Dun & Bradstreet India Data Updates

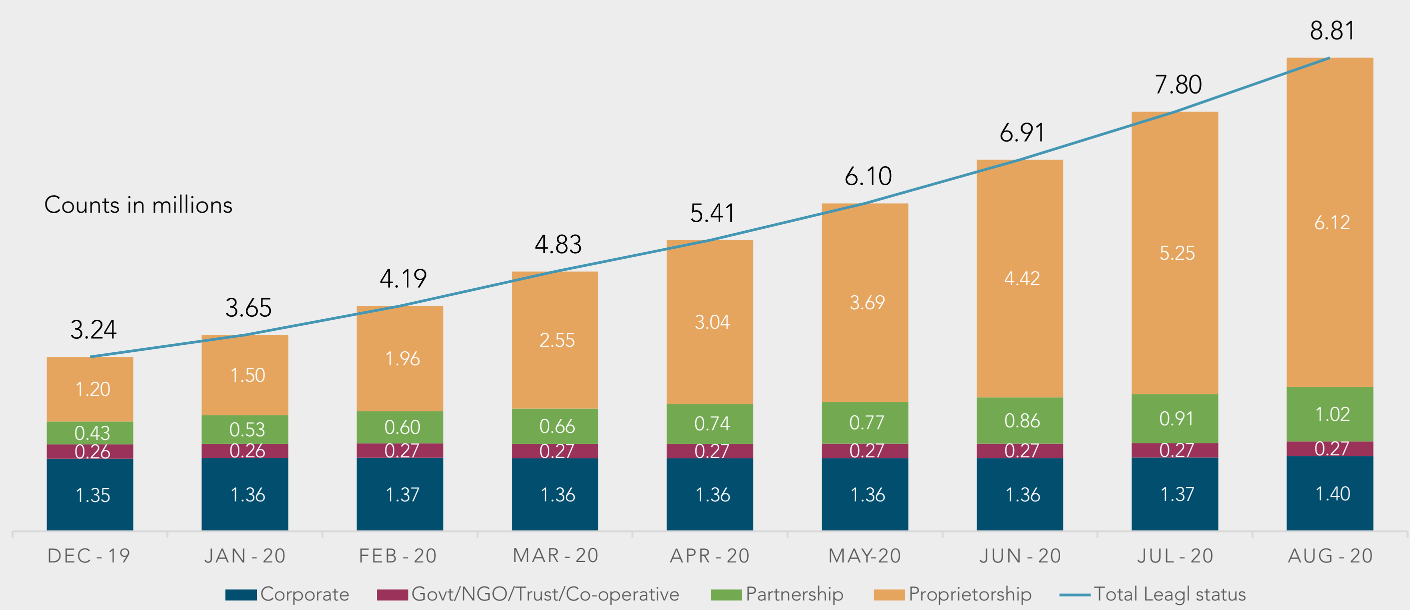
DATA COVERAGE ON LEGAL STRUCTURE OF INDIAN COMPANIES

Dun & Bradstreet India Data Cloud now has legal structure information on 9 million active Indian businesses. Clients can use this information to determine the registration type of businesses in order to onboard vendors / suppliers / trade partners to support their growth strategy.

CHOOSING YOUR BUSINESS PARTNER

7.1M Sole Proprietorships / Partnerships	1.4M Corporates	270K Govt. / Trusts / NGOs / Co-operatives
Leverage to identify ✓ Small and Medium Businesses (SMBs) within India ✓ Expanding dealer / distributor network ✓ Franchise network ✓ Tier III / IV suppliers	Leverage to identify ✓ Larger / medium corporate houses ✓ Original Equipment Manufacturers ✓ Key suppliers / customers / vendors ✓ Super dealers / distributors	Leverage to identify ✓ Govt. owned businesses ✓ Opportunity with Govt. bodies ✓ CSR programs supported by NGOs / Trusts

Dun & Bradstreet India added the legal structure information for over 5.5M Indian entities in the last 9 months



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Third-Party Onboarding – Balancing Speed and Risk

By Dr. Arun Singh, Global Chief Economist, Dun & Bradstreet

Businesses of all sizes are tasked with navigating a complex regulatory environment governed by state and central guidelines. Regulatory adherence often starts with onboarding the right suppliers and vendors. Businesses can take many forms of legal structures – sole proprietorship, partnership, limited liability, private limited and public limited. Understating the legal structure of a third-party can help a business stay on the right side of the law and mitigate financial risks. It also helps in gauging the reliability and stability of the third-party. Each third-party represents a different level of risk. For example, unlike a listed company, a sole proprietorship might face heavy headwinds while seeking funds for business expansion and hence could be a potential high risk to business continuity. Similarly, doing business with a private company is less risky than with a government entity. There is a tidal wave of Anti-Bribery/Anti-Corruption regulations governing how and with whom your organization transacts. For example, there are the Foreign Corrupt Practices Act (FCPA), The UK Bribery Act, Canada's Corruption of Foreign Public Officials Act, Prevention of Corruption Act in India, etc. Adhering to financial regulations, anti-corruption laws, and other rules is often costly, but violations can result in severe penalties. In 2018, there were 42 enforcement actions and $3.2 billion in sanctions, compared to 14 actions and $35 million in sanctions in 2005 under the FCPA. The FCPA prohibits payments to officials of foreign governments for the purpose of influencing decisions or causing them to act unlawfully. While this anti-bribery legislation was enacted by the United States Congress, the FCPA contains provisions extending the law's reach to international actors as well. It is for this reason that extra caution has to be exercised especially while dealing with government entities.

During the onboarding process, businesses require a large amount of information about new third-parties. Frequently this means that the new third-parties themselves are required to provide extensive information to support compliance checks. This can result in hold ups and, on many occasions, a poor first experience. Business information databases make it easier to perform due diligence on clients, partners, and other third-parties, matching their names with known entities. Such efforts can surface potential issues early on, including attempts at money laundering or other fraud. Tracing corporate family trees allows businesses to understand the full risk profile of a potential partner and its parent or subsidiaries. Ready access to business data may also allow companies to uncover information about previous regulatory violations by a supplier or client. But the key to a smooth onboarding process is to avoid the one-size-fits-all approach which can result in large volumes of information that may not be relevant, for example, a business probably does not need to know and store information about their stationery provider's IT security policies. Hence supplier forms should be tailored to the nature of relationship using conditional logic. Using automation, it's possible to create a more dynamic process by assessing the areas of risk relevant to each supplier and the appropriate level of scrutiny. This saves time for both the third-parties and the compliance team.