



ABAC & compliance Integrity Due Diligence

Introduction to Deloitte Corporate Intelligence

Intelligence support for third party compliance

Deloitte's global Corporate Intelligence team supports clients across all industries in meeting their legal and regulatory compliance obligations when contracting with third parties (such as suppliers, agents, distributors), by undertaking Integrity Due Diligence (IDD) to identify whether each third party might present legal or regulatory risks to your business.

In this document we set out our three-tier model, showing how we might use a risk-based approach to ensure an appropriate level of resource is spent on each review, based on the potential risk presented by each third party. All of our work is tailored to fit each client's specific requirements, so please do reach out to discuss your requirements further.

For further information please contact:

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Legal and regulatory compliance

The precise risks and regulations faced by a client vary by jurisdiction and industry. We have supported clients in assessing a wide range of risks, including:

- **Bribery and corruption** (including exposure to **Politically Exposed Persons**)
- **Money laundering and terror financing**
- Human rights breaches – including **modern slavery**
- **Breaches of environmental legislation** (including compliance with laws on the sourcing of timber)
- **Sanctions regime** compliance
- Risks specific to the **minerals trade** (i.e. whether goods are sourced from conflict zones)

In addition, many clients also take the opportunity while commissioning IDD to have us identify **key operational and reputational risks**, as well as an overview of their **past involvement in litigation**, which helps to **strengthen supply chains**, guard reputation, and further protect their business from operational issues later down the line.

Our core levels of methodology



Online public record research (and retrieval of hard copy records where required)

We can access **numerous online public record databases** for the key jurisdiction in question, including media database, corporate registry records, litigation databases, and PEP and sanctions lists. We also maintain a network of record retrieval agents who can support with the **quick and cost-effective retrieval of local documentation** where this information is not accessible online.



Human intelligence (market interviews) – for higher risk subjects, we can consult our network of well-informed and discreet sources (external to Deloitte) who operate in various industries and jurisdictions globally, and who often **provide valuable personal knowledge and insights** which are not publicly reported. Such enquiries often identify detailed information on matters such as allegations of unethical activities, ongoing investigations, operational issues, and information on market reputation.

Our three-tier methodology

Lower Risk

Tier 1: High level public record research

KEY RISK SCAN

Searches of a small number of key data sources to identify significant risks. Sources might comprise: corporate registry records; a media database; high level internet searches; lists of Politically Exposed Persons (“PEPs”); a wide range of sanctions lists; and bankruptcy records.

Searches aimed at identifying key risks, including:

- company registration or status cannot be confirmed
- company is insolvent or unable to trade
- company is not active in the relevant field
- company is a State-Owned Entity or associated with PEPs
- reports of involvement in financial crime or other criminal activity
- company is subject to international sanctions

FOCUS ON: • Subject entity / individual

Medium Risk

Tier 2: In-depth public record research

+ FULL PUBLIC RECORD RESEARCH

More in-depth searches of data sources, including: a wider range of media databases; full internet research (including social media); and litigation records.

Research would also be undertaken in more depth, with less reliance on key word search terms.

Would include research on up to three key decision makers, and cover all the elements for Tier 1 plus:

- full registration details (including identifying beneficial ownership and management control)
- business activities, track record, and reputation
- Identifying other key business partners (in particular multinationals)
- seeking broader reports of illegal or unethical activity, including human rights & environmental breaches
- significant litigation or other business disputes
- financial indicators (and reports of financial distress)

FOCUS ON: • Subject entity / individual
• Three key owners / decision makers

Higher Risk

Tier 3: Additional human intelligence

+ OUTSIDE SOURCE INTERVIEWS

Our network of well-informed sources can provide detailed market knowledge of a subject, providing valuable insights on reputation and activities which are not publicly reported.

Our source network covers a diverse range of sectors, in relation to all jurisdictions globally.

Would cover all the ‘Tier 2’ issues, which would typically identify significantly more information in relation to:

- beneficial ownership
- allegations of hidden influencers
- business background, track record and reputation
- financial performance
- Political connections and involvement in illegal or unethical activities
- Further context on any issues identified in earlier work

This approach is also particularly effective for jurisdictions which lack an investigative media and/or free press.

FOCUS ON: • Subject entity / individual
• Up to 3 key decision makers
• Beneficial owners holding 20%+

Our team

350+

Specialist intelligence practitioners globally

85+

Languages spoken at native or fluent level globally

Dedicated UK intelligence team
of specialist researchers, speaking
most core business languages

Centralised project management
ensuring efficiency, consistency, and
high-quality reports



Global understanding

Deloitte's global coverage enables us to undertake work in relation **any jurisdiction in the world**, whether a western country or a higher risk jurisdiction

Most key business languages are covered from the UK, and the wider Deloitte network can support with those we do not have locally



Intelligence specialists

Deloitte's in-house team of regional research and intelligence specialists are **experts in how to identify and access relevant information**, with each team member bringing the political and cultural knowledge required to **present our findings in a meaningful context**



Extensive network

We maintain a wide-reaching network of **human intelligence sources across diverse industries and jurisdictions** globally, enabling us to access **accurate and relevant intelligence** that simply cannot be found in the public record



Investigative mindset

Having supported clients on a wide range of internal and external investigations we bring an **analytical and sceptical approach** to all our projects, big or small.

Our **strong investigative mindset** ensures our **clients rarely have any follow-up questions** after receiving our reports



Business focused

As the world's largest professional services firm, we take a pragmatic approach to our work and **focus on helping clients to identify and mitigate risks**, rather than presenting a sensationalised list of risk issues.

Examples of our compliance work

1

IDD for a multinational industrial products group

Since 2014 we have supported a multinational industrial products group in undertaking proportionate, three-tiered IDD on over 1,800 of its third parties (and over 5,000 associated individuals) across the world. Our work has provided insight on key risk issues such as money laundering, bribery & corruption, human rights, environmental issues and tax evasion, including the provision of jurisdiction- and issue-specific context to assist our client in interpreting the issues, enabling informed business decisions to be taken.

For strategically important cooperation partners and those in higher risk jurisdictions, we have also conducted a number of Level 3 IDD assignments, tailored to address specific concerns of the client.

2

Enhanced Due Diligence for a US bank with global operations

For over 15 years we have supported a US-headquartered bank with IDD on all of its higher risk customer relationships outside of North America, with particular focus on jurisdictions with higher levels of risk (including tax havens and other countries with higher levels of banking secrecy).

This work is particularly focused on supporting the client's compliance with anti-bribery and anti-money laundering legislation, and so includes seeking reports of involvement in any illegal or unethical activity which might suggest their funds have been derived from criminal activity.

In addition, we help to identify whether the subjects have a past history of defaulting on loans, entering into litigation with their banking partners, or other indications of problematic banking relationships.

3

IDD for an International Oil Company

In 2020 we became a preferred supplier of IDD services (at all levels) to an International Oil Company. We have since supported them with over 50 Tier 1 projects, almost 70 Tier 2 projects, and provided in-depth M&A IDD and other strategic support on 50+ Tier 3 requests.

Our work has assisted our client in screening potential third party suppliers and distributors, narrowing shortlists of potential collaboration partners, screening potential buyers, vendors and targets in M&A transactions, and ensuring their compliance with global sanctions regimes. Our work has included projects in Central America, Asia, Sub-Saharan Africa, and Western Europe.



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