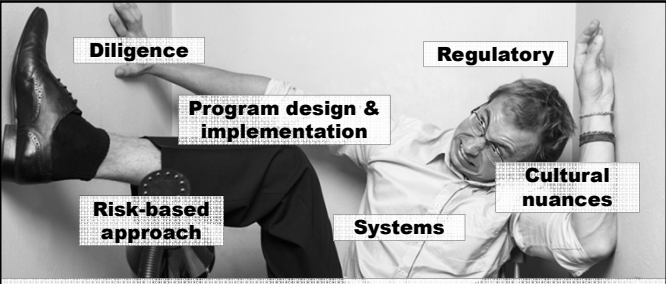




MANAGING THIRD PARTY COMPLIANCE PROGRAMS ON A GLOBAL SCALE

 **blue umbrella**

Allan Matheson, CEO
Blue Umbrella




Diligence **Regulatory**

Program design & implementation

Risk-based approach **Systems** **Cultural nuances**

COMMON CHALLENGES?



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graph TD
    A[Business Case Justification submitted & approved] --> B[Questionnaire & Code of Conduct]
    B --> C[Review information, risk rate]
    C --> D[Due diligence process]
    D --> E[Adjudication & approval]
    E --> F[Contract]
    F --> G[Training]
    G --> H[Monitoring]
    H --> I[Review, recertification, renewal]
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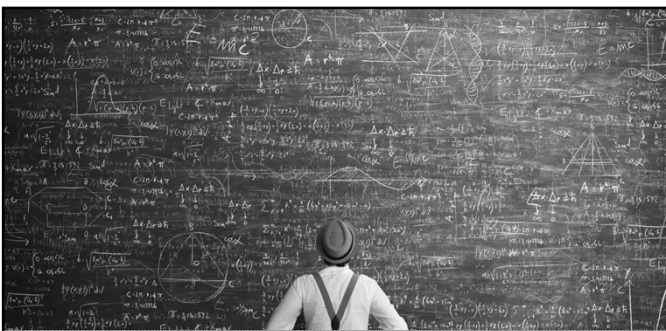
A TYPICAL WORKFLOW



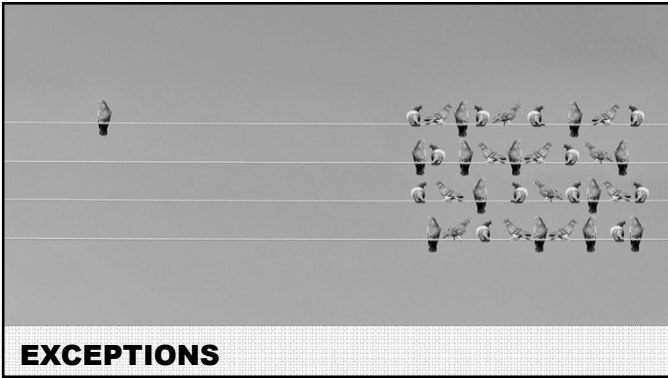
1. PROGRAM DESIGN & IMPLEMENTATION



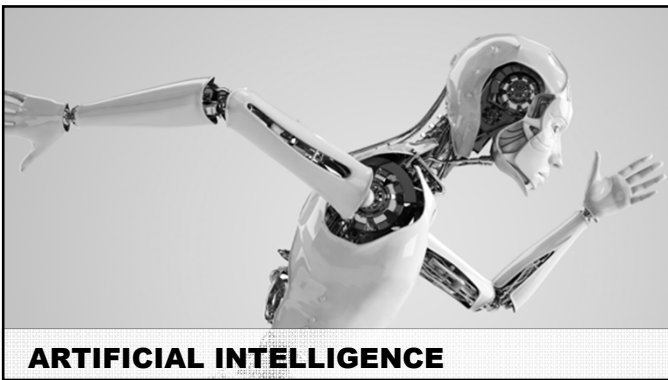
2. SYSTEMS



DATA & INTEGRATIONS



EXCEPTIONS



ARTIFICIAL INTELLIGENCE



3. CULTURAL NUANCES



4. RISK BASED APPROACH



5. REGULATORY CHALLENGES



6. DILIGENCE

SCOPE – MEDIA CHECKS

Media Example	Search Type	Results	Source(s)
State Ownership	Full local language media & internet search Media Database	Y-Fund Management is 20% owned by DID Investment Company, a state-owned enterprise under the Economic and Information Technology Committee. No findings in brand name database	Retrieved Feb 17 2018: Y-Fund Published Feb 17 2018: Y-Fund Information Commission (SME, Russia)
Media Example	Search Type	Results	Source(s)
Alleged transfer of benefits	Full local language media & internet search English Language Degoryatory Media	The China Securities Regulatory Commission therefore demanded XW Pharmaceutical Co., Ltd. to disclose the transactions between SPV CHM Co. Ltd. and XW Pharmaceutical Co., Ltd.'s clients and suppliers in details, including the transaction background, the amounts, and the interests involved. English media has no relevant finding	Dated Oct 17 2017: China Securities Regulatory Commission
Media Example	Search Type	Results	Source(s)
Embezzlement by former senior managers	Full local language media & internet search	A Sine (in) article dated 3 March 2010 reported that three former senior managers of A Mining embezzled from DDBF Co., Ltd., Zuo Loo, a former Chairman, was sentenced to 18 years imprisonment with reprieve and had property worth CNY 1 million (approximately USD 162,246) confiscated by the Higher People's Court in December 2009 for embezzlement and falsifying contribution. Zuo Bao, a former Vice President, was sentenced to 16 years' imprisonment with reprieve and had property of CNY 100,000 (approximately USD 15,343) confiscated for embezzlement and falsifying capital contribution. Zuo Zuo, a former Vice Chairman, was sentenced to one year's imprisonment with a two-year reprieve and had fictitious gains confiscated for falsifying capital contribution.	Dated Mar 5 2010: Sine (China)
	Media Database & English Language Degoryatory Media	Public listest company - derogatory findings only available in local language	

Media Example	Search Type	Results	Source(s)
State Ownership	Full local language media & internet search	Yifund Management is 20% owned by DID Investment Company, a state-owned enterprise under the Economic and Information Technology Committee.	Retrieved Feb 7 2016: DID Fund
	Media Database	No findings in brand name database	Retrieved Feb 7 2016: State Ownership and Information Committee (SOFIC Bureau)
Media Example	Search Type	Results	Source(s)
Alleged transfer of benefits	Full local language media & internet search	The China Securities Regulatory Commission therefore demanded XIW Pharmaceutical Co., Ltd. to disclose the transactions between SIFLIMA Co. Ltd. and XIW Pharmaceutical Co., Ltd.'s clients and suppliers in details, including the transaction background, the amounts, and the balance involved.	Dated Oct 17 2017: China Securities Regulatory Commission
	English Language Denigratory Media	English media has no relevant finding	
Media Example	Search Type	Results	Source(s)
Embezzlement by former senior managers	Full local language media & internet search	A Sina (a.k.a.) article dated 5 March 2010 reported that three former senior staff of a Mining investment from SXEP Co. Ltd. Zuo Loo, a former Chairman, was sentenced to 18 years imprisonment with reprieve and a former vice chairman DWY 1 million approximately USD 145,294.00 for embezzlement the Higher People's Court in December 2009 for embezzlement and falsifying capital contribution. Zuo Bo, a former Vice President, was sentenced to 16 years imprisonment with reprieve and a former chairman of 500,000 (approximately USD 75,471.43) for embezzlement and falsifying capital contribution. Luo Zuo, a former Vice Chairman, was sentenced to one year's imprisonment with a two-year reprieve and had fictitious gains confiscated for falsifying capital contribution.	Dated Mar 5 2010: Sina Finance
	Media Database & English Language Denigratory Media	Publicly listed company - denigratory findings only available in local language	

[illegible]

State Ownership
Y-Fund Management is 20% owned by DID Investment Company, a state-owned enterprise under the Economic and Information Technology Committee.

湘北威尔曼制药股份有限公司首次公开发行股票申请文件反馈意见

湖北威尔曼制药股份有限公司首次公开发行股票申请文件反馈意见，具体见附件。

湖北威尔曼制药股份有限公司首次公开发行股票募集资金运用文件反馈意见.doc

Alleged transfer of benefits

The China Securities Regulatory Commission therefore demanded XW Pharmaceutical Co., Ltd. to disclose the transactions between SPLCMA Co., Ltd. and XW Pharmaceutical Co., Ltd.'s clients and suppliers in details, including the transaction background, the amounts, and the balance involved.²

[illegible]

SCOPE – MEDIA CHECKS



Embezzlement by former senior managers
A Sina (新浪) article dated 5 March 2010 reported that three former senior managers of J Mining embezzled from SKEP Co., Ltd.. Zoo Loo, a former Chairman, was sentenced to 18 years' imprisonment with reprieve and had property worth CNY 1 million (approximately USD 145,234.96) confiscated by the Higher People's Court in December 2009 for embezzlement and falsifying capital contribution. Zoo Bin, a former Vice President, was sentenced to 16 years' imprisonment with reprieve and had property of CNY 500,000 (approximately USD 72,617.45) confiscated for embezzlement and falsifying capital contribution. Loo Zuo, a former Vice Chairman, was sentenced to one year's imprisonment with a two-year reprieve and had illicit gains confiscated for falsifying capital contribution.



SCOPE – LITIGATION



CONCLUSION



QUESTIONS?



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