

# A Layered Approach to Due Diligence for Investment Firms



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# Speakers



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**BCP & Cyber Security  
Manager**  
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**Director, International  
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**MODERATOR:**



**Lee Robertson**

**Commercial Director**  
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# The Agenda

- ➔ Effective Due Diligence and Oversight: Questions You Should Be Asking
- ➔ Vendor Due Diligence: What to Look Out for
- ➔ Next: Assessing Your Findings
- ➔ Best Practices for Structuring Outsourcing Agreements

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# General Housekeeping

- ➡ Duration: **30 minutes**
- ➡ Questions: **Submit via the Q&A function in GoToWebinar**
- ➡ Will the event be recorded? **Yes**
- ➡ When will the recording/slides be available? **Tomorrow**

# The Importance of Due Diligence



Alignment with  
regulations



Third-party risk  
assessment



Strategic direction



Efforts should be  
concentrated when  
***outsourcing***

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# Effective Due Diligence and Oversight



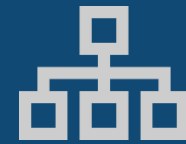
Product/Service  
Information



Company  
Information



Policies, Procedures,  
Standards & Controls



Third-Parties/  
Outsourcing

## **Key Points to Consider:**

- Compatibility
- Expertise
- Contractual Obligations

***Tip:** Consider the process to be cyclic and aim to review it periodically.*

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# Questions You Should be Asking

Consider Life Cycle (Early, Mid, After)

Compliance

Security Controls

Alignment to Recovery Strategies  
(RTO, MAD)

Certifications

Audit Reports

Attestations



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# Vendor Due Diligence: What to Look Out for?



- Deep discounts
- Over agreeing
- Data storage - GDPR/MiFID
- Examine any exclusions in service level agreements (SLA)
- Will development activities be supported?
- Consider the quality of the people assigned to your organisation
- Background checks - what do they check for?
- Ensure that the outsourcing team possesses industry expertise

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## Next: Assessing Your Findings



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# Best Practices for Structuring Outsourcing Agreements

Typically Include Some or All of the Following:

- Definitions and Interpretations
- Commencement and Duration
- Services
- Personnel
- Termination Assistance
- Client Obligations
- Provider Obligations
- Acceptance
- Inspection
- Intellectual Property Rights
- Charges and Payment
- Failure to Meet Service Level
- Warranties

- Liability
- Insurance
- Data Protection
- Termination
- Consequences of Termination
- Confidentiality
- Assignment and Subcontracting
- Waiver and Variation
- Severability
- Relationship of the Parties
- Non-Solicitation
- Third Party Rights
- Force Majeure

- Notice
- Change Control
- Entire Agreement
- Counterparts
- Dispute Resolution
- Mediation
- Governing Law and Jurisdiction

**Tip:** *Ensure you have a contingency plan!*

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# Key Takeaways For Investment Firms

Start small

Keep the process updated and review annually

Ensure you have a solid baseline document

Always ask for references



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# Any Questions?

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