

SICTIC Due Diligence Checklist

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Introduction

This checklist is made available as a **free tool for startups and investors** by the Swiss ICT Investor Club ([SICTIC](#)) under [Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International](#). It can be downloaded from <https://www.sictic.ch/startup-resources/>. Startups that are well prepared with answers and documents relevant to the items listed below will speed up the investment process considerably. It is best practice to store these documents in an **online data room** and use one folder per topic. For any document that does not (yet) exist, it's best to note on this checklist whether it will be made available later or not (e.g. if it is irrelevant to the startup business).

1 Business and Product Overview

- Pitch Deck
- SICTIC Factsheet
- Business Model Canvas

2 Company

2.1 Corporation

- Corporate structure including subsidiaries
- Corporate ownership including subsidiaries (e.g. capital tables, share registers)
- Governing documents for the company, subsidiaries, and affiliates including articles of association, deed of incorporation, board regulations etc.
- Excerpt from the commercial register for each legal entity
- Excerpt from the debt collection register
- Signature policies
 - for contracts
 - for bank accounts

2.2 Shareholders

- Signed register of shareholders including unvested stocks/options, etc. and past share and option transactions
- Shareholders agreement(s)
- Signed minutes of all board meetings
- Signed protocols of all shareholder general meetings
- Summary of warrants, convertible notes, and any right entitling the holder to obtain equity
- Results from previous due diligence checks from previous investors

2.3 Tax and Legal

- General terms and conditions (T&C) for all products
- Any past, ongoing, pending or threatened legal claims or actions
- Copies of any letters with any regulatory agencies or authorities
- Summary of permits, licenses, and other authorizations
- All communication with tax authorities (including tax rulings)
- Accounting provider agreement
- Tax and legal counsels agreements
- Other consulting agreements
- Transfer pricing agreements

2.4 Risks

- Known risks
- Conflicts of interests of employees, shareholders and founders
- Other risks that could significantly harm the company's chance for success
- Insurance contracts
- List of known non insured risks
- List of key competitors
- Risk management policies

3 Team

- Organisational chart
- Description of roles, responsibilities and work location of key team members
- Curricula vitae with education certificates and work reports
- Employment contracts made orally or in writing
- Passports or identification cards
- Excerpts from the debt collection register
- Criminal records
- Employee Stock Ownership Plan (ESOP, PSOP) with grants done and available pool
- Performance management framework (OKRs, peer reviews etc.)
- Hiring process

4 Financial Situation

- Balance sheets (including accruals and deferrals)
- Income statements (previously called profit and loss statements)
- Cash flow statements showing burn rate
- All current bank account balances
- Future financial projections
- Financial management reporting including core KPIs
- Loan agreements with banks or private people
- Rental and leasing agreements for offices, production plants, cars, machines, etc.
- Finder's fees, fundraiser commissions or investment-related financial contracts

5 Customers

- Commercial agreements made orally or in writing
- Letters of Intent (Lols)
- Service-level agreements (SLAs)
- Revenue split per customer
- Number of leads per sales funnel stage
- Leads conversion metrics
- Sales cycle for current clients
- Customer churn in last 12 months
- Customer engagement and satisfaction metrics
- Market research findings
- Market size assessment

6 Intellectual Property, Data Protection and Security

6.1 Intellectual Property

- Records of trademarks and trademark applications
- Records of domain name registrations
- Records of patents and patent applications
- Documentation of research concerning the company name, trademarks, domain names and patents (e.g. freedom to operate (FTO) reports)
- All agreements with employees, consultants or other persons or legal entities concerning intellectual property

6.2 Data protection

- Company's data management policy
- Company's privacy policy
- List of all claims or investigations related to data protection
- Proof of General Data Protection Regulation (GDPR) compliance
- Signed non-disclosure agreements (NDAs)

6.3 Security

- Summary of key security measures and protocols
- Details about monitoring measures and testing to ensure technical safeguards
- Summary of any security issues, including data breaches, loss of confidential information, inappropriate or malicious content, hacking attacks, major vulnerabilities etc.

7 Software Development and Production

- Software architecture
- List of software components developed in-house
- List of third party software (purchased and open source) used in the product including their licenses

- Schema of computing infrastructure setups for development, testing and production
- Network, hardware, test and production systems used
- Hosting details (e.g. hoster name, location of data centers)
- Internet service provider(s)
- Coding practices (e.g. coding style guides and standards)
- Source code review process
- Software deployment process
- Monitoring setup of productive systems
- Obtained certifications for security and quality assurance