

Transaction Due Diligence - Privacy and Security Review

Driven by strict global privacy regulations and increased severity of data breaches, many businesses today are prioritising privacy and security of their data. As more transactions involve valuable data assets, privacy and security are now critical components in due diligence. But unaddressed data risks can significantly impact valuations, deal value and risk allocation profiles.

A CHALLENGING MODERN DATA ENVIRONMENT



Data assets are a source of value, and must be identified and assessed as such.



An evolving and active regulatory environment makes it difficult to assess the lawfulness of data acquisition and proposed data uses cases. Target companies could be carrying unidentified or unmitigated privacy and security compliance risks.



Malicious cyber attacks and data breaches mean acquisition targets could bring security risks for the acquirer. Unreported or undiscovered security breaches, or unmitigated security risks can effect transaction value.

BUILDING PRIVACY AND SECURITY INTO YOUR DUE DILIGENCE

Combining expertise in global privacy and security, transactions and valuations, FTI Consulting can help protect your deal by assessing and documenting key data assets and addressing privacy risks during your transaction due diligence.

UNDERSTAND THE DATA RISKS IN A TRANSACTION

We can help you quickly and defensibly identify and document data risks in transaction due diligence by:

- addressing the compliance landscape, and assessing applicability of cybersecurity and data protection laws around the globe
- reviewing and assessing adequacy of cybersecurity, privacy and data governance frameworks, policies and procedures
- mapping data flows, and identifying critical IP and key risk areas
- conducting a penetration test to assess the effectiveness of cybersecurity controls
- valuing information assets to support negotiations
- assessing key third-party arrangements and third-party risk
- researching and draft due diligence memoranda
- planning and implementing post-acquisition integration and remediation work
- conducting a compromise assessment to identify any past or ongoing malicious activities.

“Data-driven innovation forms a key pillar in 21st century sources of growth.”
OECD

PROTECT YOUR DEAL WITH FTI CONSULTING



Proactively identify privacy, data protection and security red flags – assess the privacy compliance of the target and prior security breaches, and understand the impacts on valuation and the transaction.



Understand global privacy requirements – our global privacy experts can help you navigate the rapidly evolving and overlapping global privacy laws, and meet and manage regulator expectations.



Enable smoother integration – by identifying appropriate privacy and data risk mitigations to inform post-transaction workstreams, and accessing our expertise to support implementation.



Proactively identify cybersecurity risks – identify ineffective security controls and issues that may require significant remediation costs impacting the valuation and the transaction.



Control the narrative with stakeholders – our strategic communications experts can advise you on what to say, how and when to say it and to whom, including customers and regulators.



Access multidisciplinary expertise across the transaction lifecycle – FTI Consulting offers end-to-end support, addressing the strategic, financial and operational aspects of a transaction.



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