

# Asset tracing to inform decision making and support legal strategies

KPMG Forensics

A key consideration in lending decisions and litigation strategy is often whether the other party has available assets. By leveraging our global network and applying local expertise we identify assets and trace movements to add transparency to this decision making process.

## Why undertake asset tracing?

### Lending decisions

Asset tracing is invaluable in validating and verifying asset and liability disclosures as part of credit discussions with both companies and individuals.

Whilst most companies and individuals will honestly disclose their financial position, there are a minority who will seek to make misrepresentations for personal gain. This can lead to debt recovery issues and financial loss for the lender. Asset tracing can help identify misrepresentations and in doing so, mitigate the risk of financial loss.

### Litigation strategy

Analysing multi-jurisdictional information to find assets and trace sources of funding can provide useful insights to support the decision to litigate and the wider litigation strategy. In particular:

- The decision of whether to pursue litigation as a method to resolve a dispute often hinges on whether the other party has the funds to satisfy a judgment made against them. Litigation is expensive and so understanding the assets available and the potential for recovery is a key step in any litigation decision.
- Asset tracing is essential to locate assets that have been wrongfully extracted from a company, for example due to fraud or as a result of the misconduct of company owners and directors. Identifying where funds have been transferred to and how they were transferred helps inform the process of asset recovery.



We review open source data in Ireland and overseas jurisdictions to provide our clients with financial insights that support decision making.

### Asset tracing in action

1

Our client had successfully litigated overseas and were seeking to enforce the judgment in Ireland. KPMG were engaged to validate disclosures made by the defendant and identify undisclosed assets.

2

KPMG were engaged to verify the completeness and accuracy of asset disclosures made by our client's debtors. This approach has informed the overall credit management strategy for our client.

# Our asset tracing methodology

## Step 2 - Corporates

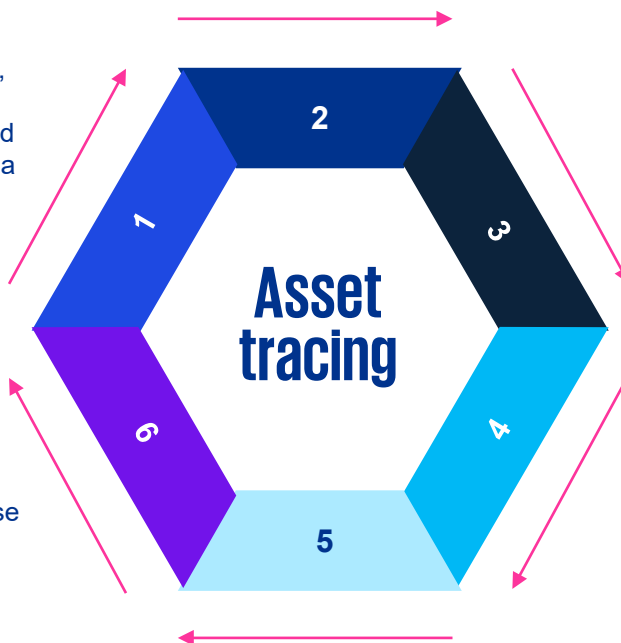
Searches of land, assets and debts held by a corporate which may, or may not, be linked to particular individuals identified in Step 1. Adverse media checks can also be undertaken.

## Step 1 - Personal

Searches for shareholdings, land, assets and debts held by an individual. Background searches and adverse media checks can also be undertaken.

## Step 3 - Connections

Review of open source data to identify assets of related parties who are also relevant to the matter. In addition, asset movements may be traced between related parties.



## Step 4 - Overseas

Forensic review of open source data to assist in asset identification in overseas jurisdictions, leveraging KPMG's global network.

## Step 6 - Analysis

Using technology and forensic accounting expertise we undertake a detailed review of information to compile timelines, relationship charts and a summary of the asset position and movements over time.

## Step 5 - Financial information

Some matters may require an analysis of cash movements. If financial information such as bank statements are made available to us, for example through disclosure, we trace and assess fund flows.

## Contact us



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