

**Navigating an evolving backdrop  
in compliance and third-party risk  
management**

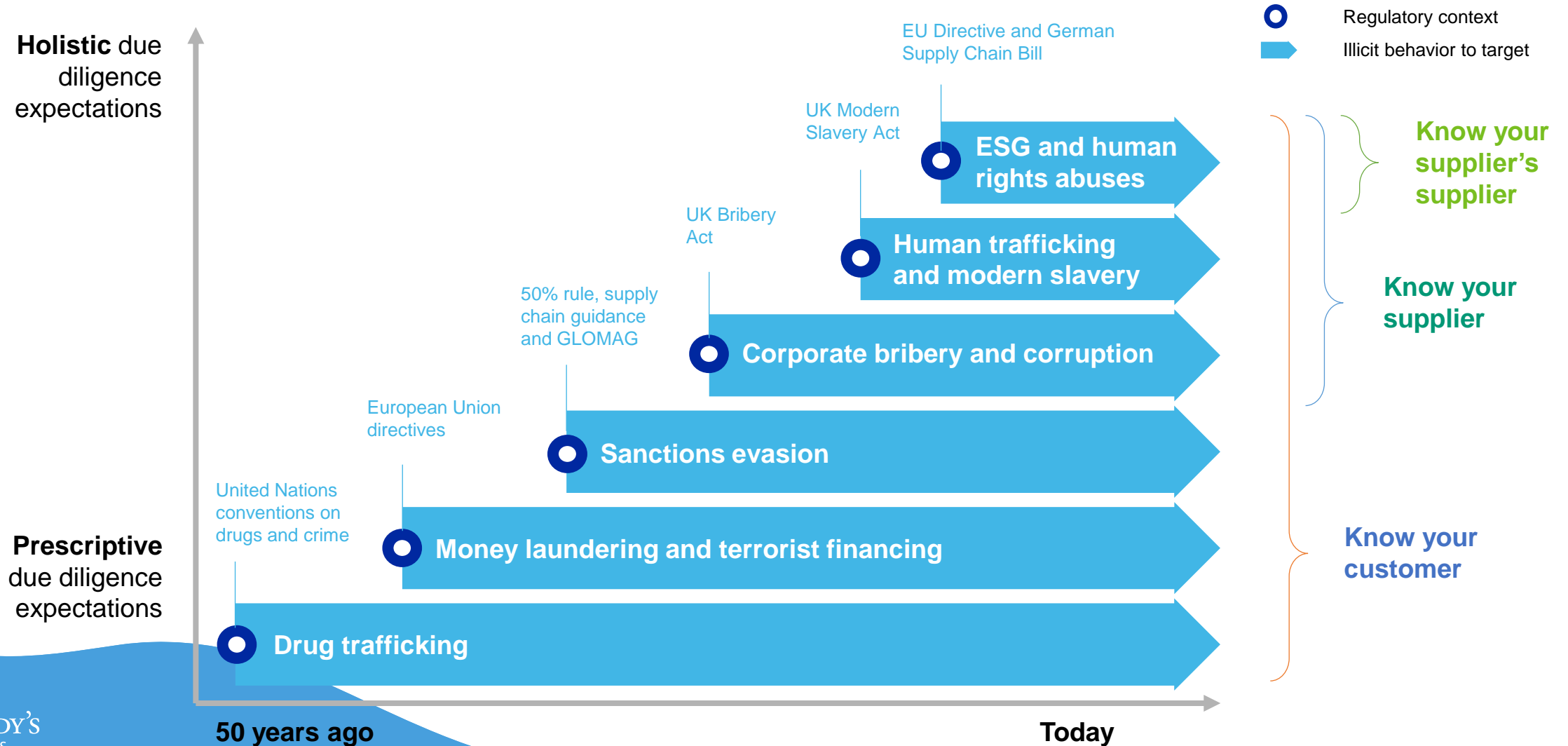


**Gary Ong**

Senior Director – Head of KYC Sales  
Asia Pacific, Moody's Analytics

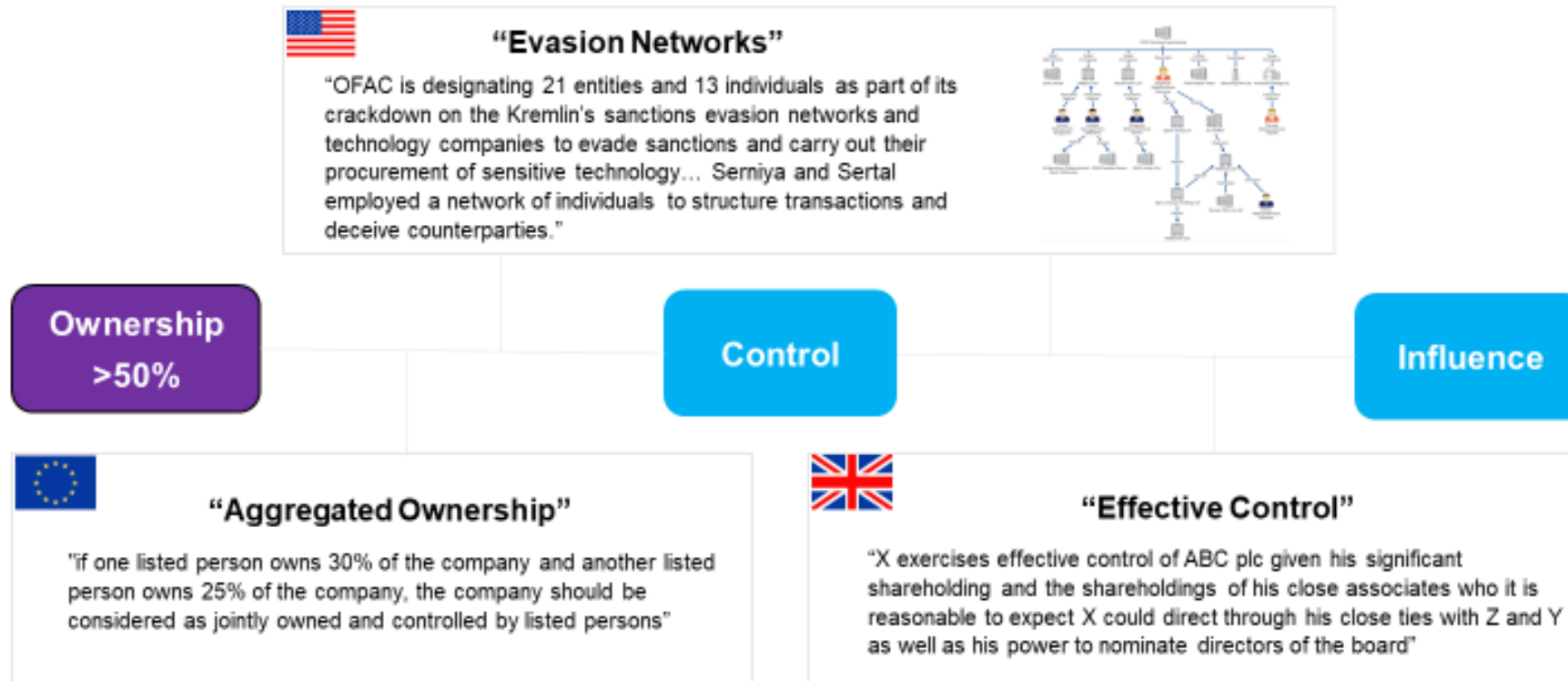
# Trending towards an “all-crimes” program

Heightened due diligence expectations on private sector



# Ownership, control, and influence

Recent cases and new principles



# Our Research findings

# Research questions



1

What is people's understanding and awareness of TPRM?

How do they approach TPRM and supplier due diligence today?

2

What are corporate customers' attitudes towards TPRM?

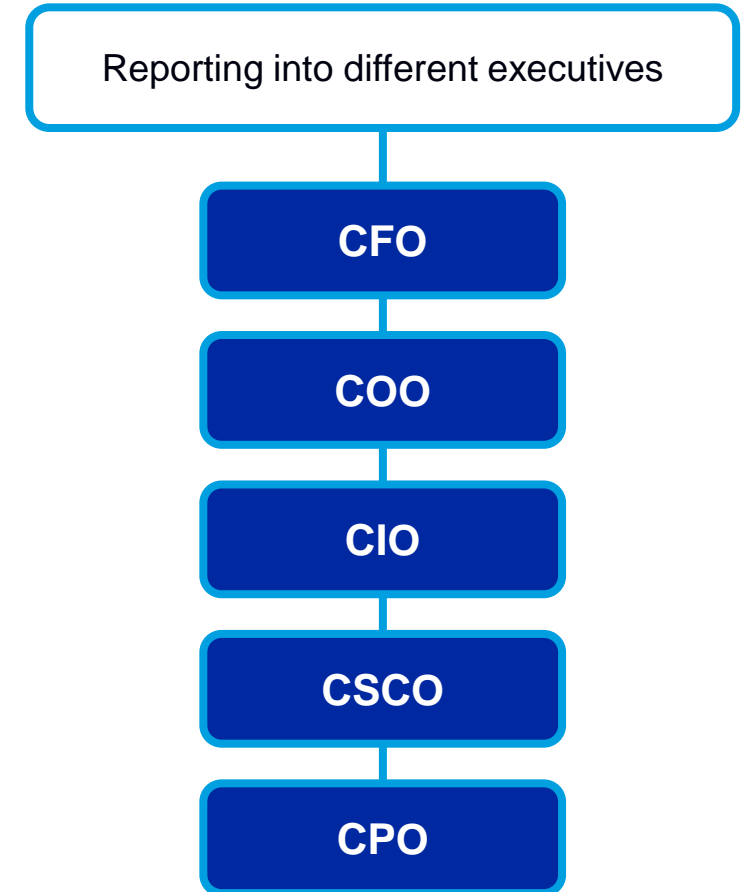
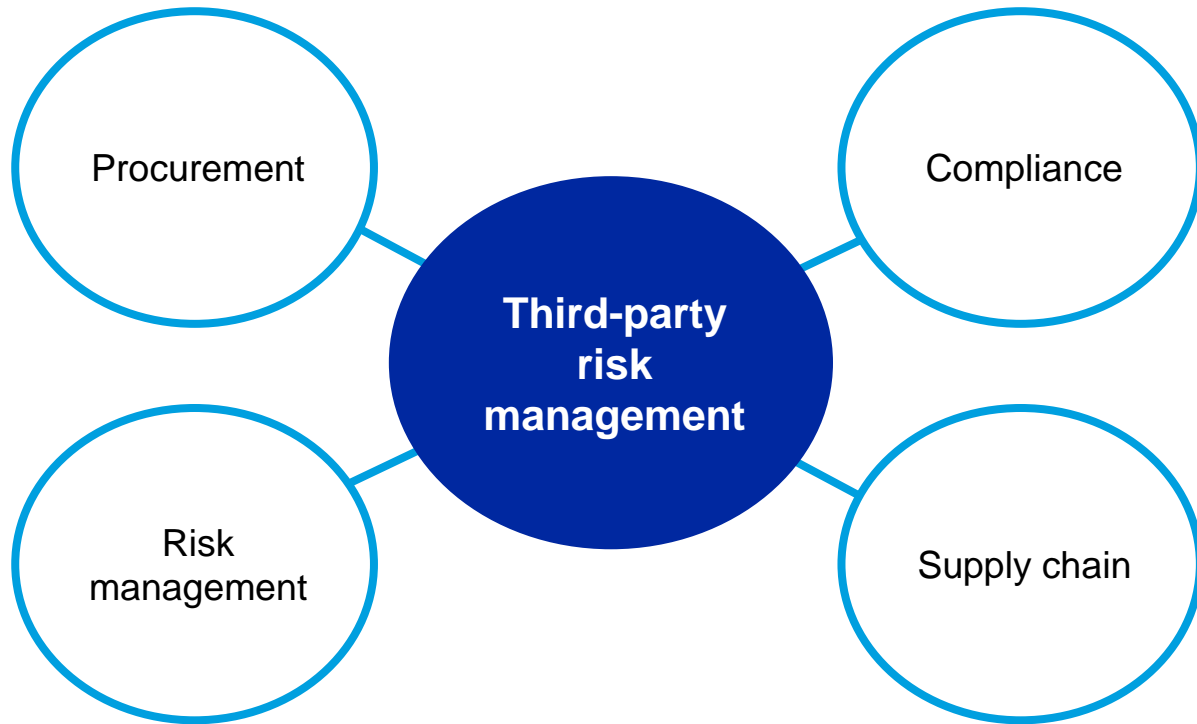
What challenges are companies facing when onboarding and managing suppliers?

3

How is risk measured and what steps are taken to mitigate risk?

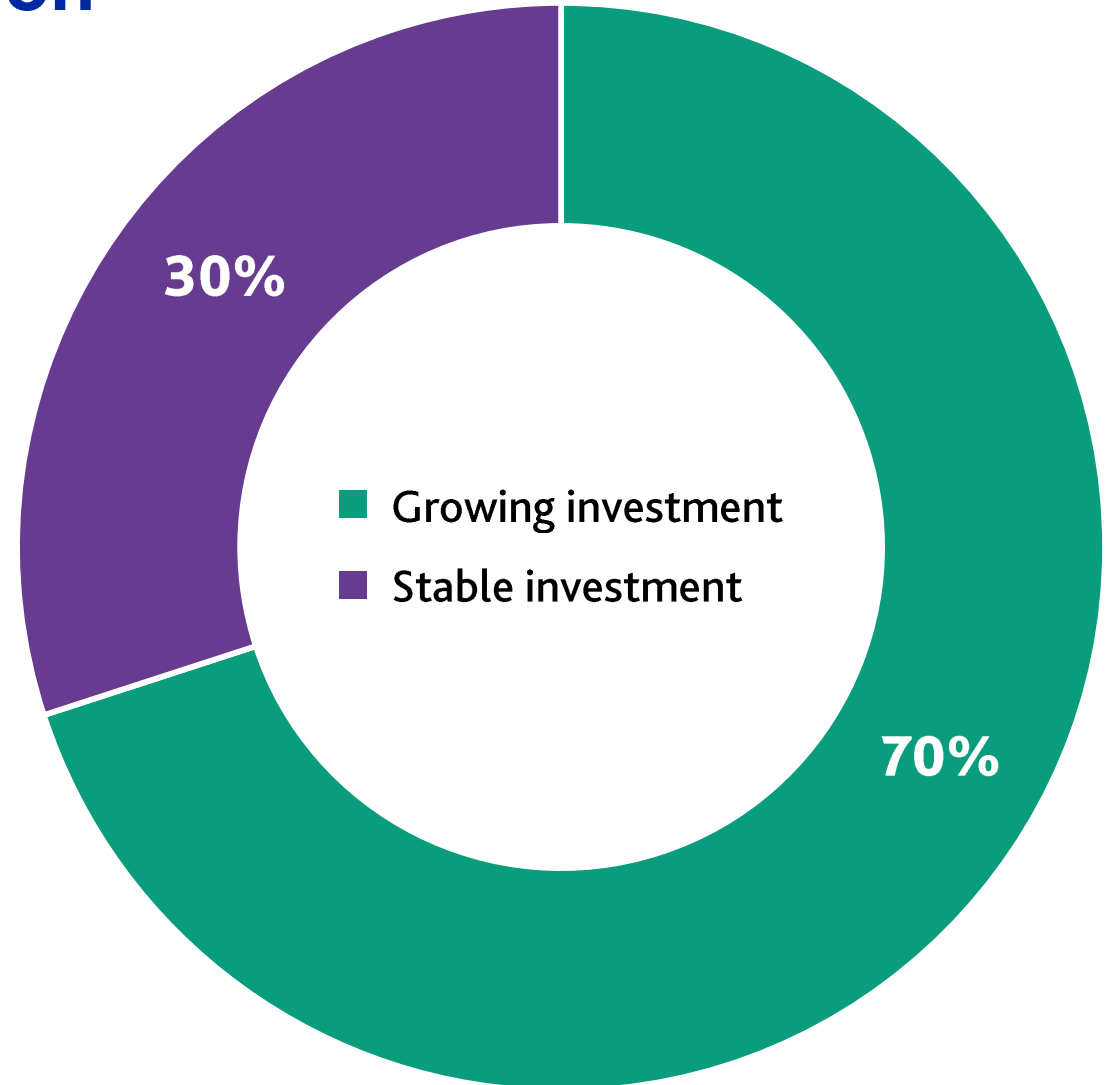
Openness to solutions and perceptions of the benefits of improved monitoring?

# Third-party risk management is a part-responsibility for many individuals



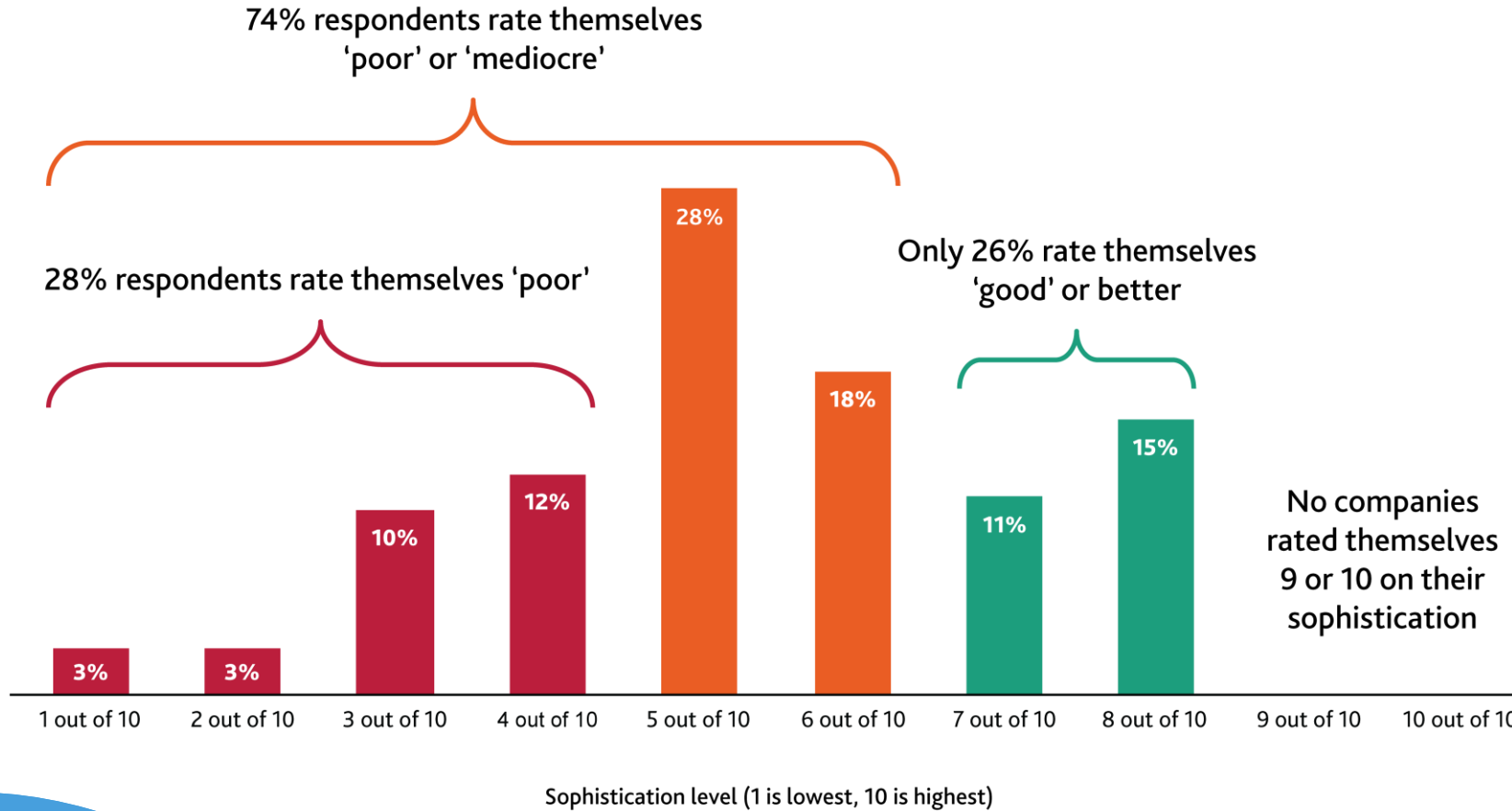
## Nearly 70% of businesses are ramping up investment in supplier risk detection

Is your third-party risk management activity growing or declining in terms of headcount & budgets?

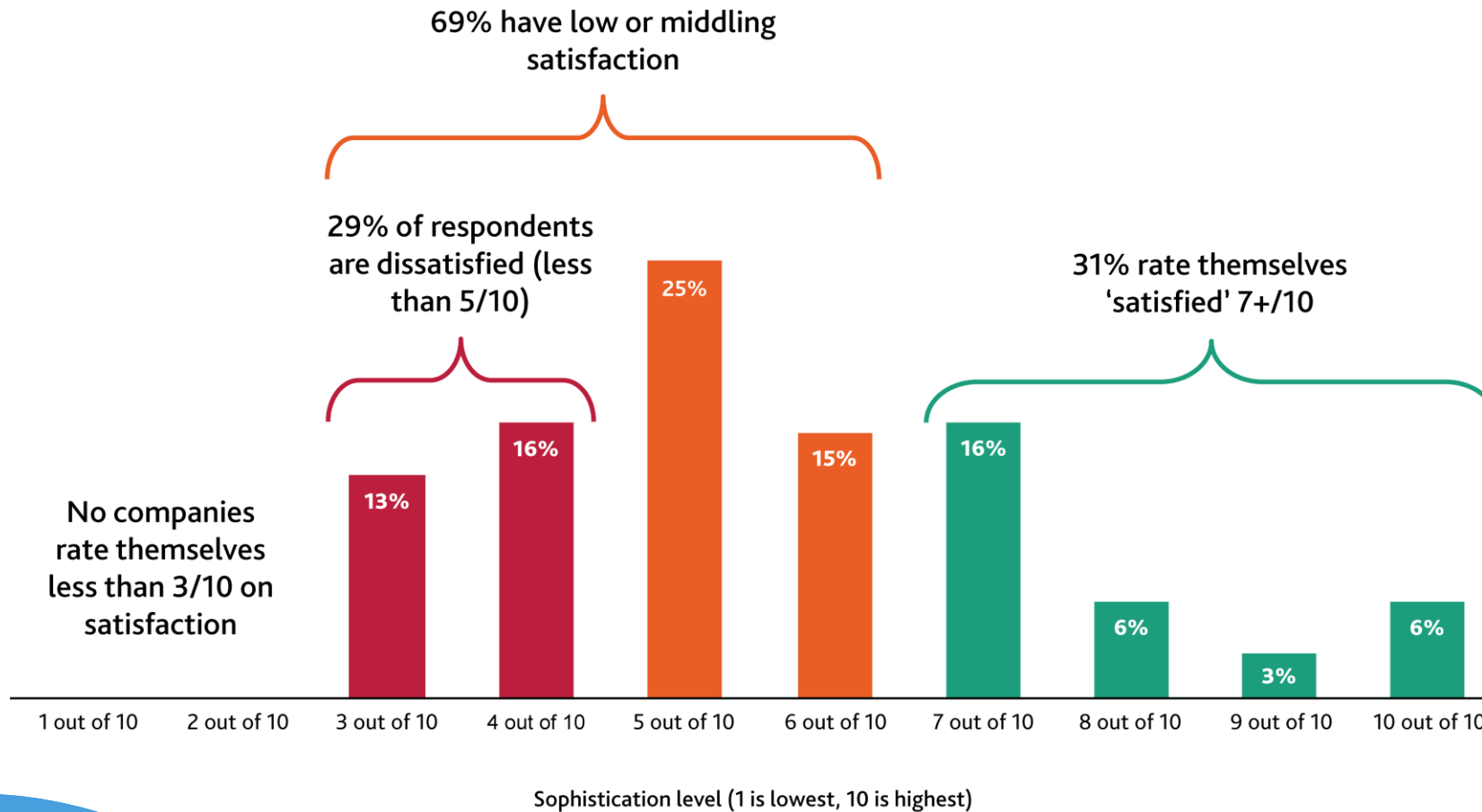




# 74% respondents rate themselves 'poor' or 'mediocre'

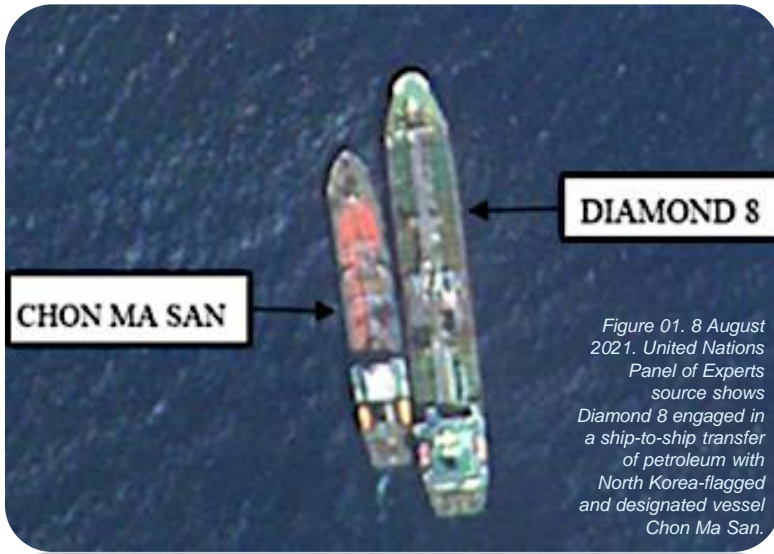


# 69% of businesses do not have the necessary visibility over their supplier base



# Screening Trade Transport Entities

## High-Risk Vessels and Sanctions Evasion



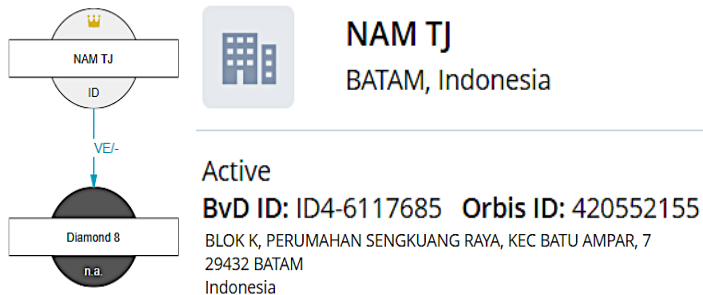
Addresses, aliases, identifiers, IMO numbers

Easily identified entity via #Vessel Knowledge Tag

Vessel identity laundering event and risk activities with UN Panel of Experts source

Sanctioned associate

### Orbis Ownership Data, including Ship Management Entities



**grid** Entity: Diamond 8

**Entity Information**

Entity ID: 175987363  
Riskid: R22967146

Entity Name: Diamond 8  
Alias: Royal Ace

Address:

- Ningde, Fujian, CHINA
- SIERRA LEONE
- Nantong, Jiangsu, CHINA
- Kaohsiung, Kaohsiung, TAIWAN, PROVINCE OF CHINA
- Nampo, South Pyongan, KOREA, DEMOCRATIC PEOPLE'S REPUBLIC OF
- INDONESIA

Remark: Laundered Name: Chang Shun 8

Identification:

- Maritime Mobile Service Identity: 667001505
- Call Sign: 9LU2308
- IMO number: 9132612

**Recent Event(s):**

- SNX - Sanctions Connect / ASC - Associated with, Seen with, Date: 2022/08/09  
On August 09, 2022, DIAMOND 8 is associated with designated persons and entities under Regulation 4 (2) of the United Nations (Sanctions in relation to Democratic People's Republic of Korea) Regulations of 2017., Approval Date: 2023/05/05, [Sanctions Connect](#)
- SNX - Sanctions Connect / ASC - Associated with, Seen with, Date: 2021/09/08  
On September 08, 2021, DIAMOND 8 was sanctioned by recommendation of the Panel of Experts established under resolution 1874 (2009) of the UNSC pursuant to report S/2021/777 for "delivering refined petroleum to the Democratic People's Republic of Korea and in apparent violation of resolution 2397 (2017) and paragraph 18 of resolution 2375 (2017)," under the resolution 2569 (2021)., Approval Date: 2023/05/05, [Sanctions Connect #Vessel](#)
- DEN - Denied Entity / ACT - Disciplinary, Regulatory Action, Date: 2022/04/01  
This entity appears in the National Institute of Japan External Trade Organization List on suspicion of illegal ship-to-ship trading with North Korea-related vessels., Approval Date: 2023/03/13, [Japan National Institute of External Trade - Illegal Maritime Activities #Vessel](#)
- SMG - Smuggling (Does not include Drugs, Money, People or Guns) / ACT - Disciplinary, Regulatory Action, Date: 2021/09/08  
The Panel investigated into cases of vessel identity laundering that directly enables suspect vessels to continue to deliver illicitly refined petroleum to the Democratic People's Republic of Korea. Maritime tracking data and satellite imagery from May 2021 showed the Diamond 8 broadcasting fraudulently as the Mongolia-flagged Chang Shun 8. The Panel previously reported that Sierra Leone had cancelled the Diamond 8's registration due to the vessel's involvement in illicit supply of oil to the Democratic People's Republic of Korea. Open-source information indicates a connection between the individual who allegedly procured refined petroleum cargo for the Diamond 8 and Sure Metro Ltd. The Panel is investigating additional associated network linkages related to the Diamond 8 from a trade financing angle., Approval Date: 2023/05/04, [United Nations Security Council Report - Past Publications](#)
- IMP - Identity Theft, Impersonation / PRB - Probe, Date: 2021/09/08  
The Panel investigated into cases of vessel identity laundering that directly enables suspect vessels to continue to deliver illicitly refined petroleum to the Democratic People's Republic of Korea. Maritime tracking data and satellite imagery from May 2021 showed the Diamond 8 broadcasting fraudulently as the Mongolia-flagged Chang Shun 8. The Panel previously reported that Sierra Leone had cancelled the Diamond 8's registration due to the vessel's involvement in illicit supply of oil to the Democratic People's Republic of Korea. Open-source information indicates a connection between the individual who allegedly procured refined petroleum cargo for the Diamond 8 and Sure Metro Ltd. The Panel is investigating additional associated network linkages related to the Diamond 8 from a trade financing angle., Approval Date: 2023/05/04, [United Nations Security Council Report - Past Publications](#)

Relationship: - Nam TJ, Associate

Figure 02, GRID. Profile snapshot from Sep 2022.



# The competitive advantage of a TPRM program

# Reasons for a limited visibility of supplier risks



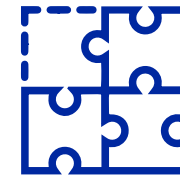
Too  
manual



Lack of alerts /  
warnings



Too  
reactive



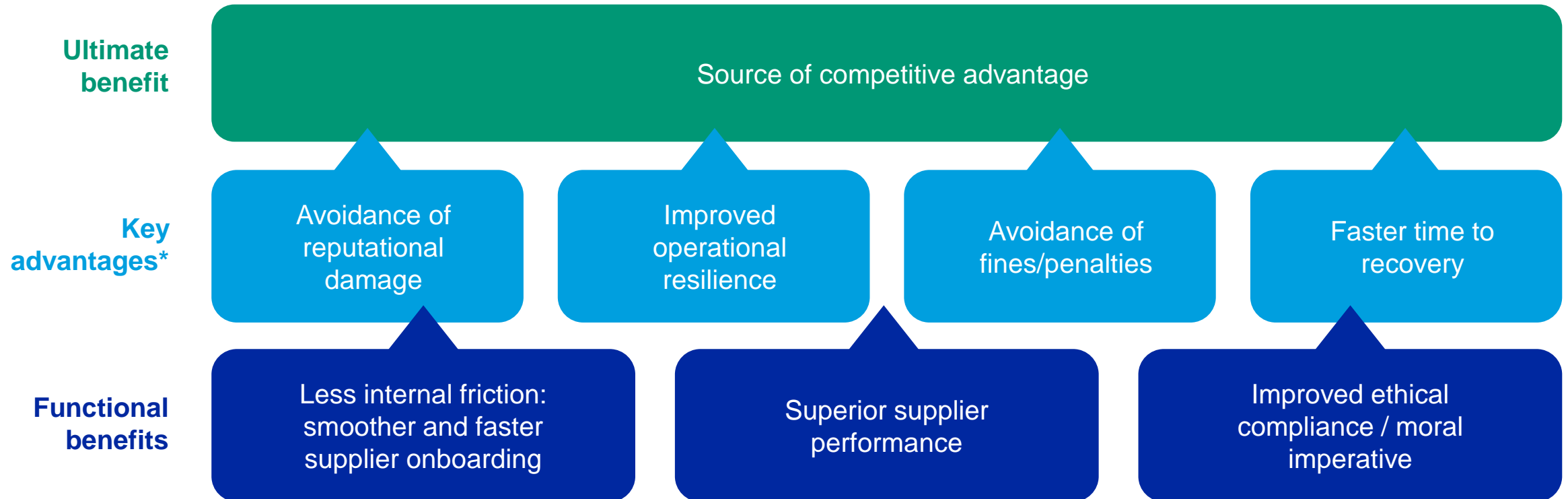
Fragmented /  
incomplete



Inadequate  
tools

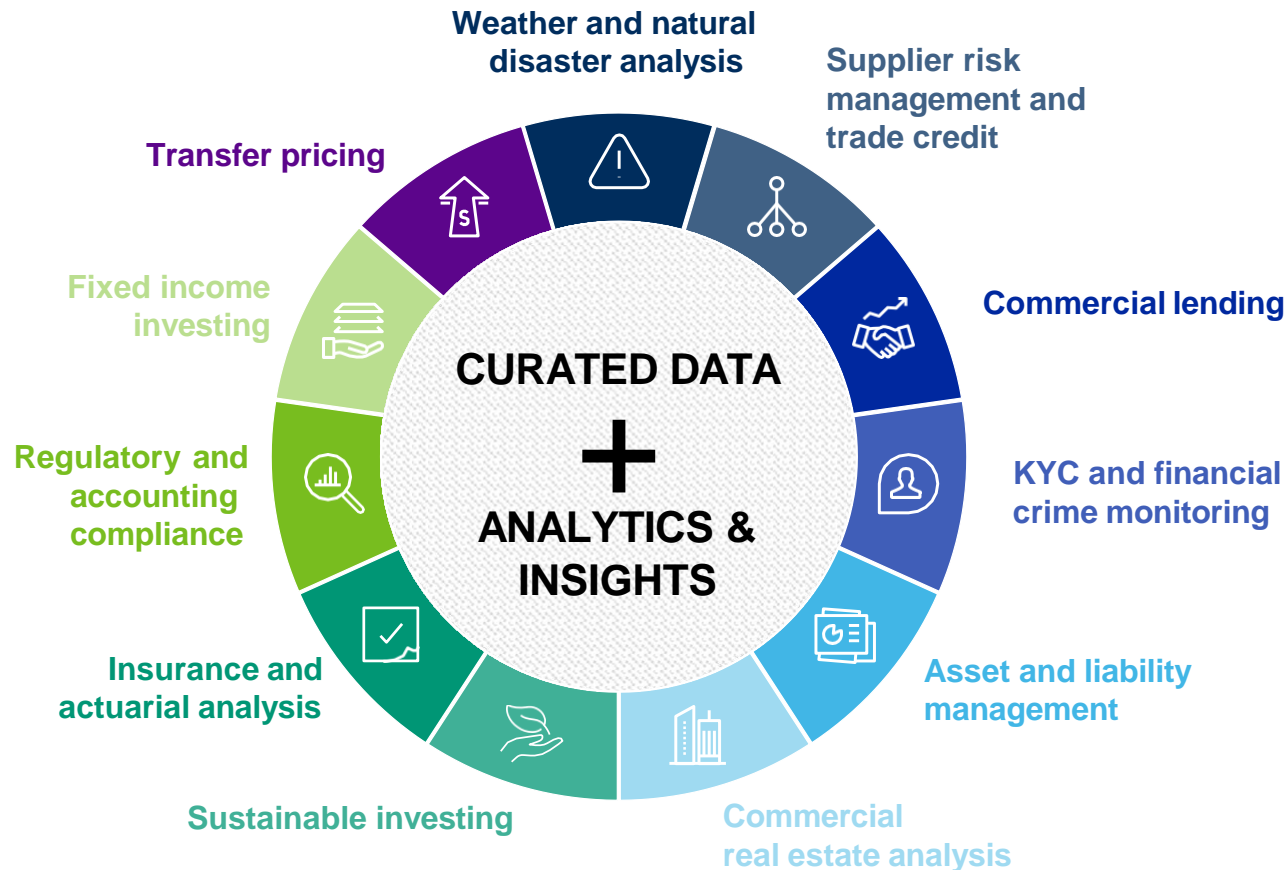
# Delivering competitive advantage

Key: TPRM benefits need to be positioned positively, rather than as the avoidance of a negative



# Moody's as an Integrated Risk Assessment Business

Selection of Use Cases Addressable by Moody's Solutions



**\$40B+**

Current Addressable Market



Helping customers make **Better Decisions**

## Curated Data<sup>1</sup>

**Entities**  
450+ million  
public & private entities

**Securities**  
~\$73 trillion  
rated debt

**Economies**  
556+ million  
economic, financial and demographic time series

**Properties**  
20+ million  
commercial real estate properties

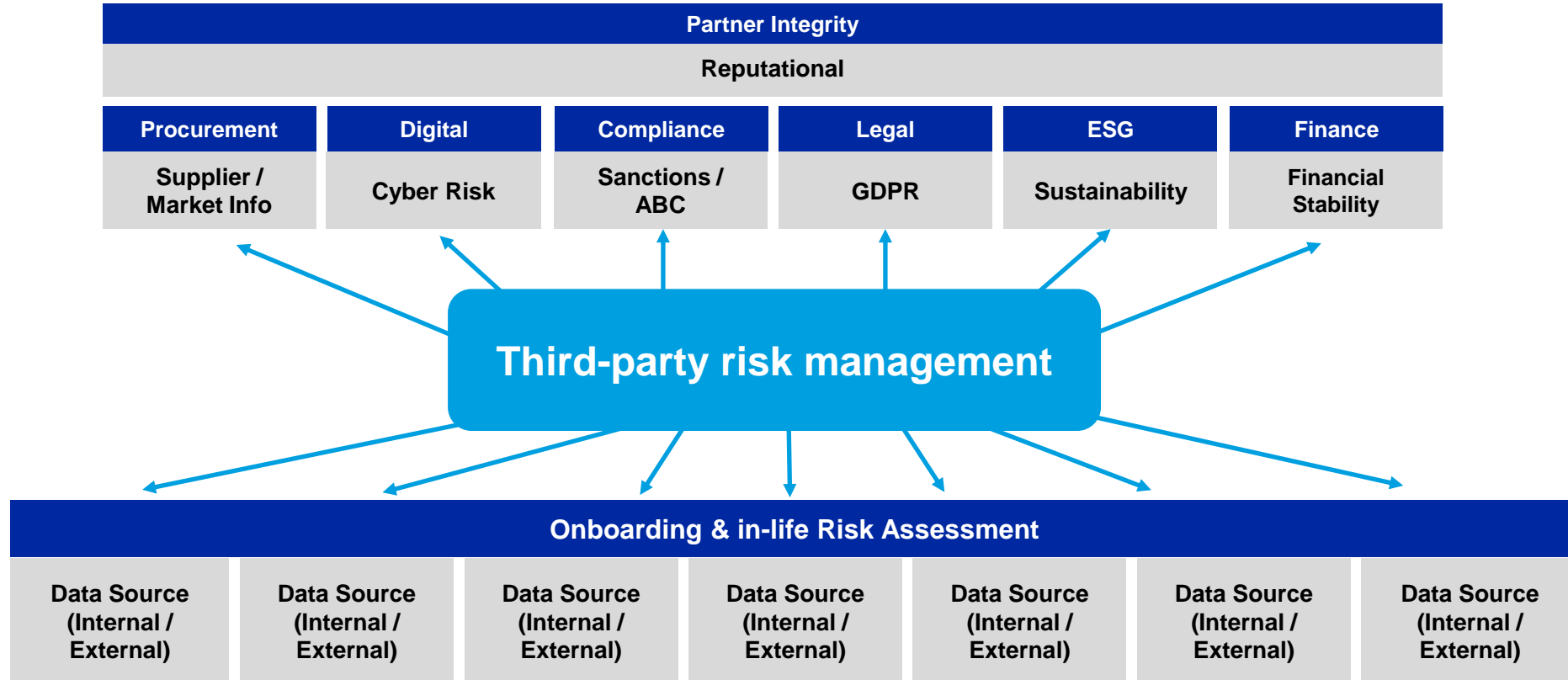
**People**  
17+ million  
risk profiles

**Physical risk**  
3+ million  
scores on global facilities

1. Figures shown are as of March 31, 2022.

# Moody's Analytics approach to TPRM

Due diligence is an essential component in the TPRM lifecycle





Thank You