

TRANSACTIONS RISKS WEBINAR

Due-Diligence in international transactions

March 15th, 2021

BDO Intelligence

Agenda

- Introduction
- Criminal Record
- Regulatory DD
- Business Reputation
- Geo-politics and Sanctions
- Conflicts of Interests



Introduction

Business management in our time requires cooperation and business agreements with unknown parties – such transactions are essential for the business growth but bear risks to the business and its owners.

Deep due-diligence is required to make sure the transaction is not dangerous.



Criminal Record

Hiding criminal record could be easily done by registering the business on other people's names or by combine it in other companies.

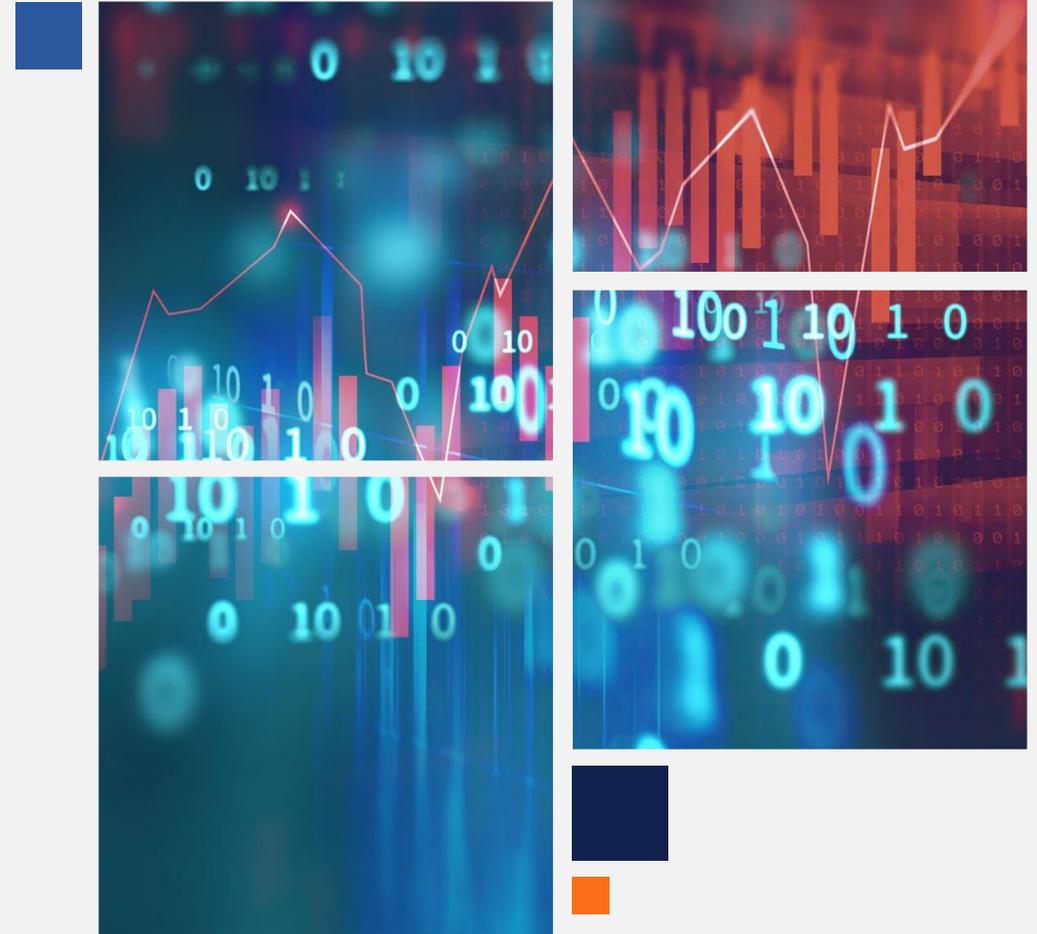
Due-diligence check may expose shareholders and corporate structure of the inspected company and allows recognizing hidden interests.



Regulatory Due Diligence

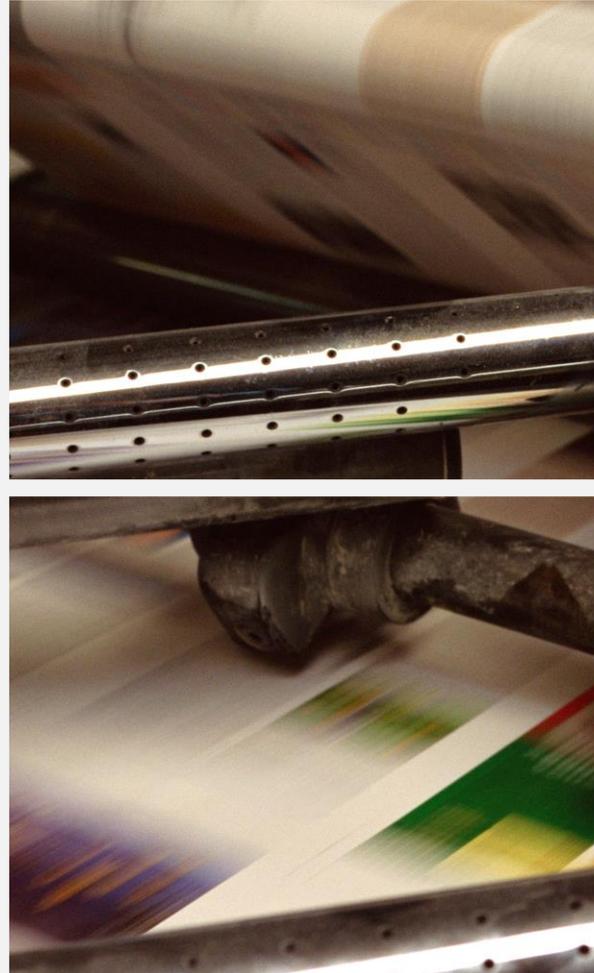
A business may violate sanctions or other regulations and limitations that were imposed on them following business activity against international regulations.

A Due-diligence could reveal the regulatory past of the relevant company, including its managers and shareholders, as well as connected businesses, etc.



Business Reputation

One of the risks in transactions with a foreign business relates to the other side's reputation – a thorough investigation would elucidate the legal and media coverage and elaborate regarding criticism and other negative details regarding the business activities of the investigated business. Such investigation may reveal risks related to fraud or other malicious intent.





Politics

Connection to politicians may impose risk to a business, according to the country in which the connection relates to.

Different risks may be revealed in different jurisdictions – business nationalization, bribery, business politization, etc.

To make sure there's no hidden interests behind the business, we would conduct a due-diligence investigation that will include connections to government and politicians.

Corporate Affiliations

Exploit and fraud can attack our business even if the other side was investigated – if the business in the transaction is owned by a group with contradicting interests, our business may be exposed by the agenda of that group.

An investigation may reveal all corporate affiliations and relevant persons-of-interest and will emphasize affiliations that may become harmful in the future.





Entering a transaction without a due-diligence investigation exposes our business to exploit, fraud, lawsuits, insolvency and other problems.

The investigation is a useful tool to provide the business owner the peace of mind to sign a transaction, eliminating potential risks.



Thank you.

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