

BUSINESS RISK UPDATE - SPAIN

Welcome to this special edition of **Business Risk Update**, the newsletter from KCS Group Europe specifically for our clients and partners to provide you with a snapshot of latest news and articles from the business. Earlier this month, we announced that we had signed a collaboration agreement with Fluidex, a non-profit association of fluid handling equipment companies, operating across Spain in the industrial, oil and fluid sectors... see story below ...



KCS Group Europe and Fluidex announce Collaboration...



Over the past two years, KCS has undertaken a number of projects for two of Fluidex's members, which has included supporting their businesses in the areas of due diligence, risk analysis and joint venture partner selection. This announcement follows the successful completion of these projects, which identified that the services KCS will offer can be of greater benefit to Fluidex itself and other members of the association.

Under the terms of the agreement, Fluidex will support KCS with the promotion of the services available to members, to support the potential needs of their organisations from the ever-increasing threats facing companies in today's business world.

This will include a comprehensive range of services in the areas of security, intelligence as well as cyber security and related issues, identifying and dealing with any risks which can impact businesses from a financial or reputational perspective.

Including, but not limited to:

- Discreet, Non-Conventional Due Diligence
- Risk Analysis
- Know-Your-Customer/Partner Screening
- New Market or Sector entry research
- Corporate Investigations
- Discreet M&A Support
- Reputational Risk Management
- Cyber-Security and Cyber Risk
- Dark Web Monitoring

KCS, has for many years, provided its clients and their customers with a unique approach in being able to work in the more difficult, complex and dangerous markets, combining both human intelligence services and cyber-security research to provide results which deliver a much more detailed holistic analysis and approach.

This is particularly true in sectors where data protection, development, security and intellectual property are key to success and growth.

Commenting **Stuart Poole-Robb, Chief Executive of KCS Group Europe** said: "We are delighted to have formed a collaboration with Fluidex. For two years, we have been successfully supporting clients operating in the oil and gas sector in Spain and have identified this to be a market where we can add significant value and a geographical area of growth for our business. Our partnership with Fluidex supports this and we look forward to continuing to work with them and their members."

**Elena Fernandez, Managing Director of Fluidex** said: "We strongly believe in this agreement as it helps our member companies to work overseas with enough tranquillity in this turbulent world. We look forward to developing our working relationship further with KCS and being able to support our members and their business objectives".

Prevention is better than cure...



Ransomware attacks are a growing threat facing companies across the globe and a number of high profile examples, highlight that many companies are ill prepared to combat them. Around half of IT professionals surveyed recently believe that their companies are not prepared to repel an attack.

Ransomware cost businesses in the region of \$100 billion in 2019 and that figure is set to rise significantly again in 2020. What's more, End Point Protection often doesn't prevent infection and recovering data can take weeks if it's at all possible (the average cost of a ransomware attack currently stands at \$133,000).

The threat is very real and high profile companies across Europe have been targeted in the last month. Best practice dictates that;

- Companies have fully developed (and tested) Disaster Recovery Plans.
- Operating systems of servers and computers are supported and patched.
- Enterprise environments are configured with due consideration to network segregation.
- Administrative privileges are restricted to a minimum number of accounts.
- Phishing and Malware prevention and protection are implemented and fine-tuned.
- Staff are educated on how to identify and deal with suspicious emails and files.

- Companies provide policies and restrictions on use of USB storage devices and disable media file auto-play, by default
- Small, Medium and Large companies are at risk, as are companies that simply assume that they have good cyber posture.

Spanish owned tech companies Prosegur SOC and the Everis Global IT Consultancy, (both of which provide cyber security services themselves) were victims of a Ryuk Ransomware attack in November and December of 2019.

Flying the flag in Spain ...



KCS Group Europe is proud to announce it is establishing a full-time, corporate presence in Spain as part of its business growth plan and deepen its ties in the market to better serve its clients.

Having a proud history of working with some of the world's top legal firms, financial houses and industrial corporations, it is an exciting time to be focusing in on the needs, and opportunities, of the Spanish market and bring the specific brand of intelligence fusion and discreet, non-conventional due diligence to bear.

Although this office will be the first of its kind in Spain, significant project work has already been conducted for clients in the country. A large percentage of these have focused on the issue of in-country representative for Spanish firms in difficult and complex markets (such as Russia, China and Iran) and tackling the question of whether such individuals, when given a large amount of solo responsibility, are acting ethically and appropriately. Where this is not the case, there has been the need to indicate where parent companies are being, bluntly, conned. An example of last year saw a local distributor in Russia confirmed as acting for several competitors at the same time, and choosing for whom he sought contracts, in direct contravention of his exclusivity agreement. KCS has an excellent track record in creating transparency such as this around a Client's interests and of highlighting where the problems lie.

Alternative projects have attended to a given Spanish corporate looking to enter a market – either for the first time or in a new sector – and requiring key advice on the pitfalls and problems associated with both the market in general, and the specific chosen sector.

This allows for a broad-brush overview to be painted of the problems that a client could conceivably encounter, particularly ones which had not previously been considered, and also a very focused look at one sector, one country: allowing for a micro- and macro- level review of any risks, weaknesses and threats a company may face. Recent work has revolved around exploring how the recent inflammation of tensions in Iran could affect Saudi Arabian business and in identifying how patronage and who-you-know can be a minefield to navigate in high-level Saudi politics.

KCS is also able to use its considerable litany of contacts worldwide to identify potential opportunities, jurisdictions and partners for Spanish companies to consider that might otherwise not come across their radar, thereby prospectively adding further value to a business and always ensuring that there is proactivity, whether it be recognising new opportunities or defending a firm against bad actors.

The value of Due Diligence ...

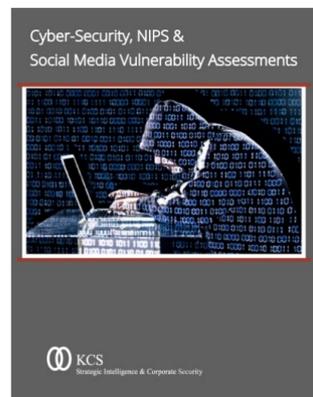
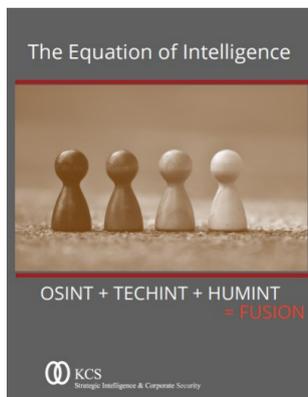
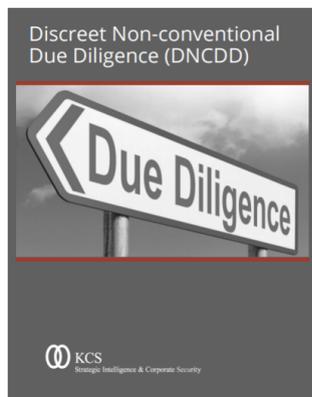
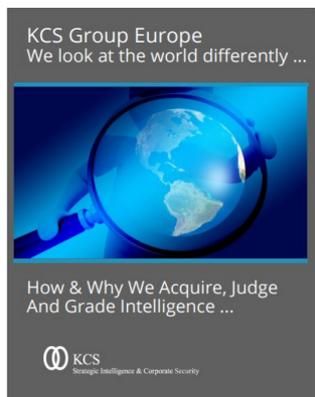
The value of due diligence which is properly and seriously done, as opposed to a tick-box exercise, can be easily demonstrated by a few case histories.

**Legal** - A major political figure attempted to secure the services of one of the world's largest law firms, and gain \$20m for 'investment' in the process but was revealed to be a complete fraud.

**Financial** - A prospective investor to an angel fund seemed to offer unlimited amounts of investment, but was entirely a case of all image and no substance.

**Industrial** - A proposed local partner of a client setting up for the first time in the Middle East seemed totally clean, but buried beneath thirty shell companies was a major figure in the Iran Revolutionary Guard.

A deeper selection of our products and services ... Please click the image for further details



We are able to provide a comprehensive range of services in the areas of security, intelligence and cyber security to help identify, mitigate and deal with any risks which can impact businesses both financially and reputationally.

To find out about some of the services we can offer and how we can help your business please click here.

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