



National Protective  
Security Authority



National Cyber  
Security Centre

# SECURE INNOVATION

## BACKGROUND CHECKS GUIDANCE

### INTRODUCTION

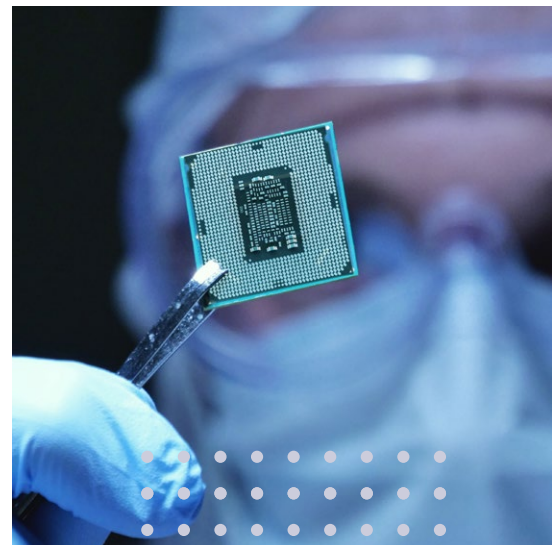
The UK has a strong record in research and development and a vibrant startup ecosystem. This can make innovative UK companies attractive targets for:

- State actors looking to steal your technology
- Competitors seeking commercial advantage
- Criminals looking to profit from companies with weak security

Partnerships are essential to the success of your business. However, partnerships increase the number of external routes into your organisation, or to any information or data you may share. By managing the additional risk that collaboration brings, you will help your company to grow safely.

Conducting due diligence on prospective partners is an essential step to assessing the risks of working with them.

**This guidance is designed to help companies conduct basic background checks which can enable you to make more informed decisions on prospective partners.**



This guide has been prepared by NPSA and the NCSC and is intended to act as guidance for conducting background checks on prospective and existing partners. This document is provided on an information basis only, and whilst NPSA/NCSC have used all reasonable care in producing it, NPSA/NCSC provides no warranty as to its accuracy or completeness.

To the fullest extent permitted by law, NPSA/NCSC accepts no liability whatsoever for any expense, liability, loss, damage, claim or proceedings incurred or arising as a result of any error or omission in the document or arising from any person acting, refraining from acting, relying upon or otherwise using this document. You should make your own judgment with regard to the use of this document and seek independent professional advice on your particular circumstances.

Conduct background checks on any prospective partners (individuals and organisations) who may have access to your sensitive information. The aim of these checks is to:

- Verify they are who they say they are
- Check there are no obvious sources of unwanted control or influence
- Confirm that their motives and agenda align with your own

This will help you assess potential risks to your intellectual property, stay in control of your critical assets, and ensure that the partnership meets its intended goals.

**We recommend conducting background checks on all potential investors, suppliers, and partners.**

Focus your efforts on the partner organisation, and any organisations which sit above them in the ownership chain.

Consider which companies within the chain, all the way up to the ultimate beneficial owner, are going to be able to materially influence your company or could have access to your intellectual assets, and whether you are happy with the risk posed. If the partner has other subsidiaries, consider whether they would have any ability to influence your company, and take appropriate precautions with your intellectual assets.

The table on the next page identifies a number of risks to consider along with the possible sources of information in open source. These are not exhaustive. You will need to consider the full range and extent of any risks in any particular case when deciding whether and how to proceed.

**You will of course also need to ensure any arrangements you may enter into with partners comply with UK (and, if relevant, local) law.**



POTENTIAL RISK INDICATOR	OPEN SOURCE EXAMPLES
<p>Organisational structures or relationships that could compromise your partner's independence or integrity</p>	<ul style="list-style-type: none"> <li>▶ Corporate registries showing parent companies or subsidiaries with foreign ownership, especially from states who have been involved in targeting emerging technology</li> <li>▶ Corporate registries showing large foreign shareholders, especially from states known to target emerging technology companies in the UK</li> <li>▶ Corporate registries showing significant links to a country scoring poorly on the <a href="#">Corruption Perception Index</a></li> <li>▶ Searches showing your partner is, or is closely associated with, a <a href="#">Politically Exposed Person (PEP)</a>, who could abuse their position for private gain</li> <li>▶ Domain lookups indicating the partner's website is owned by a state-linked organisation</li> </ul>
<p>Your partner has also partnered with a foreign government on technologies with military or security applications</p>	<p>Press releases on the partner's website announcing a strategic investment in your partner by a foreign government related to a technology which could have military applications</p>
<p>Your partner has links to foreign militaries, police, or security services of concern</p>	<p>Media coverage that your partner has secured a contract with a foreign military from a state that poses a security risk to the UK</p>
<p>Your partner has been assessed to be at high risk of diverting assets to a foreign country's military or security service</p>	<p>Your partner features on an end user or entity list</p>
<p>Your partner is a politically exposed person (PEP), or is closely associated with one</p>	<p>Searches of the partner's name, or those closely associated with the partner, identify that they are an individual entrusted with prominent public functions, other than as a middle-ranking or more junior official</p>
<p>Your partner has facilities in a country known to target emerging technology companies in the UK, where your intellectual assets could be duplicated without your knowledge</p>	<p>Media coverage of your partner opening a technical facility in a foreign country known to target emerging technology</p>

Your international partner is operating under local laws which put your IP at risk	The <a href="#">Overseas Business Risk</a> page for the country your partner operates from highlights heightened risk of IP infringement due to territorial IP rights
Your partner has been accused of IP infringement or theft	Media coverage that your partner has been involved in a lawsuit about IP theft
Indications that your partner is amassing IP transfers in your sector	IP database suggesting your partner owns significant IP in your sector, but was not the originator
Your partner, or an organisation linked to your partner, is subject to a sanction by the UK, UN, or other sanctioning body	Sanctions lists showing an individual or organisation linked to your partner is subject to a sanction
Your partner has been involved in civil or criminal proceedings, raising concerns about their values or intentions	Media or other reports of legal proceedings detailing concerning criminal or civil proceedings which relate to your partner
Your partner's values or intentions do not align with your own	<ul style="list-style-type: none"> <li>▶ Searches and media coverage identifying problems with the partner's reputation or integrity</li> <li>▶ Internet archives showing previous versions of the partner's website containing information which suggests their values do not align with your own</li> </ul>
Your partner has funded or partnered with an entity whose values or intentions do not align with your own	Press releases on the partner's website announcing a partnership with, or investment in, an organisation who is engaged in unethical activities
Any information that does not match with what your partner told you, suggesting a lack of transparency on their part	Searches to verify claims made by the partner identifying contradictory information



## RESOURCES

The following resources may be useful tools as part of open-source due diligence. The list is not exhaustive, and NPSA take no responsibility for the accuracy or completeness of this list or the contents of the resources mentioned.

### Corporate registries

- [Companies House - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- [Overseas registries - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- [European e-Justice Portal - Business registers – search for a company in the EU \(europa.eu\)](http://europa.eu)
- [SEC.gov | EDGAR Full Text Search](http://sec.gov)
- [Corporate Registry Directory \(corpsearch.net\)](http://corpsearch.net)
- [OpenCorporates: The Open Database Of The Corporate World](http://opencorporates.com)

### State-associated organisations

- [Chinese Defence Universities Tracker — ASPJ<sup>1</sup>](http://aspj.gov)

### Sanctions lists

- [The UK Sanctions List - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- [Financial Sanctions Search - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- [US Sanctions List Search \(treas.gov\)](http://treas.gov)
- [Sanctions Explorer](http://sanctionsexplorer.com)

### Corruption

- [Corruption Perceptions Index - Transparency.org](http://transparency.org)

### End user and entity lists

- [Consolidated Screening List \(trade.gov\)](http://trade.gov)
- [The End User Advice Service, accessible via SPIRE - Export Licensing System](http://spire.gov)
- [US Entity List \(doc.gov\)](http://doc.gov)

### Legal databases

- [British and Irish Legal Information Institute \(bailii.org\)](http://bailii.org)
- [World Legal Information Institute \(WorldLII\)](http://worldl11.com)
- [Press Releases — FBI](http://fbi.gov)
- [Justice News | DOJ | Department of Justice](http://doj.gov)

### Overseas Business Risks

- [Overseas Business Risk - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

### IP databases

- [Intellectual Property Office - Patent document and information service \(Ipsum\) \(ipo.gov.uk\)](http://ipo.gov.uk)
- [Search for a patent - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- [Espacenet – patent search](http://espacenet.com)
- [WIPO - Search International and National Patent Collections](http://wipo.int)

### Politically Exposed Persons (PEPs)

There is no single source of identified PEPs.

Examples include:

- Heads of state, heads of government, ministers and deputy or assistant ministers
- Members of Parliament and similar legislative bodies
- Members of the governing bodies of political parties
- Members of supreme courts, of constitutional courts or of any judicial body the decisions of which are not subject to further appeal except in exceptional circumstances
- Members of courts of auditors or of the boards of central banks
- Ambassadors, chargés d'affaires and high-ranking officers in the armed forces
- Members of the administrative, management or supervisory bodies of state-owned enterprises
- Directors, deputy directors and members of the board or equivalent function of an international organisation

### Other open source tools

- [Find public records and leaks - OCCRP Aleph](#)
- [Internet Archive: Wayback Machine](#)
- [Free Whois Lookup - Whois IP Search & Whois Domain Lookup | Whois.com](#)

**A range of commercially available Know Your Customer (KYC) and Know Your Partner (KYP) services are available. When using these services, ensure that they cover the risks outlined in the table above.**

