



Regulatory reporting requirements for asset managers: Solvency II, VAG, GroMiKV and CRR

Periodical creation of regulatory reports

German institutional investors from the banking or insurance sector have special reporting requirements for their investments in investment funds. KPMG helps the asset managers stay competitive on the German financial market by providing the reports which German investors expect from them.

The challenge

Banking and insurance have been confronted by substantial modernisation of the financial supervisory regime in recent years. More than before the regulatory reporting requirements have become the focus of attention. Since European investors must comply with strict regulations for their investments, they now depend on the assistance of asset managers and their qualified reporting more than ever before. In order to retain important investors and proactively convince new potential investors, asset managers recognise the need for action and are willing to provide different reports to their clients.

Since the requirements of institutional investors in Europe vary and the specifications are highly complex, KPMG assists asset managers by offering the following reports on a regular basis:

- Solvency II Report
- VAG Report
- GroMiKV Report
- CRR Report

KPMG offers its clients each of the four reports in any quantity and regularity.

The different reports summarised

Solvency II Report

From 1 January 2016, the Solvency II innovation requires major European insurance companies to look through their investments in funds in order to estimate the diverse risks posed by these investments. As a result, insurance companies require an extensive report with detailed information about the assets of the funds. The report is a major challenge to the data management of the asset manager and requires the collection of market data as well as the execution of analytic calculations. The report's complexity becomes obvious while taking a look at the Tripartite Template which is the recognised standard template containing over 130 columns of information. Due to this complexity and the high standards of data quality expected when reporting, the Solvency II Report is probably the most challenging regulatory requirement for asset managers.

VAG Report

Although the German VAG (Versicherungsaufsichtsgesetz) Report will be partially replaced by the new Solvency II Report, smaller insurance companies and pension funds will still require it. This report's main purpose is to illustrate the investor's distribution of risk by looking through target funds. It requires a classification of all the funds' assets and is a good way to illustrate how reporting requirements can change over time.

GroMiKV Report

Since German institutional investors from the banking sector are bound to restrictions regarding the accumulation of risk in single assets, they are interested in looking through target funds and identifying underlying assets. The GroMiKV Report states the funds' instruments and offers the possibility to estimate how the fund investment affects their spread of risk. The GroMiKV Report offers asset managers a good opportunity to make their funds more attractive for banks.

CRR Report

The European regulation CRR demands that institutions from the banking sector keep minimal requirements of equity. An institution's direct or indirect investment may directly reduce their own equity rate if it constitutes equity for another institution. Consequently, institutions must stay informed about their investments held indirectly via a fund.

The CRR Report states the amount of such investments held by the fund and helps institutions to keep the balance between high-yield investments and more secure investments, while meeting the CRR restrictions. Since the equity requirements increase gradually over the next few years, the report will become more and more important for investors in the near future.

Additionally the report provides information on the CVA (credit valuation adjustment) risk caused by OTC derivatives and thus is especially useful for funds with such investments.

Usually the CRR Report is published on the German data provider WM Datenservice. KPMG of course takes care of publishing information here if desired.

Our service

KPMG provides a cost-effective solution to satisfy complex German and European regulatory demands. We take over the periodical creation of regulatory reporting for you.

A cooperation with us will provide you with the following benefits:



Quality: Reliable data partners and extensive experience in regular reporting allows us to cut through complex situations and offer substantiated solutions. We can provide you with high-quality reporting through our four-eye principle.



Efficiency: Thanks to a highly automated creation process, we are able to provide a cost-efficient reporting solution with constant quality.



Flexibility: Depending on your individual wishes, we are able to provide the report for any time interval (per quarter, monthly, etc.).



Quickness: We are aware of the eagerness of investors to receive reports as soon as possible, which means we act quickly to provide you with punctual reporting. We also constantly work on improving our processes to accelerate the reporting procedure.



Awareness: Since detailed requirements change constantly over time, we aim to keep ourselves as well as our reporting standards up to date on a permanent basis.

A strong team at your side

Through our combined experience of German regulatory matters and knowledge of IT, we help you to generate detailed reports which satisfy both the increasing content requirements and the high formal standards. We help you fulfil the highest expectations of your investors through flexibility and service orientation.

We would be pleased to answer any further questions you may have and provide you with detailed information. Please feel free to contact us!

Contact

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