



cutting through complexity

Third Party Intermediaries Due Diligence Reviews

kpmg.ie



Background

Global transactions and regulatory scrutiny increasingly impel companies to examine their business relationships in order to assess risk, undertake informed negotiations and comply with regulatory mandates.

Whether you are a financial institution on-boarding clients with funds from a potentially suspicious origin or a global entity conducting business in a distant foreign jurisdiction, you are at risk. As companies enter and operate in new markets, they are likely to have to rely on third party intermediaries ("TPIs"), many of whom operate far from the companies' headquarters, in a foreign language, with different customs and ways of conducting business.

The Solution

KPMG can help you to identify the appropriate level of due diligence for each of your TP's, based upon such factors as jurisdictional risk, the nature of the industry and the service provided by the TPI and the importance of the relationship to you.

We can then undertake cost-effective, timely and responsive research into each TPI based on this initial risk assessment. In some cases no further due diligence is required or high level screening may suffice.

For those TPIs categorised as risky, we have developed a proprietary technology called **Astrus** which enables an extremely efficient and reliable search of an extensive range of public information sources across the world.

Astrus responds to your need to comply with the regulatory compliance requirements in areas like:

- Anti-money laundering ('AML')
- Politically-Exposed-Persons ('PEP') screening
- Anti Bribery and Corruption ('AB&C') legislation

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Failure to adequately assess **TPIs** and to know how they operate could lead to exposure to reputational damage, operational risk, **government investigations** as well as monetary penalties and potential **criminal liability**.

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Benefits of Astrus

- Access to more than 35,000 individual data sources worldwide. This includes premium content data and deep web sources
- Annually we make multi-million-euro investments in a broad range of data sources. We are not restricted on data volume
- Rapid access to an extensive range of on-line records including corporate and personal data, court records, media sources, commercial lists of PEPs, law enforcement notices, regulatory enforcement notices and sanctions lists
- We have a wider reach than individual data vendors. In one-third of cases in which we identified a PEP, the individual was not listed on any leading commercial PEP databases
- We cover the major European languages and a range of other leading languages such as Russian, Chinese and Arabic
- We identify and use primary data sources wherever available in preference to secondary data sources. We take into account the reliability of information sources when assessing risk indicators

Deliverables of Astrus

Risk	Examples of specific risk	Examples of reviews undertaken and reported in Astrus
AML	<ul style="list-style-type: none"> ✓ Know your TPI ✓ Customer Due Diligence ✓ Terrorist Financing ✓ Reputational Risk 	<ul style="list-style-type: none"> • Review of corporate records confirming beneficial ownership via individual corporate registries and aggregators • Personal profiling using corporate records, disqualification records, credit profiling media and social network sources • Source of wealth confirmations • Review of international terrorist watch lists • Review of notices pertaining to money laundering, proceeds of crime issued by regulators or enforcement agencies
Business Risk	<ul style="list-style-type: none"> ✓ Jurisdictional Risk ✓ Industry Risk ✓ Government/ PEP exposure ✓ Business Transparency ✓ Environmental Matters 	<ul style="list-style-type: none"> • Review of trade and economic sanctions, debarment notices and insider trading actions • Review of restricted countries, debarment notices and cases taken by Customs & Excise • Review of PEPs and government awarded contracts • Review of opaque corporate structures using corporate records and filings • Review of environmental breaches lists
AB&C	<ul style="list-style-type: none"> ✓ Non compliance with Foreign Corrupt Practice Act ("FCPA") and bribery acts ✓ Fraud and Misconduct ✓ Other country law and regulations 	<ul style="list-style-type: none"> • Review of cases brought under FCPA and bribery acts • Review of civil and criminal court proceedings for entities and individuals • Review of disciplinary proceedings by professional bodies • Review of identity fraud and bribery databases as well as compiling inconsistent data noted as part of our review



Contact us



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