

# Compliance Due Diligence Sell Side

Identify and understand non compliance issues within the vendor's organizations in order to avoid risks before the transaction occurs and maximize the value of the organization.

**Sectors:**



Consumer Business



Manufacturing



Banking, financial services and insurance



Technology, media and telecommunication



Energy and resources



Life sciences and healthcare



Public sector

The key focus areas of a Compliance Due Diligence are:

**Compliance diagnose:**

Assess the level of compliance with local and international anticorruption legislation: (i) Chilean Law 20.393 foresees criminal offenses such as Bribery, Money Laundering, Terrorism Financing and Proceeds of Crime, as well as corruption between companies and includes the implementation of a crime prevention model, and (ii) FCPA foresees an Anti-Bribery provision that makes it illegal to make corrupt payments to foreign officials, and the Books and Records provision that requires to maintain records that accurately reflect transactions and the nature and quantity of corporate assets and liabilities. The non compliance with these regulations can affect the vendor's corporate image and reputation, as well as the purchase value.

**Internal compliance program review:**

- Assessment and analysis of the crime prevention structure and control environment and its effectiveness within the organization.
- Review and assessment of the knowledge of management of the processes and indicators of corruption.
- Review and assessment of the internal regulations regarding anticorruption and its level of implementation and compliance.
- Analysis of the relationship with third party intermediaries (TPI's) and public officials.

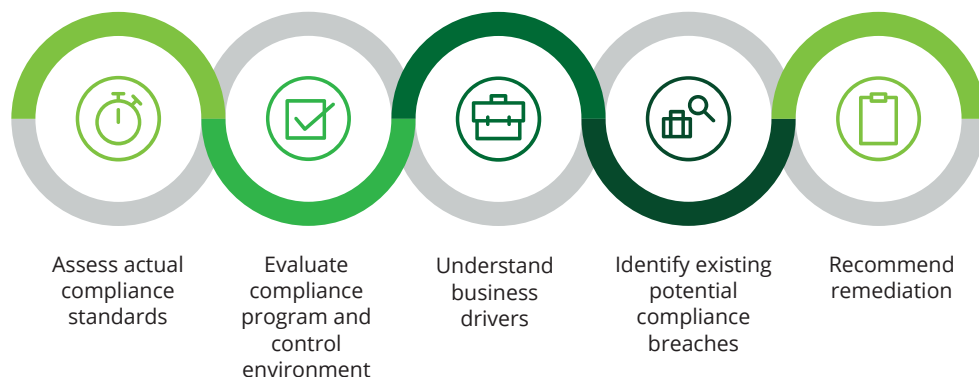
**Compliance support:**

In addition to providing legislatively compliant advisory support on a global scale, we also help design, update, implement, and monitor anti-corruption policies, procedures, and internal controls.



**Robert Fowlie**  
Lead Partner, Forensic  
+ 56 227 298 153  
rofowlie@deloitte.com

**Objectives of Compliance Due Diligence**



#### **Headquarters**

Rosario Norte 407  
Las Condes, Santiago  
Chile  
Phone: (56) 227 297 000  
Fax: (56) 223 749 177  
deloittechile@deloitte.com

#### **Regions**

Simón Bolívar 202  
Office 203  
Iquique  
Chile  
Phone: (56) 572 546 591  
Fax: (56) 572 546 595  
iquique@deloitte.com

Av. Grecia 860  
3rd floor  
Antofagasta  
Chile  
Phone: (56) 552 449 660  
Fax: (56) 552 449 662  
antofagasta@deloitte.com

Los Carrera 831  
Office 501  
Copiapó  
Chile  
Phone: (56) 522 524 991  
Fax: (56) 522 524 995  
copiapo@deloitte.com

Alvares 646  
Office 906  
Viña del Mar  
Chile  
Phone: (56) 322 882 026  
Fax: (56) 322 975 625  
vregionchile@deloitte.com

Chacabuco 485  
7rd floor  
Concepción  
Chile  
Phone: (56) 412 914 055  
Fax: (56) 412 914 066  
concepcionchile@deloitte.com

Quillota 175  
Office 1107  
Puerto Montt  
Chile  
Phone: (56) 652 268 600  
Fax: (56) 652 288 600  
puertomontt@deloitte.com

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# Compliance Due Diligence Buy Side

Understand the position of an entity regarding its control environment and its level of compliance with applicable anticorruption regulations by the potential investor/acquirer before its acquisition or investment in the entity.

**Sectors:**

-  Consumer Business
-  Manufacturing
-  Banking, financial services and insurance
-  Technology, media and telecommunication
-  Energy and resources
-  Life sciences and healthcare
-  Public sector

The key focus areas of a Compliance Due Diligence are:

**Compliance diagnose:**

Evaluate the potential non compliance of the entity with local and international anticorruption legislation: (i) Chilean Law 20.393 foresees criminal offenses such as Bribery, Money Laundering, Terrorism Financing and Proceeds of Crime, as well as corruption between companies and includes the implementation of a crime prevention model, and (ii) FCPA foresees an Anti-Bribery provision that makes it illegal to make corrupt payments to foreign officials, and the Books and Records provision that requires to maintain records that accurately reflect transactions and the nature and quantity of corporate assets and liabilities. The non compliance with these regulations can lead to legal risks and affect its corporate image and reputation.

**Internal compliance programs:**

- Identification of potential risks and controls associated to the activities regulated in Law 20.393: bribery to public officials, corruption, money laundering and terrorism financing. Focus on new offense to be introduced to Law 20.393: bribery among private entities (non state owned companies).
- Review and analysis of the knowledge of management of the processes and indicators of corruption.
- Review of internal regulations regarding anticorruption and its level of implementation and compliance.
- Verification of existence of a crime prevention structure, ethics code and employee training.
- Analysis of the relationship of the entity with third party intermediaries (TPI's) and public officials.

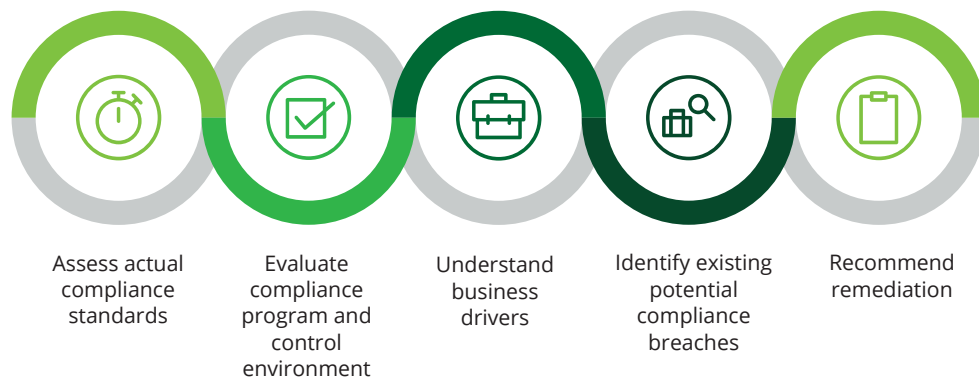
**Transaction testing:**

Our anti-corruption investigative specialists have the experience to identify a range of questionable activities of the entity, its clients, vendors or business partners that could breach anti-corruption regulations. These include identifying unusual payment patterns or financial arrangements, abnormally high commissions and management fees, lack of transparency in expenses and accounting records and refusal to provide audit/inspection rights or anti-corruption certification.



**Robert Fowlie**  
Lead Partner, Forensic  
+ 56 227 298 153  
rofwolfe@deloitte.com

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#### **Headquarters**

Rosario Norte 407  
Las Condes, Santiago  
Chile  
Phone: (56) 227 297 000  
Fax: (56) 223 749 177  
deloittechile@deloitte.com

#### **Regions**

Simón Bolívar 202  
Office 203  
Iquique  
Chile  
Phone: (56) 572 546 591  
Fax: (56) 572 546 595  
iquique@deloitte.com

Av. Grecia 860  
3rd floor  
Antofagasta  
Chile  
Phone: (56) 552 449 660  
Fax: (56) 552 449 662  
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Copiapó  
Chile  
Phone: (56) 522 524 991  
Fax: (56) 522 524 995  
copiapo@deloitte.com

Alvares 646  
Office 906  
Viña del Mar  
Chile  
Phone: (56) 322 882 026  
Fax: (56) 322 975 625  
vregionchile@deloitte.com

Chacabuco 485  
7rd floor  
Concepción  
Chile  
Phone: (56) 412 914 055  
Fax: (56) 412 914 066  
concepcionchile@deloitte.com

Quillota 175  
Office 1107  
Puerto Montt  
Chile  
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Fax: (56) 652 288 600  
puertomontt@deloitte.com

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# Background Checks Buy Side

Gather and assess background information about shareholders, officers, management and third parties of an entity before its acquisition or investment in the entity in order to detect any risks associated to the acquisition or investment.

**Sectors:**



Consumer Business



Manufacturing



Banking, financial services and insurance



Technology, media and telecommunication



Energy and resources



Life sciences and healthcare



Public sector

The key focus areas of a Background Check are:

**Information gathering:**

Provide a detailed approach of the entity, shareholders, officers, management and third parties considering activities and situations of potential risk to image, evaluating the involvement of civil and labor disputes, bribery and corruption cases and its reputation in the media in a context of the review of formal and public sources.

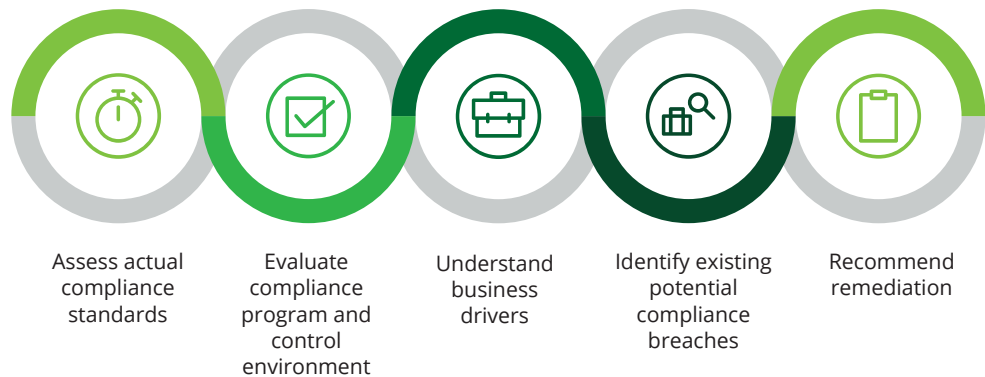
**Business intelligence analysis:**

- Identify unexpected relationships with Politically Exposed Persons and government officials.
- Search for conflict of interest between shareholders/officers/management/employees and vendors/clients/business partners.
- Search for undisclosed business affiliations, especially with State Owned Companies.
- Gather information on parties suspected of wrong doings.
- Identify risks of reputation damage as a result of civil and labor disputes and bankruptcy filings.
- Look for adverse information in the news and social media.
- Investigate about issues such as any prior financial, legal or regulatory problems, sanctions by international organizations or links to organized crime, any political links as well as any adverse business reputational issues.



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Chile  
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Office 203  
Iquique  
Chile  
Phone: (56) 572 546 591  
Fax: (56) 572 546 595  
iquique@deloitte.com

Av. Grecia 860  
3rd floor  
Antofagasta  
Chile  
Phone: (56) 552 449 660  
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Copiapó  
Chile  
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Fax: (56) 522 524 995  
copiapo@deloitte.com

Alvares 646  
Office 906  
Viña del Mar  
Chile  
Phone: (56) 322 882 026  
Fax: (56) 322 975 625  
vregionchile@deloitte.com

Chacabuco 485  
7rd floor  
Concepción  
Chile  
Phone: (56) 412 914 055  
Fax: (56) 412 914 066  
concepcionchile@deloitte.com

Quillota 175  
Office 1107  
Puerto Montt  
Chile  
Phone: (56) 652 268 600  
Fax: (56) 652 288 600  
puertomontt@deloitte.com

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# Regulatory Due Diligence Buy Side

Understand the key legislation, regulations, and commercial obligations applicable to the industry of the entity by the potential investor/acquirer before its acquisition or investment in the entity.

**Sectors:**



Consumer Business



Manufacturing



Banking, financial services and insurance



Technology, media and telecommunication



Energy and resources



Life sciences and healthcare



Public sector

The key focus areas of a Regulatory Due Diligence are:

**Regulatory framework:**

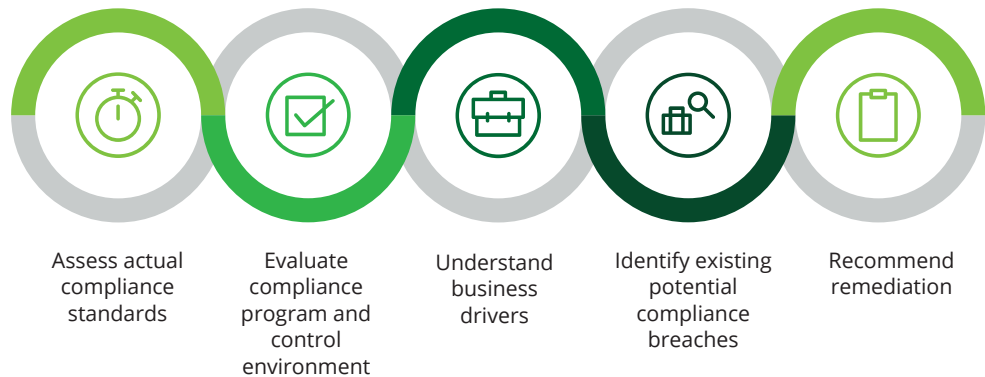
Understand the regulatory local framework for the specific industry of the entity. If the entity's business is a regulated public service:

- Understand the main factors related to industry related regime and tariff-setting regime
- Understand the updated company development plan if required by the regulator and assess if it is compliant with applicable regulations.
- Read regulator's reports and recommendations to ascertain any major issues and/or abnormal matters (if any) which might have significant impacts on the transaction.
- Understand the potential impact of key regulatory industry related changes in Chile.
- Draft of a regulatory assessment/matrix, describing the full historical regulatory environment applicable to the industry, including all further amendments up to date and its impacts.
- Briefing over the current policy and regulatory discussions regarding this industry among key stakeholders, considering government plans, related bills currently analyzed at the Chilean Congress and its Committees, as well as –if applicable- local representatives of the communities where the entity is located.
- Summary of the main/latest administrative decisions taken by the regulatory authority, addressing any potential shift on the position of the regulator.



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rofowlie@deloitte.com

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Rosario Norte 407  
Las Condes, Santiago  
Chile  
Phone: (56) 227 297 000  
Fax: (56) 223 749 177  
deloittechile@deloitte.com

#### **Regions**

Simón Bolívar 202  
Office 203  
Iquique  
Chile  
Phone: (56) 572 546 591  
Fax: (56) 572 546 595  
iquique@deloitte.com

Av. Grecia 860  
3rd floor  
Antofagasta  
Chile  
Phone: (56) 552 449 660  
Fax: (56) 552 449 662  
antofagasta@deloitte.com

Los Carrera 831  
Office 501  
Copiapó  
Chile  
Phone: (56) 522 524 991  
Fax: (56) 522 524 995  
copiapo@deloitte.com

Alvares 646  
Office 906  
Viña del Mar  
Chile  
Phone: (56) 322 882 026  
Fax: (56) 322 975 625  
vregionchile@deloitte.com

Chacabuco 485  
7rd floor  
Concepción  
Chile  
Phone: (56) 412 914 055  
Fax: (56) 412 914 066  
concepcionchile@deloitte.com

Quillota 175  
Office 1107  
Puerto Montt  
Chile  
Phone: (56) 652 268 600  
Fax: (56) 652 288 600  
puertomontt@deloitte.com

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