

CONFIDENTIAL REPORT: Q4 STRATEGIC RISK ANALYSIS Project: CalQuity Global
Expansion **Date:** October 2024

1. EXECUTIVE OVERVIEW This document summarizes the key risks associated with the Q4 deployment. While the project is on schedule, we have identified critical vulnerabilities in our compliance and infrastructure layers.

2. LEGAL RISKS

- **GDPR Non-Compliance:** The user data retention policy in the new module violates Article 17 (Right to Erasure). We risk fines of up to 4% of global turnover if this is not patched by launch day.
- **Pending Litigation:** A competitor has filed a cease-and-desist regarding our "One-Click" algorithm. Legal counsel suggests a high probability of an injunction.

3. FINANCIAL RISKS

- **Budget Overrun:** The cloud infrastructure costs have exceeded the Q3 budget by **\$150,000** due to unoptimized GPU usage.
- **Currency Exposure:** Our reliance on vendors paid in JPY exposes us to forex volatility. A 5% shift in exchange rates could wipe out our projected profit margin for the quarter.

4. TECHNICAL RISKS

- **Legacy Codebase:** The core payment processing engine still relies on **Python 2.7**, which is End-of-Life. This presents a severe security vulnerability.
- **Scalability Limits:** Load testing reveals that the database locks up at 5,000 concurrent writes. We need to migrate to a sharded architecture immediately.

5. GENERAL RISKS

- **Staffing:** We have lost 3 senior backend engineers this month. The knowledge gap in the security team is currently our highest operational risk.