



PLAYBOOK

The OHADA SME Due Diligence Playbook

An evidence-first framework for turning document requests into transaction decisions.

LANGUAGE

EN

STATUS

RELEASE CANDIDATE

EVIDENCE CUTOFF

24 September 2026

REFERENCE

P04

The OHADA SME Due Diligence Playbook

Outcome

Turn diligence into a **documented decision process**, not an unlimited file-collection exercise.

This playbook provides an OHADA-compatible frame but does not replace country-specific legal, tax, employment, environmental or sector diligence.

1. Workflow

Scope -> Request -> Evidence -> Test -> Issue -> Impact -> Resolve/Accept -> Decision

2. Eight workstreams

Corporate & ownership

Review entity, RCCM, constitutional documents, ownership, beneficial owners, corporate approvals, authority, subsidiaries, shareholder arrangements and transfer restrictions. AUSCGIE provides the corporate framework; transaction-specific formalities require counsel review.

Financial & quality of earnings

Reconcile statements, ledgers, revenue, margins, non-recurring items, debt, cash, working capital, capex and commitments. AUDCIF/SYSCOHADA provide the accounting framework; transaction QoE is different from statutory audit.

Tax

Map filings, audits, liabilities, withholding, VAT, incentives, disputes and related-party matters. Tax conclusions are country-specific.

Commercial

Analyse customer concentration, contracts, retention/churn where relevant, pricing, discounts, pipeline, channels, competition and dependencies.

Contracts & legal

Material contracts, leases, financing, security interests, change-of-control clauses, IP, insurance, disputes and consents.

People

Organisation, key people, contracts, compensation, founder dependency, employment disputes and succession. Employment law requires national review rather than a single currently applicable OHADA employment code.

Operations, assets & technology

Facilities, equipment, ownership, maintenance, capacity, inventory, IT systems, cyber controls, software licences, critical suppliers and capex.

Permits, compliance & sector regulation

Licences, permits, authorities, HSE/ESG where relevant, investigations, sanctions and sector obligations.

3. Evidence statuses

MISSING_EVIDENCE , MANAGEMENT_ASSERTION , CONTRADICTORY_EVIDENCE ,
UNRESOLVED_CALCULATION , PROFESSIONAL_VALIDATION_REQUIRED , VERIFIED ,
APPROVED_JUDGEMENT , NOT_FOR_RELEASE .

4. Issue register

A checklist tells you what was requested. An issue register tells you what could change the deal.

Each issue should include description, source, factual severity, uncertainty, owner, action, date and possible link to price / SPA / CP / financing / integration .

Do not apply a red rating without explaining the mechanism.

5. Escalation triggers

Unclear title to shares/assets, material dispute, unreconciled debt/security, uncertain sector licence, potentially material tax exposure, cash flow inconsistent with the model, undisclosed critical dependency, or sensitive data requiring a clean team.

6. Recommended sequence

Phase 1 - confirmatory scope. Test questions capable of stopping the deal first.

Phase 2 - full diligence. Deepen areas that can change price, documents or financing.

Phase 3 - resolution. Each issue is resolved, accepted, allocated contractually, turned into a condition, reflected in price, or leads to withdrawal.

7. Roles

The buyer decides whether to proceed. Experts provide scoped professional judgement. The seller responds and provides evidence. DealPME orchestrates workflow and traceability rather than replacing professional advisers.

8. Exit checklist

- critical requests answered;
- material contradictions resolved or accepted;
- issue register owner-reviewed;
- model assumptions updated;
- contractual consequences identified;
- financing conditions aligned;
- integration risks transferred into Day 1/100 planning;
- proceed/withdraw decision documented.

9. Diligence coverage matrix

Domain	Key questions	Evidence	Risk destination
Corporate	who owns and can bind?	registry, statutes, registers, powers	SPA / CP
Finance	what are real earnings/cash?	accounts, ledgers, bank, management data	price / financing
Tax	what exposures exist?	returns, audits, correspondence	price / indemnity / CP
Commercial	how durable is revenue?	contracts, cohorts, pipeline, pricing	price / integration
Contracts	which rights may change?	executed agreements, amendments	SPA / CP
People	who is essential?	contracts, org, comp, turnover	integration / retention
Operations	what assets/capacity exist?	asset register, maintenance, CAPEX	price / integration
Compliance	licences/proceedings?	permits, inspections, disputes	CP / walk-away

10. Handling contradictions

1. Record both sources without choosing arbitrarily.
2. Identify primary versus derived evidence.
3. Require an explicit reconciliation from the owner.

4. Test the reconciliation against independent evidence where possible.
5. Document the conclusion and remaining uncertainty.
6. Update model, price, documents or integration plan if needed.

A contradiction is not automatically fraud. It is a diligence signal that requires resolution before a conclusion is drawn.

11. Quality of earnings - baseline questions

Transaction review should isolate sustainable earnings: non-recurring items, personal/related-party expenses, accounting policy changes, unusual revenues, deferred costs, maintenance CAPEX, seasonality, concentration, cut-off, aged receivables, slow stock and normalized working capital. Adjustments require evidence; they should not be called “normal” by preference alone.

12. Tax diligence - scope discipline

Tax law is national. The playbook may organize evidence: returns, payments, audits, reassessments, agreements, withholding, VAT, customs, related parties, incentives, employee tax and transaction tax. **The conclusion belongs to qualified advisers in the relevant jurisdiction.**

13. Legal diligence follows structure

Legal diligence should start from the contemplated structure. In a share deal, focus on the entity and change-of-control consequences. In an asset deal, ownership and transferability of the perimeter become central. See A03 for the structural distinction.

14. Clean team and sensitive data

Before disclosing named customer data, detailed compensation, trade secrets or competitively sensitive terms, test whether an aggregate view is sufficient. If not, define restricted group, purpose, duration, output rules and sharing restrictions. Trigger competition/legal review where needed.

15. Deal Impact Register

Every material issue should answer: observed fact, source, uncertainty, impact scenario, owner and required decision. Then map it to one or more destinations: **price / SPA / indemnity / CP / financing / Day 1 / integration / walk-away.**

16. Decision meeting

The final diligence meeting should not reread workstreams. It should decide: which risks disappeared? which remain? which are acceptable? which price/term changes are justified? which conditions must be satisfied? does financing remain available? can the post-close plan absorb the risks?

17. Final evidence pack

Retain final scope, request list, evidence index, Q&A, issue register, professional conclusions, updated model, proceed/stop decision and issues transferred into SPA/closing/integration. This makes the decision reconstructible later.

18. Anti-patterns

- requesting every possible document without a hypothesis;
- marking management assertion as verified evidence;
- confusing statutory audit with transaction QoE;
- treating missing document as evidence that risk is absent;
- using risk scores without mechanism;
- allowing experts to work outside the central register;
- ending diligence without transferring issues to contract, financing or integration.

Working tool — Issue Register

Print or complete this table during the process. Blank fields are intentional and should be completed using deal-specific evidence or decisions.

Row 1

issue_id	
domain	
description	
source	
evidence_status	
uncertainty	
owner	
action	
deadline	
impact_link	price / SPA / CP / financing / integration
resolution	

Working tool — Request List

Print or complete this table during the process. Blank fields are intentional and should be completed using deal-specific evidence or decisions.

request_id	domain	request	priority	owner	status	evidence_link
	Corporate				OPEN	

Sources, methodology and limitations

The sources below support the rules, methods or context used in this playbook. They do not turn the document into transaction-specific legal, tax, financing, valuation or investment advice.

Acte uniforme relatif au droit des sociétés commerciales et du GIE (AUSCGIE)

Publisher: OHADA · Tier: Tier 1

Use: Corporate forms, governance, transformations, formalities and the legal framework relevant to transfers of interests.

<https://www.ohada.org/droit-des-societes-commerciales-et-du-gie/>

Acte uniforme relatif au droit comptable et à l'information financière (AUDCIF)

Publisher: OHADA · Tier: Tier 1

Use: Accounting and financial information baseline in the OHADA area.

<https://www.ohada.org/acte-uniforme-relatif-au-droit-comptable-et-a-linformation-financiere-audcif/4/>

Master Due Diligence Playbook

Publisher: DealRoom · Tier: Tier 4

Use: First-party workflow benchmark for structured diligence requests, linked documents and collaboration.

<https://dealroom.net/resources/templates/master-due-diligence-checklist>

DealPME governed product baseline - Core Build Pack and P04-P25 process reference

Publisher: DealPME · Tier: Governed internal source

Use: Product rules for RPS, T0/T1/T2, buyer qualification, NDA, VDR, LOI, diligence and human decision ownership.

Source interne gouvernée / Governed internal source