

Service Provider and Vendor Due Diligence Reviews

IQ-EQ offers independent service provider and vendor due diligence reviews designed to provide compliance officers with reporting that integrates into their compliance monitoring and satisfies the guidance and regulatory requirements of regulators in the UK, EU and the United States.

Each vendor due diligence review measures and assess the vendor risk, financial health and data security best practices. To accomplish this, IQ-EQ employs a due diligence team comprised of experts in regulatory compliance, accounting & audit and IT.

The due diligence reviews and scope are customised to each organisation's needs, but include the following:

- Creation (or updating) of a service provider and vendor register;
- An internal risk assessment for each vendor;
- Sending and collection of questionnaires customised to your organisation's need;
- Review of documentation related to data protection, operational and financial controls
- Discussion with vendors related to financial health and growth of business; and
- Background checks and public search reviews.
- The output of our due diligence is a collection of materials that easily integrate into a compliance monitoring programme and annual compliance review.

A report on each vendor reviewed is produced. Each report documents the risk rating, the assessment of the vendor and identifies any potential red flags and concerns. Our reports are designed as standalone documents to be shared with senior management, a board of directors or during a regulatory examination.

Summary of Engagement:

Each vendor due diligence review follows a standard process that can be slightly customized to the circumstance and need of our clients.

A. Selection of Service Providers and Areas of Focus

We begin each vendor due diligence review with a conference call to understand the vendor(s) to review, any risk ratings previously provided and any identified areas of risk/concern. For ongoing annual reviews, we review the vendor(s) previously selected and discuss which vendor(s) to include in the annual review. Last, we discuss and document any areas of focus or content to customize in the review.

B. Service Provider & Vendor Questionnaire

A questionnaire and document request list are then populated and distributed to the vendor. To help ensure responses from the vendor, we request you provide a written instruction to the vendor or to distribute the questionnaire and document request list. Questionnaires are customized for each engagement but generally include:

- Operational and governance changes
- Financial reporting and confirmations
- Cybersecurity, data protection and business continuity controls
- Operational risk controls
- Compliance controls (if regulated)
- Controls related to specific functions (e.g., AML controls, custody)

C. Documentation Collection and Review

In conjunction with the questionnaires each vendor due diligence requests and reviews documentation related to cybersecurity, accounting controls and any certifications that the vendor has undertaken. The documentation review includes (where provided) a review of SOC Reports, SSAE reports, AITECH Questionnaires, ISO Certification, documentation related to AML and other independent reviews.

D. Report Production & Delivery

After the questionnaire responses and supporting documentation is provided, we begin production of the vendor due diligence report. If additional information or documentation is required, we work directly with the vendor. If required and/or a result of the questionnaire responses, a direct discussion with the vendor may be undertaken. The production of each report normally occurs within one to two weeks of receipt of the questionnaire and supporting documentation.

Prior to report delivery regulatory and KYC checks are performed on the vendor. The background checks include standard AML/KYC reviews through Refinitiv and regulatory searches (where applicable).

Each report delivered includes a debrief call to discuss the review. Overall report production takes approximately four (4) to six (6) weeks depending on vendor communications and the time it takes to collect questionnaire responses.

Due Diligence Report Production & Delivery

After the data has been collected and reviewed the information is compiled into a standalone due diligence report. The Report's Executive Summary provides a detail list of potential red flags and concerns that are raised against regulatory rules and best practice standards. The report content is divided into the following sections.

- Executive Summary and Overview
- Risk Rating
- Description of the Services Provide to the Firm
- Risk Assessment
- Cybersecurity and Data Protection Review
- Financial Stability Review
- Staffing and Servicing of the Firm

Report production takes approximately four to six weeks depending on the number of service provider and vendor reviews and the time it takes to collect questionnaire responses

Key facts and figures*

People worldwide

5000⁺

Worldwide locations

25

Assets under administration

\$750⁺ bn

Minimum senior team experience

20yrs

Funds under administration

800⁺

Key contacts



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Our locations worldwide

THE AMERICAS

Bermuda
British Virgin Islands
Cayman Island
Curaçao
USA (Austin, Bedford NH, Chicago, Dallas, Fort Worth, Houston, New York, Rapid City SD, San Francisco & West Palm Beach)

MIDDLE EAST

United Arab Emirates

EUROPE

Belgium
Cyprus
France
Guernsey
Ireland
Isle of Man
Jersey
Luxembourg
Switzerland
The Netherlands
UK

AFRICA

Mauritius
South Africa

ASIA

Mainland China
Hong Kong
India
Japan
Philippines
Singapore



*Correct as of 30 January 2023

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