

2024



3 SEA DILIGENCE

Powered by **MCaaS**

Business Case:
3SeaDiligence



*A resource developed
for members of*



3 SEA DILIGENCE

01

Mitigating Third-Party Risks

In the maritime sector, compliance regulations are becoming increasingly rigorous. Agencies such as the U.S. Treasury's Office of Foreign Assets Control (OFAC) and the UK's Office of Financial Sanctions Implementation (OFSI) are actively enforcing laws that mandate rigorous background checks on business partners and third parties.

Non-compliance with these regulations can lead to hefty financial penalties and reputational damage, supply chain disruptions and legal challenges. For many companies, navigating this intricate compliance landscape is anything but straightforward.

To help members overcome these challenges, MACN and Maritime Compliance as a Service (MCaaS) have created 3 Sea Diligence. 3 Sea Diligence offers a specialized, all-in-one platform for due diligence, tailored to the maritime industry. The platform simplifies the complex process by providing vetted, continuously updated data and by facilitating community sharing of due diligence reports. It serves as a vital tool for mitigating risks and streamlining the complex compliance requirements that maritime companies face. 3 Sea Diligence has been created for members of MACN and is powered by MCaaS who conducts data stewardship, and screening, and provide the platform's operational support.

Work with the Community, Avoid Duplication

Traditionally, due diligence has been associated with repetition of reports, unnecessary paperwork, and siloed approaches. Different companies carried out due diligence separately from each other, adding to both the cost and workload of compliance departments.

3 Sea Diligence is different. It gives you the opportunity to share due diligence reports with the community. This reduces costly and unnecessary duplication and enables the community to conduct better due diligence rather than just more of it.

WHY 3 SEA Diligence?

Working with non-compliant suppliers can pose significant risks for shipowners and ship managers, potentially resulting in reputational damage, delays, or fines. By conducting third-party due diligence with 3 Sea Diligence, you can identify and mitigate these risks before entering into a business relationship. The platform's comprehensive risk assessment ensures that you only engage with suppliers who adhere to industry regulations and standards, reducing the chances of encountering unforeseen issues down the line.



01 — Make Due Diligence Easy

3 Sea Diligence gives you full access to all you need to conduct due diligence on third parties - all in one place. Complete and comprehensive data stewardship ensures that all data is verified and continuously updated. Basic due diligence can be done in an instant and enhanced due diligence in a few days. Everything is showcased in an easily digestible format.



02 — Find the Right Counter-Party

Sea Diligence is tailored to the maritime sector. The platform contains vetted data and compliance scorecards on more than 7600+ third parties from across the world. This enables you to find the right third parties without having to go through cumbersome data sorting processes.



03 — Re-Invest in MACN

3 Sea Diligence is the only third-party risk management platform that is explicitly about real world impact. Half of all revenue going into 3 Sea Diligence goes back to MACN's work. This includes capacity building of suppliers, collective action efforts in high-risk markets, HelpDesk expansions, new training programmes and other efforts that promote an efficient maritime industry free from corruption.



04 — Demonstrating your Governance Commitments

Conducting third-party due diligence with 3 Sea Diligence can support your company in demonstrating your commitment to governance principles. By applying 3 Sea Diligence, you invest in building the capacity of your supply chain partners and their anti-corruption programmes.



ENSURING QUALITY AND RELIABILITY

By using 3 Sea Diligence to vet potential suppliers, you can ensure the quality and reliability of the services and products you receive. A rigorous due diligence process helps identify potential issues in suppliers' operations, allowing you to address these concerns before they impact your business. This not only helps prevent disruptions to your operations but can also contribute to negotiating better contracts with suppliers, ultimately leading to cost savings and improved efficiency.

In conclusion, the 3 Sea Diligence platform can provide significant benefits for shipowners and ship managers by mitigating risks, protecting their reputation, demonstrating their ESG commitments, and ensuring quality and reliability in their supply chain. By adopting 3 Sea Diligence, these businesses can enjoy a competitive advantage, leading to increased profitability and long-term success in the maritime industry.



PROTECTING YOUR REPUTATION

Your reputation is a vital aspect of your business, and associating with suppliers that engage in unethical or non-compliant practices can cause irreparable damage. By conducting thorough third-party due diligence with 3 Sea Diligence, you ensure that you only work with suppliers who share your commitment to ethical and compliant business practices. This proactive approach helps protect your reputation and maintain the trust of your clients, partners, and other stakeholders.



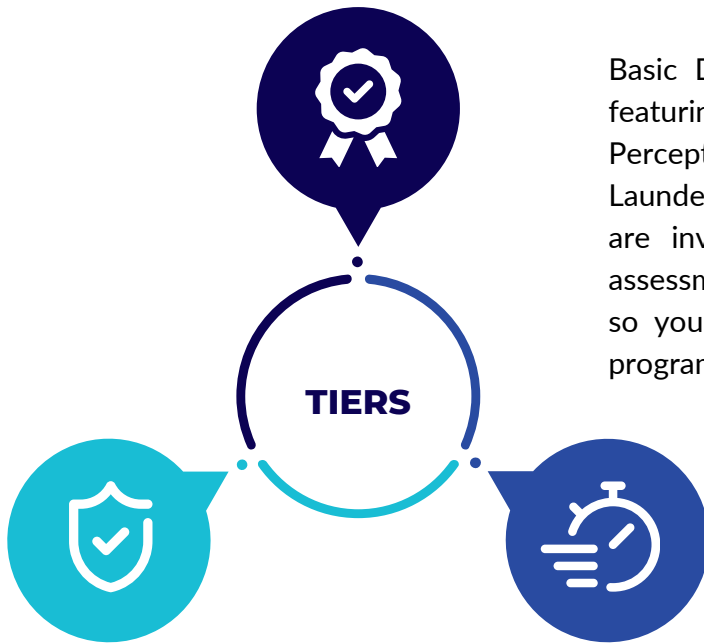
04

DUE DILIGENCE TIERS

BASIC DUE DILIGENCE (BDD)

This package gets the essentials covered. 3 Sea Diligence validates the entity details such as registered names, addresses, and other key identifiers. It also screens against major sanctions lists and clears up any false positives, so there are only true matches.

Basic Due Diligence also contains a risk summary featuring key indicators like the Corruption Perceptions Index Score and the Basel Anti-Money Laundering Index. Moreover, if a third party that you are investigating has completed the MACN self-assessment questionnaire, their replies will be visible so you can access key details on their compliance programmes.



ENHANCED DUE DILIGENCE (EDD)

This tier offers a closer look at the ownership details, including the percentage of shares and parent companies involved. We visualize this information for you in an easily understood company structure overview. Plus, we extend our sanctions screening to include parent companies and subsidiaries.

ENHANCED DUE DILIGENCE+ (EDD+)

This tier includes validation and screening of bank accounts as well as verification of any official documents.

TIER STRUCTURES

Every business has unique needs when it comes to risk management. That's why we offer a tiered approach to due diligence, all wrapped up in a community-focused platform.

BDD

- ✓ Entity details
- ✓ Sanctions screening (BDD)
- ✓ Risk summary (BDD)
- ✓ MACN incident details
- ✓ MACN questionnaire

- Tier 2 & 3 Report Community share validity | **Available**
- Continuous screening | **Optional**

Turnaround Time

- Instantaneous (if under review or new entities, 30 to 60 minutes)

EDD

- ✓ Entity details
- ✓ Sanctions screening (BDD)
- ✓ Risk summary (BDD)
- ✓ MACN incident details
- ✓ MACN questionnaire
- ✓ MACN questionnaire follow-up
- ✓ Ultimate beneficial owners details
- ✓ Parent company details
- ✓ Associated company details
- ✓ Company structure
- ✓ Relationship network
- ✓ Sanctions screening (EDD)
- ✓ Risk summary (EDD)

- Tier 2 & 3 Report Community share validity | **180 days**
- Continuous screening | **Optional**

Turnaround Time

- 24 to 48 hours

EDD+

- ✓ Entity details
- ✓ Sanctions screening (BDD)
- ✓ Risk summary (BDD)
- ✓ MACN incident details
- ✓ MACN questionnaire
- ✓ MACN questionnaire follow-up
- ✓ Ultimate beneficial owners details
- ✓ Parent company details
- ✓ Associated company details
- ✓ Company structure
- ✓ Relationship network
- ✓ Sanctions screening (EDD)
- ✓ Risk summary (EDD)
- ✓ Official document follow-up & review
- ✓ Bank account details follow-up & verification

- Tier 2 & 3 Report Community share validity | **180 days**
- Continuous screening | **Optional**

Turnaround Time

- 24 to 84 hours