

SBAI Publishes a Guide to Operational Due Diligence on Crypto Assets

The Standards Board for Alternative Investments (SBAI) publishes a new Toolbox Memo on ODD for Crypto Assets

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EINPresswire.com/ -- Today, the SBAI, a global alliance of alternative investment managers and allocators and custodian of the [Alternative Investments Standards](#), released a new Toolbox memo providing guidance on completing operational due diligence on crypto assets. The memo can be found in the [SBAI Toolbox for Crypto Assets](#).



Crypto assets were once the purview of retail investors, but more recently the asset class has gained attention from institutional allocators and alternative asset managers. There are dedicated crypto funds specialising in digital assets, however some more traditional hedge fund managers are now allocating to this asset class.

Institutional allocators conduct operational due diligence (ODD) on the underlying managers and funds that they invest in, including on elements such as counterparties, valuation, and conflicts of interest. Crypto assets operate using different infrastructure than more traditional asset classes, therefore any ODD must take account of certain risks that are more prominent within this asset class.

Steven D'Mello, Partner, Operational Due Diligence – Albourne Partners said: "ODD of crypto assets requires a more in-depth look into certain operational risks. The infrastructure is still in its infancy, and whilst it is becoming more institutionalised, careful attention needs to be paid. This memo from the SBAI continues its work on improving industry outcomes by providing a valuable toolkit for allocators to understand where the risks might be different from more traditional asset classes and provide guidance on the types of questions that should be asked in due

diligence processes.”

Sebastian Bea, President of One River Digital – One River Asset Management said: “Trading crypto assets requires that responsible practices and control processes are in place the same as for any other asset class. This SBAI Toolbox memo gives guidance to asset managers on crypto specific questions that may be asked during due diligence and is also an important resource for asset managers to ensure they have robust controls in place for the risks specific to crypto assets and therefore maintaining high standards throughout the alternative investment industry.”

Maria Long, Research and Content Director of the SBAI said: “Our mission is to solve for better and improve industry outcomes. We believe that responsible practices, robust controls, and efficient and transparent due diligence processes are vital to these outcomes. This Toolbox memo provides guidance for asset managers on the controls that should be in place and assists allocators with their due diligence processes.”

This toolkit was produced with input from both allocators and asset managers. The SBAI community is made up of over 150 asset managers representing over \$2 trillion in AUM and over 90 institutional investors overseeing \$4 trillion in assets.

For more information on the SBAI or our work on investor due diligence or to join the SBAI community please contact us at info@sbai.org.

About the Standards Board for Alternative Investments (SBAI)

At the SBAI, we are an active alliance of managers and investors dedicated to advancing responsible practices, partnership, and knowledge in the alternatives industry. At our core is a community that is committed to knowledge sharing, informed dialogue, and innovation. We set clear standards and actively promote responsible practice to normalise quality and fairness. Together, our community of allocators and managers create real world solutions – in short, we solve for better.

More information about our work can be found at www.sbai.org or reach out to us at info@sbai.org

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