

**Working Through An Intermediary
To Raise Funds**
Your Checklist

Working Through An Intermediary To Raise Funds

Copyright 2004 © **Action Community for Entrepreneurship / SPRING Singapore**
Design and Production by Emoticon Inc. Pte Ltd

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright owner.

contents

Introduction	04
Definitions: Terms Used in This Booklet	08
1 Flow Chart of Process	10
2 Quick Guide for Entrepreneurs	12
3 Choosing an Intermediary	14
4 Putting It Down in Black and White: The Client Agreement	22
5 Helping Your Intermediaries Carry Out Your Project	25
6 Working with and Managing Your Intermediaries	27

Introduction

So you have decided it is time to get some financing?

Where do you start?

If you know of an organisation which you could approach, would you know how to represent yourself, your company and your business plan? Is your business plan presentable?

What you could do is to engage a financial consultant or “Intermediary” to see the deal through. How do you select an Intermediary? What do you look for to ensure your Intermediary is the right professional for the job? How do you work with your Intermediaries or know they are doing things right?

This Checklist helps you wade through the numerous issues that you face once you decide to use an Intermediary to procure financing. As an Entrepreneur, you want to ensure the deal is done properly and effectively. This handbook will guide you on how to select and work with an Intermediary through the various stages of deal-matching. It also provides useful advice on proper procedures and help alert you to possible pitfalls and deficiencies.

“Intermediaries” are agencies or persons who facilitate deals between Entrepreneurs and Investors. They could be “Introducers” who could help match your business with an Investor from their wide contact network. Or they could be Financial advisors/consultants who could give you strategic advice as well. The latter could help you draw up business plans and structure deals.

Since Entrepreneurs could come to rely heavily on their Intermediaries, it is important that the Intermediaries maintain high standards of competence and are principled about the way they go about fulfilling their obligations to you, the Entrepreneur. They should observe good standards of conduct and take a professional approach.

While this Checklist sets out guidelines on how Intermediaries should conduct themselves, please keep in mind this disclaimer.

Disclaimer: *This Checklist supplements — but does not replace — legal requirements and laws governing business dealings and should be applied in conjunction with the Applicable Laws. This Checklist does not have the force of law and does not serve to represent any Applicable Laws. This Checklist should not be interpreted in any way that would be inconsistent with or would override the Applicable Laws. You should not treat the provisions in this Checklist as legal advice.*

Entrepreneurs can use this Checklist to assess other aspects of Intermediaries' fitness and suitability, over and above the verification of the qualifications of Intermediaries.

It is important to ensure that the Entrepreneur-Intermediary relationship works smoothly. The government is keen that small and medium enterprises (SMEs) have effective avenues of support when it comes to getting financing. This issue of SME finance was raised in the report from the ERC¹ sub-committee on Entrepreneurship.

A panel², chaired by Mr Inderjit Singh, Deputy Chairman of the Government Parliamentary Committee (GPC) for Finance and Trade and Industry and MP for Ang Mo Kio GRC, was formed to address the issue on financing and seek possible solutions. One of the recommendations from the panel was to establish services that helped match SMEs which offered promising deals, with potential investors. As a result, the Deal Flow Connection was

¹ The Economic Review Committee (ERC) comprising of members from the government, labour movement and the private sector was formed to fundamentally review our development strategy and formulate a blueprint to restructure the economy.

² The panel consisted of representatives from banks, finance companies, VC firms, credit rating agencies, insurance companies and entrepreneurs.

launched in July 2003. The Deal Flow Connection is a channel through which SMEs can gain access to financing. It “connects” businesses looking for funds, with financiers and investors. This connection is usually made through “Intermediaries”.

Since it was launched, SMEs have shown a good deal of interest in the Deal Flow Connection. However, further feedback from SMEs showed that many of them do not know what to expect in an Entrepreneur-Intermediary relationship and how to build and maintain an effective one.

It is in response to this SME feedback, that the Action Crucible for Financing under the Action Community for Entrepreneurs (ACE)³ and SPRING Singapore have compiled this checklist for Entrepreneurs.

This checklist is produced by the Action Crucible for Financing under the Action Community for Entrepreneurs (ACE) and supported by SPRING Singapore.

Note: Capitalised terms are defined in the section entitled “Definitions”.

³ ACE is a movement that involves both the private sector and government sector to create an entrepreneurial environment in Singapore.

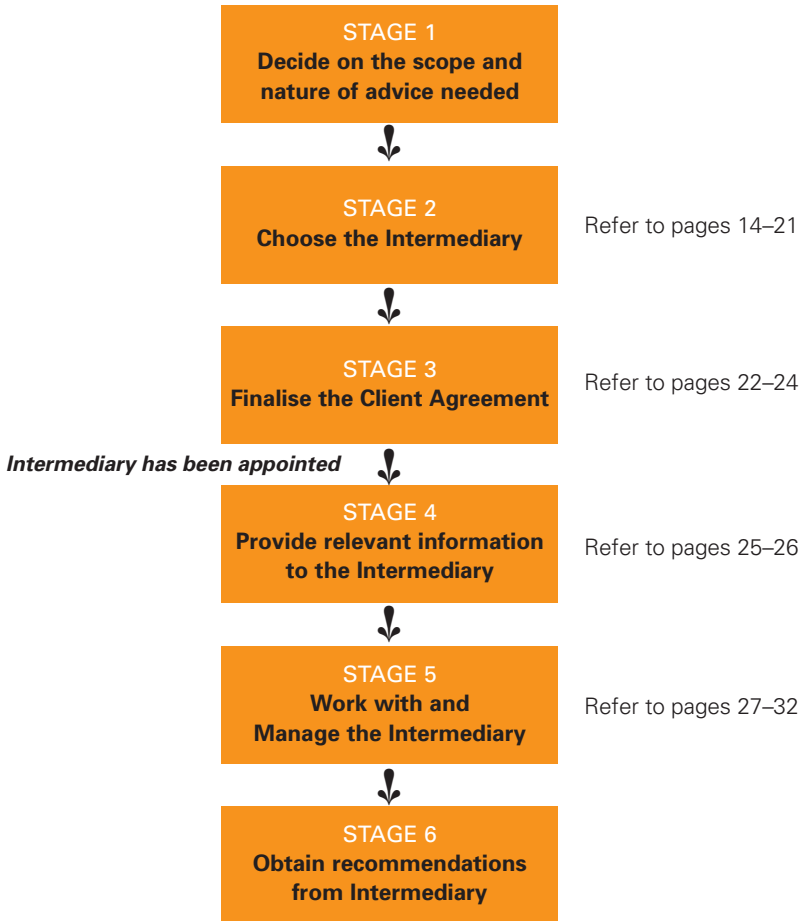
Definitions: Terms Used in This Booklet

Applicable Laws	Relevant laws, legislation, codes, regulations or guidelines applicable to Intermediaries, including Securities and Futures Act (Cap. 289) and Financial Advisers Act (Cap 110), as may be amended, modified or varied from time to time
Chinese Walls	Arrangements that prevent sensitive information being passed between different parts of the same organisation, to prevent a conflict of interest or breach of confidentiality
Client Agreement	Agreement in writing between Intermediaries and Entrepreneurs providing for the scope, terms and conditions of the provision of Intermediary Services
Entrepreneurs	Enterprises, including but not limited to, sole proprietorships, partnerships, and companies at different phases of their growth from different industry sectors who are seeking sources of funds from Investors
Intermediaries⁴	<p>Persons or entities who facilitate deals between Entrepreneurs and Investors and include:</p> <ul style="list-style-type: none"> (a) Introducers with a wide network of contacts with Investors who will help match potential deals with these Investors; and (b) Financial advisors/consultants who contribute strategic advice, marketing, finance and accounting skills to help enterprises draw up their business plans and structure deals <p>and their appointed representatives and all Relevant Persons.</p>
Intermediary Services	<p>Services provided by Intermediaries to Entrepreneurs and include:</p> <ul style="list-style-type: none"> (a) Introductory services between Entrepreneurs and Investors; (b) Assistance on financial management; and (c) Other finance related advisory services
Investors	Providers of sources of funds who include financial institutions like banks, finance houses, venture capital firms and investors
Relevant Persons	Employees or directors of Intermediaries who are likely to have access to confidential information in relation to a matter where Intermediaries are providing Intermediary Services

⁴ A List of Intermediaries can be found at www.dealflow.org.sg

1 Flow Chart of Process

Different Stages of Working with an Intermediary



2

Quick Guide for Entrepreneurs

Before you walk out that door to meet your Intermediary, the condensed checklist below serves as a quick guide.

1. Decide on the scope and nature of advice and/or recommendations that you need. This will determine the extent and type of Intermediary Services you assign the Intermediaries.
2. Look for an Intermediary who suits your circumstances. Ideally, the advisers should have experience of businesses your size. They should also understand your industry and hold necessary qualifications.
3. Give the Intermediaries all necessary business information so that they can better understand your needs and advise you accordingly. This should include your budget, business expansion plans, financial statements and bank borrowings. Intermediaries need to factor such information into your business proposal plan for potential investors.
4. Check the Intermediaries' credentials, qualifications and licences.
5. Make sure you have your Intermediaries' and their representatives' contact details.
6. Let the Intermediaries know about your projected time frame for achieving your targets, so that they are clear as to when you expect a response from them.
7. Ask your Intermediaries to put down in writing the terms and conditions of their Intermediary Services or alternatively look through any standard Client Agreement they may have.
8. Ask that Intermediaries declare upfront any conflicts of interests they may have in handling your affairs. For instance, are they working for any of your competitors?

Once you have engaged the Intermediary:

9. Make sure that whatever advice and/or recommendations your Intermediaries give you, are made or confirmed in writing. Do not hesitate to ask your Intermediaries to explain any of the recommendations you are unsure about and the possible consequences of their advice and recommendations.
10. When the Intermediaries have recommended a potential Investor, ask to know the history of the relationship between them and the Investor. This is to re-confirm that there is no vested interest between the two of them.
11. When it comes to recommendations, your Intermediaries and you should both be clear about:
 - the targets of the recommendations
 - how the recommendations are to be implemented
 - the time-frame and deadlines for their implementation.

3

Choosing an Intermediary

How do you go about choosing and managing an Intermediary? Firstly, you need to be clear about what you want to achieve, why you want to engage an Intermediary, the timeframe and budget for the job. You should clearly define the task.

3.1 You should create a brief. This will help you to choose and manage a consultant. It should include:

- a description of your organisation — its purpose and values, what it does, its size and structure
- why you need financing
- what has led you to consider using an Intermediary
- what you want the Intermediary to achieve
- when you want the work to start, and when you expect or require it to finish
- a description of the kind of person you want to engage
- how and when reviews will occur

3.2 Look for an Intermediary who suits your circumstances and:

- has experience of businesses of your size
- understands your industry
- has experience of any particular issues you want to deal with
- holds any necessary qualifications

3.3 Once you have collected information about potential Intermediaries, shortlist them and interview them. You need to ascertain if the Intermediaries are competent. Do they have relevant Licences?⁵ Do they maintain the necessary knowledge and skills to fulfil the entire range of their service commitment to you? Do the

⁵ You can refer to eLicence Business advisor. Information can be found in <http://licences.business.gov.sg/SHINE/sop/WebPageHandler?p=OASIS&pn=SelectLicences>.

- There are different licences granted under the Financial Advisers Act (Cap. 110) and Security and Futures Act (Cap. 289).
- Under the Securities and Futures Act, a capital markets services licence or representative licence is required for persons advising on corporate finance.
- Under the Financial Adviser's Act, a financial adviser licence is required for a person who carries on a business of providing any financial advisory services and representative means a person employed by a financial adviser.

Intermediaries offer Intermediary Services only in those areas in which they are competent? Do they conscientiously refer to other qualified individuals in areas where they are not professionally qualified?

Some of the questions you should ask include: (Tips on Checking the Intermediaries)

- **What experience do you have working with similar businesses or situations? Ask for references.**
- **Do you have membership of any professional body or trade association?**
- **How much of your time do you think you will need, over how long?**
- **Ask whether they will personally advise you.**
- **Ask how much they charge and what their payment terms are to avoid any misunderstanding.**
- **Do you work for any of our competitors?**
- **Would you do the work yourself, or would you pass it on to someone else? Ask to meet the individual who will do the work, if work is to be passed on.**
- **What are your fees for work of this type?**
- **Can you provide referees for similar work you have done?**

3.4 Qualifications, Licences and Scope of Work

Additionally, you should ensure that Intermediaries clearly explain to you the capacity in which they are able to provide Intermediary Services.

They should have the necessary qualifications and licences⁵ on which Intermediaries rely on to provide advisory services. Also, find out what is the nature and scope of the advisory services allowed under such licences.

Ask your Intermediaries what services they are authorised to provide. If there are any limitations in their capacity to serve you, Intermediaries should disclose this to you in writing. They may be, for instance, authorised merely to provide a restricted range of Intermediary Services.

Make sure that Intermediaries explain from the beginning and clearly the risks involved if you should accept their recommendations.

TIPS ON GOOD CONDUCT OF INTERMEDIARIES

No one can guarantee you the professional quality and integrity of an Intermediary. It is up to you to stay vigilant and ensure that you are getting what is due to you and your business, throughout the various stages.

3.5 Integrity

Are the Intermediaries principled? Do they have Integrity, maintain objectivity and confidentiality, are honest and fair and ensure there is no conflict of interests? You should observe whether:

- (a) the Intermediaries practise high standards of honesty and integrity when providing their services;
- (b) the Intermediaries keep you informed of their progress at every stage; and/or
- (c) the Intermediaries make adequate disclosure of relevant and material information.

Tips on identifying traits of “Integrity”

- **Does the Intermediary hold his own views or is easily influenced by others?**
- **Is the Intermediary willing to stand by his beliefs?**
- **Is the Intermediary serious in his attitude and thorough in his approach?**

3.6 Objectivity

Does the Intermediary admit any limitations they face in providing objective Intermediary Services?

Tips for assessing the “Objectivity”

- **Does the Intermediary show a willingness to take all factors into consideration?**
- **Is the Intermediary easily swayed by any particular factor or factors or does he in any way display any bias?**
- **Does the Intermediary display sufficient skill, knowledge and expertise of the subject-matter at hand in coming to a decision?**

3.7 Honesty and Fairness

Take note whether:

- (a) the Intermediary is likely to make true representations and provide true, accurate and complete information to you;
- (b) the charges / fees of the Intermediary for providing Intermediary Services are fair and reasonable.

3.8 Confidentiality

Is the Intermediary likely to safeguard the confidentiality of your information and take reasonable steps to ensure that all other persons who receive the confidential information from them avoid an accidental leak of information?

3.9 Diligence

Does the Intermediary display due skill, care and diligence and observe the integrity of the market?

Does the Intermediary take all reasonable steps to give you comprehensive and timely information so that you can make a balanced and informed decision?

3.10 Having Relevant and Adequate Information

Does the Intermediary ask for relevant information about your business financial situation, investment requirements and investment objectives?

Does the Intermediary make adequate disclosure of relevant material information in the course of providing you with their services?

3.11 Compliance with the Applicable Laws

Observe and ensure that:

- (a) Intermediaries comply with all statutory and regulatory requirements applicable to the range of their services to you.
- (b) Register all Relevant Persons in accordance with legal requirements.
- (c) the Intermediaries establish clear and comprehensive written compliance procedures covering the provision of their services to you.
- (d) your Intermediaries furnish, whenever you ask, documents that show that they have been complying with legal requirements.

If your Intermediaries have done so, this should give you reasonable assurance that your Intermediaries are complying with all applicable statutory and regulatory requirements at all times.

ENSURING AGAINST CONFLICTS OF INTEREST

You need to check that Intermediaries avoid engaging in work that is likely to involve conflicts of interest.

3.12 Check that the Intermediary:

- (a) takes all reasonable steps to avoid situations that are likely to involve a conflict of interest;
- (b) does not unfairly place its interests above those of your business and
- (c) withdraws from, or declines to accept, a mandate where a material conflict of interest arises that cannot be resolved through Entrepreneurs giving their informed consent.

If an Intermediary commits an offence, such as accepting a bribe, in order to be appointed as your Intermediary, then the moment you learn about this offence, you should and can ask the Intermediary to withdraw.

Where the Intermediary is part of a professional firm or group of companies undertaking other activities, e.g. auditing, banking, research, stock broking and fund management, check that there is an effective system of functional barriers (Chinese Walls). These should prevent the flow of information that may be confidential or price sensitive between your Intermediaries' service to you and their other business activities. The system should include physical separation between, and different staff employed for, the various business activities.

Enquire if the Intermediary has offered or accepted any inducements from third parties to provide you with Intermediary Services. Did the Intermediary disclose the particulars of the inducements to you from the beginning?

Inducements are wider than bribes and are not limited to criminal offences. This will also help you ascertain the objectivity and level of independence of the Intermediary. If the Intermediary hides the truth from you, then under certain circumstances, this may also amount to misrepresentation.

Some possible examples of Conflicts of Interest:

- **Where Intermediaries accept other kinds of interests or payments that could give Intermediaries a reason to act contrary to your best interest.**
- **Where Intermediaries have any personal financial interest in any transactions related to your project, they should disclose the details of such interest to you.**
- **Where Intermediaries have interests in venture capital funds and recommends those to you, they should disclose such interests to you.**
- **Where Intermediaries act for other clients whose businesses are in competition to your business, they should disclose such conflict to you. Please note, however, that it is unlikely that they are able to disclose details for confidentiality reasons.**
- **Where Intermediaries have a significant financial relationship or connection with the Investors and any other material conflict of interest. Such significant relations or material conflicts should be disclosed in the interest of greater openness, transparency and accountability of the Intermediaries. [For instance, there could be situations where an Investor owns the Intermediary firm and it is the same intermediary firm that enters into a contractual relationship to match the owner-investor to you. The Intermediary should inform you of this so that you can make an informed decision whether or not to accept such a material conflict of interest.]**

3.13 Confidentiality

Check that Intermediaries do not disclose any of your company's confidential information, without your specific consent, unless compelled to by law or as required to fulfil their legal obligations. Intermediaries must respect your wishes if you do not wish to divulge confidential information.

Scope and Examples of Confidential Information

- Your personal details and information.
- Your business strategy and business expansion plans.
- Financial information and status of your business.

3.14 Getting the Relevant Information from Intermediaries

Check that Intermediaries inform you clearly in writing about:

- (a) the identities of any representatives they appoint and their respective contact details.
- (b) the nature of the Intermediary Services they offer;
- (c) the method of remuneration, fees, commission or charges for the delivery of their services;
- (d) access to internal and external complaint handling mechanisms such as

Internal

Intermediaries who have complaint mechanisms within their organisations, should disclose the procedures of such complain mechanisms to you so that you are aware of such procedures.

External

Where Intermediaries are members of associations or whose activities are regulated under statute or any regulatory body, the Intermediaries should disclose to you, any such bodies, to whom complaints may be made. They should also inform you of the complaints procedure under such statutes.

4

Putting It
Down in
Black and
White:
The Client
Agreement

Once you have made a decision, whatever arrangements you have agreed on should be put into a written contract. This could be drawn up by you, by the Intermediary, or jointly.

The contract should cover both the work that will be done, and the conditions under which it will be done. The terms and conditions of the Intermediaries' engagement should be clearly mapped out in a Client Agreement between you and the Intermediaries. Make sure that you and your Intermediaries are clear about the range of services you are engaging them to provide. You then further ensure that the services they perform are in accordance with this Client Agreement.

The Client Agreement should be in English or any other language you understand and are comfortable with. This applies to any other agreement, authority, risk disclosure, or supporting documents.

4.1 The Client Agreement or contract should include:

- objectives
- a specific brief (as mentioned in paragraph 3.1 above)
- how the Intermediary services will be managed
- the length of the Intermediary service
- confidentiality
- how the contract can be terminated
- charges and payment arrangements
- deliverables [this is not a defined term and can have several meanings]

Additionally, the content of the Client Agreement should include:

- (a) yours or your business' full name and address as indicated in the identity card, relevant sections of the passport, business registration certificate, corporation documents, or any other official document which uniquely identifies you or your business;
- (b) the full name and address of your Intermediaries and where applicable, their licensing details or registration status with the relevant authority;
- (c) undertaking by Intermediaries to notify you in the event of material change to the information provided in the Client Agreement;
- (d) a description of the Intermediary Services to be provided to or made available to you.

- (e) a description of any remuneration and the basis for payment that you have to pay your Intermediaries, such as commission and any other fees and charges;
- (f) a mechanism for you to vary Intermediaries' instructions and for both parties [you and the Intermediary] to agree on the consequential changes in relation to any variations, including remuneration and scope of services.
- (g) confidentiality undertaking by Intermediaries; and
- (h) undertaking by Intermediaries to procure Investors to disclose any interests in competing businesses.

Pay attention to Details in the Client Agreement with Intermediaries

- **Agree what their role will be, and what they can expect from you.**
- **Set out the details of the scope of work and nature of the services to be provided.**
- **Agree how long the relationship will last and on what basis you can terminate it.**
- **Confirm how progress reports will be given.**
- **Confirm arrangements for your feedback.**
- **Confirm that they will protect any confidential information.**
- **Confirm the changes and payment arrangements.**

4.2 Be aware of possible limitations of the Client Agreement:

See to it that there is nothing in the Client Agreement that could legally remove or restrict any of your rights or Intermediaries' obligations.

Moreover it is not sufficient just to have these documents — your Intermediaries should draw your attention to the relevant risks that may affect your business.

Where necessary, your Intermediaries should advise you on the need to seek legal advice on the Client Agreement.

At the end of the contract you will want to measure how valuable the Intermediary has been to your business, so you must ensure that the contract and brief are made up of clearly measurable aspects.

5

Helping Your Intermediaries Carry Out Your Project

- 5.1** Provide your Intermediaries all relevant Business Information so that they can effectively carry out their role.

Intermediaries need sufficient information for them to give you good and appropriate advice. They especially need detailed information when they are preparing oral or written recommendations for you.

They need to know:

- the background of your business;
 - the nature of your business;
 - your business objectives
 - the identities of your shareholders;
 - your business' shareholding structure, and
 - your financial circumstances.
 - your business plan
- 5.2** Check that your Intermediaries do their research and facilitate this the best you can. Ensure that they have access to relevant information on financial strategies.
- 5.3** Once your Intermediaries have collated and analysed the information, they should be in a position to make their recommendations and advise you on your financial strategy. Make sure that whatever your Intermediaries develop for your business, is suitable and appropriately based on the information you provided.
- 5.4** Check that Intermediaries provide an explanation of the nature of the risks involved in terms that you understand.

6

Working with and Managing Your Intermediaries

6.1 You should establish a process for managing your relationship with your Intermediary. An agreement could include:

- how often you need to meet
- tasks to be undertaken by you or members of your staff
- definition of interim targets
- definition of milestones
- agreement on deliverables

6.2 Your active involvement is crucial to the success of the deal flow. Work at a good relationship between you and your Intermediary by having communication throughout all phases of the project. Be open and honest with each other.

Regular meetings are a good opportunity to discuss:

- What progress are the Intermediaries making?
- What do they need to know to continue?
- What problems are they encountering?
- Have your needs or situation changed in a way that might change the project?

6.3 The Intermediary should report only to you or someone appointed by you. However, you should keep the rest of your staff informed about what the consultant is doing, as their input may be valuable. You should also retain an option to terminate the consultancy if you feel progress is not being made. In ensuring that Intermediaries are doing their job well you need to consider if they are diligent and make all necessary disclosures.

6.4 Due Care and Diligence

- (a) When making any recommendations in connection to the provision of their services, Intermediaries should ensure that such recommendations are suitable and reasonable in all the circumstances. They should keep in mind the information you provided them.
- (b) Ask that all significant recommendations Intermediaries make, are made in writing. If they do present any significant recommendations orally, then request that they follow this up by confirming their recommendations in writing. Putting recommendations down in writing should prevent misunderstandings or potential disputes as to what was recommended. It would serve as useful evidence if necessary.
- (c) Ask your Intermediaries to explain their recommendations to you. You also need to understand from them the basis for such recommendations. You should be told before any recommendation is implemented, about the possible consequences. .
- (d) Avoid undue delay by keeping your Intermediaries informed of deadlines of any transaction. This would help them, for instance, to prepare appropriate documents or file application fees on time.
- (e) Check that your Intermediaries perform their responsibilities on an accurate, efficient and timely basis in accordance with the relevant rules and regulations. Your Intermediaries should abide by the standards set in the regulatory legislation.
- (f) Where Intermediaries are involved in preparing any of your documents to be presented or distributed in public, it is important that they use all reasonable efforts to help ensure that the document is prepared to the required standard. They should ensure that no relevant information has been omitted or withheld.
- (g) Along the way, should you give your Intermediaries an instruction that significantly alters the financial strategy or plan under the supervision of Intermediaries, check that your Intermediaries confirm it in writing to you.
- (h) Check that Intermediaries do not switch you or cause you to switch from an Investor to another Investor, without explaining to you the reason for the move. Intermediaries should demonstrate that the move is appropriate for you.

Tips on Managing Your Relationship with Intermediaries

- **Whenever possible, agree with the Intermediaries on specific targets and interim milestones and deadlines. These will help determine how long you will need the Intermediaries and check that you are making the right progress.**
- **Be honest and communicate. Let the Intermediaries know your concerns with the way things are going.**

6.5 Disclosure to Entrepreneurs

It is important that your Intermediaries disclose the following to you — in writing:

- (a) their remuneration, fees, commissions, any other monetary or non-monetary benefit they receive or is receivable by them, with regard to your project with them. This refers to what whether they receive both directly or indirectly.
- (b) any other benefit which may influence the Intermediaries' making of recommendations.
- (c) any benefit that a third party may receive in connection with such recommendations; and
- (d) any other costs you need to bear should they [the third party as mentioned in paragraph 6.5(c) above] accept part of the recommendation.

The disclosure of such particulars should be expressed as a minimum in percentage terms and included in the recommendation in connection with the provision of Intermediary Services prepared and issued by Intermediaries.⁶

Examples of Disclosure Requirements

- **Where Intermediaries or any other third party receive commission or other monetary and non-monetary benefits from Investors or any other third party, in relation to the provision of certain Intermediary Services to you.**
- **Where Intermediaries have any pre-existing relationship, connection or interest in Investors or any other third party in relation to the provision of Intermediary Services to you.**

⁶ For example, all applications for renewal of representative's licences under the Securities and Futures Act are required to set out the continuing education training that they have undertaken since their last applications for the grant or renewal of a representative's licence. This is a requirement by MAS for those who hold the SFA licence.

Tips on Evaluating Your Relationship with Intermediaries

- **Are you getting “off-the-peg” advice, or does it reflect your individual circumstances?**
- **Is the Intermediary focusing on your priorities?**
- **Does the Intermediary come up with ideas you hadn’t thought of?**
- **Does the advice you get lead to action?**
- **Are you keeping to schedule, or do deadlines keep getting put back?**
- **Are costs higher than what you expected?**
- **If you have concerns with the Intermediary, you should be able to end the relationship. But check carefully any Agreements you’ve made before doing so.**

6.6 Other Considerations Regarding the Intermediaries’ Professionalism

- (a) Continuing Professional Development/Education
In order to maintain and improve professional knowledge, skills and competence, Intermediaries should satisfy all continuing professional development requirements set by the regulating authority from time to time.⁶
- (b) Documentation
Intermediaries should securely store information and relevant documents that you give or gather for them. The information should be compiled professionally and be available for inspection when required. Such records should be retained for seven years from the date the document was last acted upon.
- Upon your request, the Intermediaries should give you or anyone you authorise, any of the original documents which you have paid or will pay for. This does not include documents which have been prepared or received by Intermediaries when they undertook to provide you with Intermediary Services, such as internal notes, memoranda, quotes or other working documents.
- (c) Professional Indemnity Insurance
Check that your Intermediaries effect and maintain professional indemnity insurance in accordance with regulatory requirements. You may ask Intermediaries to provide you with a copy of their professional indemnity insurance.

(d) Complaints Handling

Check that Intermediaries should comply with the relevant regulations concerning complaints handling dispute resolution and disciplinary procedures.

Where there are dispute resolution measures and procedures in place, Intermediaries should ensure that:

- (i) complaints from Entrepreneurs relating to the provision of Intermediary Services are handled in a timely and appropriate manner;
- (ii) steps are taken to investigate and respond promptly to the complaints; and
- (iii) where a complaint is not remedied promptly, Entrepreneurs are advised of any further steps which may be available to them under the regulatory system.

6.7 What to do if Things Go Wrong

There are a number of reasons things could go wrong. A lack of effective communication about the direction of the project or setting expectations too high or too low may cause problems. There could also be a lack of follow through on small but important details. Or the Intermediaries may have failed to understand your requirements.

If you are not satisfied with the quality of the work you should raise your concerns with the Intermediary at the earliest opportunity. The most important way to reduce the effects of problems is continued communication. This strategy could include defining the problem, identifying possible solutions, or deciding on a course of action.

The following steps may help to resolve problems:

- refer back to the contract and the brief
- be clear what you need to remedy the problem
- use the monitoring and review processes you have set up
- arrange a meeting of the group managing the contract to discuss the difficulty
- consider whether the type of dissatisfaction is a pattern for you in your work with Intermediaries, and if so, what causes it

You may ultimately have to consider terminating the Intermediary's Services, if the difficulties cannot be resolved. This should be one of the key areas in your terms and conditions in your Client Agreement. However, if you have been monitoring procedures, should enable you to spot warning signs that things are not going to plan.

For more information, please contact:

Deal Flow Connection Secretariat
c/o SPRING Singapore
2 Bukit Merah Central
Singapore 159835
Email: secretariat@dealflow.org.sg
Fax: (65) 6276 1436