

Informed Investment

Key Considerations for Secure Investment

1 BEFORE YOU SEEK INVESTMENT, IDENTIFY THE ASSETS MOST CRITICAL TO THE SUCCESS OF YOUR BUSINESS

- Have you restricted access to these valuable assets to only the individuals/parts of the business who need them?
- Can you place a barrier – physical or virtual - around each asset or system you have prioritised for protection?
- Have you identified which roles require access to sensitive information or critical capabilities so you can provide them with additional security and screening?
- Lead from the top by identifying a risk owner at Board level.

2 CONDUCT THOROUGH DUE DILIGENCE SO YOU KNOW YOUR INVESTOR

- Do you know the source of funds for any proposed transaction, whether direct or indirect?
- Where you have an overseas investor, does your due diligence cover unexpected commercial, political or military ties?
- Familiarise yourself with the legal regime in which your overseas partner operates. Could your partner be compelled to share data or cooperate with the state?
- Is your investor subject to any export controls or sanctions, or the sanctions or export control regimes of other countries, especially those with whom you are doing business?
- Are you aware of how partnering with particular investors may affect your global business and long-term intentions?

3 BEFORE YOU NEGOTIATE, DETERMINE WHAT INFORMATION IT IS APPROPRIATE AND NECESSARY TO SHARE

- Take a strategic approach when considering how much data or proprietary information you must share with potential investors.
- Can you limit access to just this information?
- Have you ensured your partners will protect any information shared with them?

4 MITIGATE POTENTIAL SECURITY RISKS AS EARLY AS POSSIBLE

- Have you included provisions in your contractual investment documentation to protect, for example, key operations and data?
- Have you considered how effective a legal or contractual agreement would be if you were relying on enforcement in an overseas jurisdiction?
- Can you provide a governance and reporting structure which ensures the risk management strategy remains effective over time? For example, one that checks that mitigations remain current, understood and complied with?