presents concise and high-level information with actionable advice. This provides our clients with a snapshot of research and analysis with a focus on suggested mitigating steps for any identified or potential issues.

For the targets, we first aim to identify and profile:

- Beneficial ownership: direct and indirect shareholdings, illustrated through a corporate structure diagram
- Corporate activities: operations, media profile and identifier information
- Key personnel: professional history, directorships, affiliations and management style
- Corporate affiliations: business links and any third parties

Focus then turns to risk, compliance and integrity issues:

- Political links and exposure: Politically-Exposed-Persons (PEPs)
- Bribery and corruption risk: specific as well as jurisdiction and sector risks
- Other regulatory, governance or reputation risks
- Prudential risk: any bankruptcies or litigation
- Sanctions assessment







# Our approach

Our approach accords with best-practice compliance set out in guidance for ‘gold standard’ Anti-Bribery and Corruption legislation, notably the United States Foreign Corrupt Practices Act and United Kingdom Bribery Act. We pay particular attention to the way we collect, analyse and present information as well as how we train our team. Our approach also draws on expertise throughout our global network.



## RISK ASSESSMENT TO ENSURE A FOCUSED APPROACH

As a starting point our risk advisors conduct a high level risk assessment of the targets of the IDD. This enables us to outline the scope and understand the issues to ensure the IDD is tailored to specific client needs and risks. We consider any specific concerns flagged by the client, followed by any risks in relation to the jurisdictions and business activities of the targets. For example, our advisors have the experience to place emphasis on political exposure issues in jurisdictions such as China, while a touch point with Russia will automatically trigger a sanctions assessment. At this point we are in a position to best identify the most appropriate resources to address any identified or potential risks.

## DEEP-DIVE RESEARCH METHODOLOGY

Our research is based on rigorous searches of available public records, which includes an extensive library suite of risk and compliance focused resources. This stage involves in-depth searches, particularly to avoid misleading or incomplete profiles of targets. For a target entity, our teams' first task is to identify ultimate beneficial ownership through registry or other official documentation. Another immediate step is a thorough search of the targets on international 'red flag' compliance databases, which include regulatory filings, Politically-Exposed-Persons (PEPs), sanctions and watchlists. Finally, we conduct searches of subscription publications and journals as well as international and local media.

## ANALYSIS, REVIEW AND MITIGATION

This final stage starts with analysis focused on verification, cross-referencing and discounting of information, including any allegations or negative news. Our advisors are trained in analysing sources, for example, to consider issues with local media and political motivations. The detailed searches outlined in Stage 2 and analysis means that the quality of our research is most evident for targets operating in complex business or political contexts. After a final review of research and analysis, we provide suggested mitigating steps in relation to any identified or potential concerns through drawing on specific risk advisory and other expertise across our global offices. These recommendations may include: additional anti-bribery and corruption compliance steps; local language media searches and local litigation searches; engaging an investigations firm to conduct local source inquiries; or other specific subject matter risk or legal advice.







## Key Contacts

For more information on our Integrity Due Diligence service, please contact either member of our Risk Assessment Advisory Team listed below.

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