

TRANSACTIONS RISKS WEBINAR

# Due-Diligence in international transactions

March 15<sup>th</sup>, 2021

BDO Intelligence

# Agenda

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

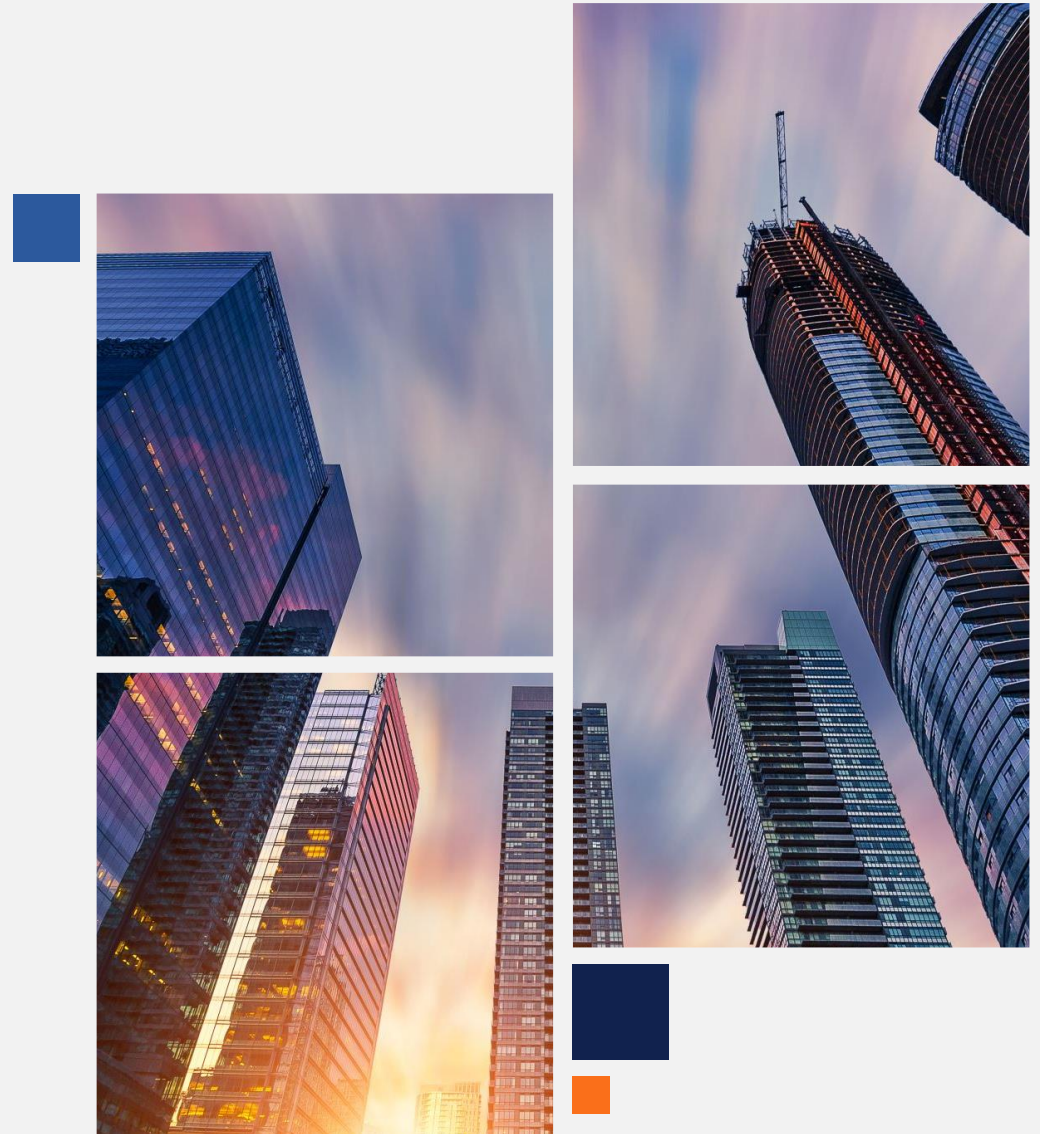




# Introduction

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.

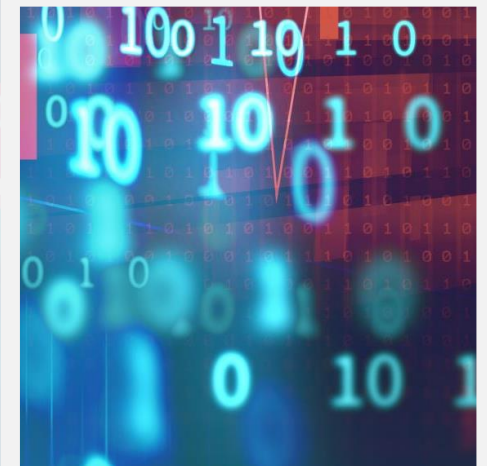
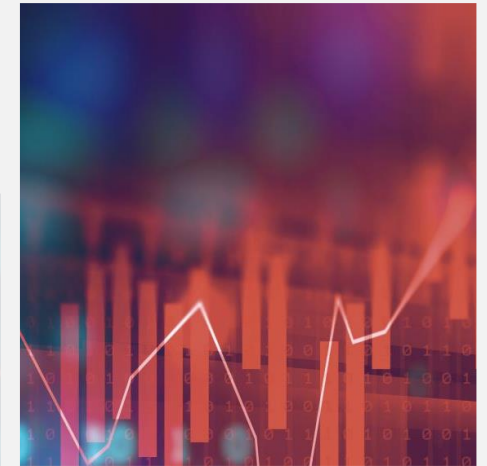
Due-diligence check may expose shareholders and corporate structure of the inspected company and allows recognizing hidden interests.



# Regulatory Due Diligence

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

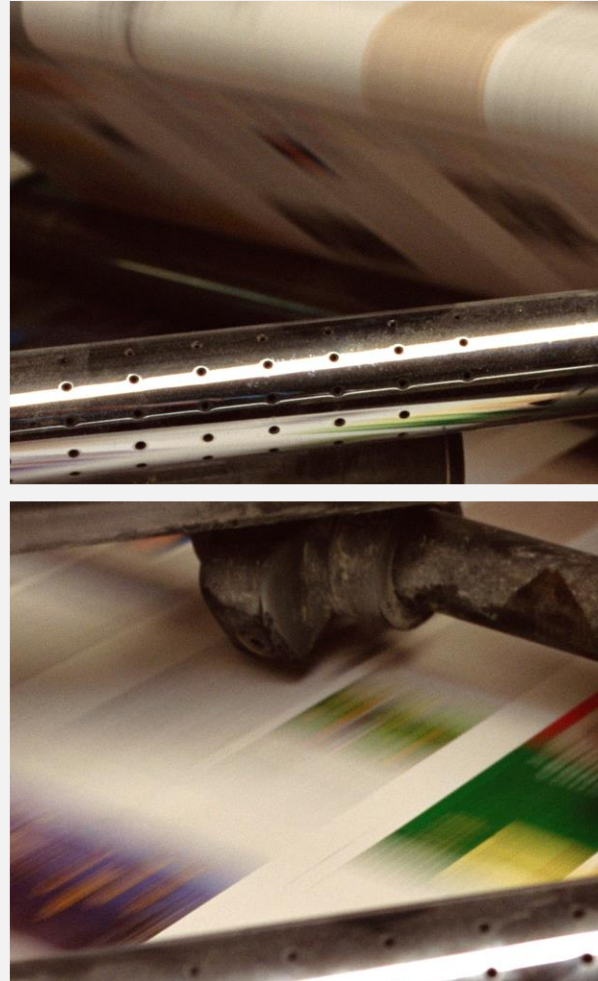
A Due-diligence could reveal the regulatory past of the relevant company, including its managers and shareholders, as well as connected businesses, etc.





# 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.

Ori Hadad

Head of BDO Intelligence

[orihad@bdo.co.il](mailto:orihad@bdo.co.il)

+972-54-8190393

