



## Know Your Investment

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Know Your Borrower

*"A good decision is based on knowledge and not on numbers."*

Plato



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# Know your Investment, Know your Borrower

From a tech-savvy start-up to a solid multinational company, there are countless interesting investment opportunities worldwide. However, even the most promising ones bear risks that could seriously jeopardize your investment.

## The risk of fraud

“Bankruptcy, suicide and a billion-dollar tech dream”: In December 2016, the Toronto Star reported about a financier who used a promising Canadian tech start-up in a global investment scheme to ensnare investors and asset managers alike. Investors from all over the world trusted him with their money. Due to various circumstances, the funding dried up. The financier committed suicide. The money of the investors disappeared. Some of them will never recover financially.

There were red flags from the get-go. But none of the investors performed a thorough due diligence.

## The risk of scandals

Not a month goes by without a major company hitting the headlines with a scandal. One of them, involving global players, is the Libor scandal with rigged interest rates. Some banks like UBS, Barclays Bank or Deutsche Bank were fined with millions, others like JP Morgan, Citigroup, and Bank of America are still under investigation. All of this is not in the shareholder's best interest.

As with another major scandal, the VW emission one, there were plenty of early signs. There always are.







## The risk of insolvency

In 2016, 192 companies with a turnover exceeding 50 million euros faced insolvency. Other companies struggled to stay resilient despite robust support from policymakers. The outlook for 2017 is not better: The trade credit insurance company Euler Hermes expects worldwide insolvencies to rise by one percent. There is no too big to fail, that is one of the most important lessons the financial crisis of

2008 taught us. Investors in the shares of Lehman Brothers or other companies that used to be considered as rock-solid fought hard to recover their money – to no avail.

As with numerous other failed investments, there were indicators of emerging serious risks long before the actual collapse. These risks could have been avoided and/or mitigated, if decision makers would have had access to the relevant information.





## Reliable information is key

Unfortunately, many corporate executives have been lulled into the false notion that they can rely on traditional sources of information, such as financial scores, overall analyses, and occasional Google searches. That is not enough. Not if you want to uncover potential issues in real time, before they escalate into problems more visible to the public.

When it comes to your money, you deserve only the most reliable information for your investment decision. To follow the herd is often not the best solution. Depending on the value of your investment and your risk appetite, you need a tailor-made solution that will provide all

the information needed to effectively mitigate the risks your investments are facing.



## Risk of third-party business relationships

Of course, the risks are not only limited to the company you invest in. Most companies rely on a wide range of third-party business relationships such as suppliers, distributors, consultants, accountants and lawyers. They bring with them all sorts of new risks that need to be mitigated and managed.

Chances are that business agreements with third parties include some contractual terms that even the most loyal partners will seek to ignore or work around from time to time. Likewise, suppliers who appear to be on solid financial ground may actually be on thin ice when it comes to their capitalization.



## Who are we

Through its state-of-the-art Due Diligence solutions, **Global Risk Profile** helps its clients to mitigate risks and comply with regulatory standards.

From simple screening to thorough investigations, our reports are effective means to **assess risks** associated with every kind of third party involved in your business model.

Based in Switzerland and mastering over twenty languages, our core team of experienced analysts, perform quality research **world-wide**.

Our network of local informants (i.e. former police or military force members, lawyers, private investigators and journalists) enables us to gather information from the target's immediate environment.

### The Information you need

Risks may arise at any step of a business process.

**We offer exhaustive checks on:**

- ◆ Suppliers / Subcontractors / Distributors
- ◆ M&A and Joint-Ventures
- ◆ Existing and potential clients (**KYC reports**)
- ◆ Current staff and potential hires (**Background Checks**)
- ◆ Any other person / corporation of your interest

**On demand, we also provide our clients with specific tailor-made services.**

## Get the Most out of the “Big Data”

Our reports comprise all legally available information on individuals or companies around the world, retrieved from thousands of sources at our disposal:

- ◆ Commercial Registers
- ◆ Official Gazettes
- ◆ PEP Databases
- ◆ Sanction & Regulatory Enforcement lists
- ◆ Court files
- ◆ Media archives
- ◆ Proprietary Archives
- ◆ Local Search Engines
- ◆ Web Analytics
- ◆ Monitoring Technologies

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