

# Investigative Due Diligence Services

**SVA's Business Risk and Intelligence Group has unique experience in supporting financial institutions, funds, investment banks and many others in conducting investigative due diligence, pre-transactional assessments, business risk and political risk services.**

In today's highly interlinked global markets, companies operating cross-border are frequently required to make assessments prior to an acquisition or a major transaction. This can be difficult when multiple jurisdictions are involved or where the acquiring company does not have significant resources on the ground in the country concerned. Whilst a vast amount of data is available on the internet, the hard reality remains that much of this can be misleading, incomplete, self-serving, or downright fraudulent. SVA's investigative due diligence ("IVDD") services support significant transactions and complements the more traditional legal and accounting

due diligence. SVA's IVDD efforts target the key issues in any given transaction with special emphasis on the background, reputation and litigation history of companies and individuals involved.

## **WHY INVESTIGATIVE DUE DILIGENCE IS NECESSARY – WHAT IS INVESTIGATIVE DUE DILIGENCE?**

If the need is to evaluate an overseas listed company, an entrepreneur or to unravel a complex business organisation; in-depth and rigorous IVDD is needed in order to establish a solid level of comfort and credibility. Many new business relationships are situated geographically far afield. Whilst a detailed examination of books and records is critical, other key aspects such as the background, history, reputation and politics also directly affect the subject company and its principals. If there is a problem with any of the above, the credibility of the organisation's empirical data may also be questionable. In addition to identifying potential problems in

the civil or criminal areas, also identifying possible issues involving intellectual property infringement or in the corrupt practices area is important and should be spotted at the earliest possible stage.

IVDD conducted early in the overall deal process, can save significant amounts of money, in that the process will swiftly throw up key issues or potential "show stoppers" early. This can either facilitate a complete disengagement from the project before considerable expenditure has been made or ensure the early rectification of identified problems. Such IVDD exercises can therefore prevent material financial losses to corporations and severe damage to their reputation.

Whilst some might consider the identification of negative information to be counterproductive, in fact the reverse is true; early identification of problematical issues can facilitate the negotiation of a significantly better priced deal or structure.

### SVA'S METHODOLOGY

At the outset of a project, our consultants will spend time with our clients to understand project background and any key concerns or special focus that a client may have. Thereafter, an extensive open source exercise will commence during which we will access online resources, public records, corporate filings, specialist corporate journals and other relevant information. Using the data acquired from a combination of the client's own information and our findings from our open source exercise, we will identify knowledgeable persons with specific industry knowledge of the subject company. Thereafter, we will utilise

discreet industry sources and conduct appropriate inquiries with regulatory organisations, distributors, clients, competitors and other industry figures.

Our reports are reasoned, balanced and factual and always include an executive summary.

### KEY REFERENCE POINTS

Every case is different in nature but in our experience the following aspects should be included in the IVDD exercise:

- The real corporate structure, as distinct from that which may be listed in written materials
- The operations on the ground and the business' actual day-to-day activities

- The background of the business
- Comment from former employees, distributors, vendors and others
- Industry reputation
- The background of directors, managers and key advisors
- The integrity of key stakeholders
- The litigation history
- Relevant political issues – local and national
- Labour or other social issues which might have potential impact on the transaction
- Potential exposure under anti-corruptions statutes, both international and local

## Why Us?

### Hands-on experience and a proven track record:

**Our professionals** have many years' experience in dealing with the most sensitive and crucial issues affecting corporate clients, institutions and high net-worth individuals.

**Our depth of know-how**, experience and local knowledge in our field is unrivalled in Asia.

**We are Asia based.** Our key personnel reside in the region, making it easier to deploy rapidly and efficiently and to mobilise supporting networks.

**We are trusted** by banks, insurance companies, funds and high net-worth individuals throughout the world.

**High reputation and trust** of governments throughout the Asia Pacific region.

**Independence.** We provide truly independent advice.

**We respond on a 24-hour basis** to emergency situations.

## Related Services

- Initial Public Offering – Reverse Takeover – Investigative Due Diligence Services
- Political and Business Risk Assessment Services
- Employee Integrity & Screening Services

## RESOURCES WORLDWIDE

## ABOUT SVA

Steve Vickers & Associates ("SVA") is a specialist risk consulting company. The company serves corporations, banks, private equity, high net-worth individuals and insurance companies around the world.

The company is led by Stephen G. (Steve) Vickers who has 36 years hands-on experience in the business intelligence and special risk business.

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