CSS
Compliance Solutions Strategies

Driven by Data. Backed by Service.

Global Fund Reporting – Client Success

A Global Tier 1 Asset Manager

CSS was selected as a partner to help solve a client's global fund reporting challenges. The asset manager had built multiple in-house data sources, service provisions and solutions which led to an inability to scale efficiently and keep up with the pace of regulatory change and requirements.

The Client:

A leading asset manager with USD500+ billion assets under management globally serves large institutional investors, commercial and corporate clients, financial intermediaries, retail and private banking clients across 25 countries and territories.

Business Challenges:

Data Management

Over the years, the asset manager had built multiple in-house data sources, service provisions and solutions. The bespoke and varied mix of solutions led to an inability to scale efficiently, obstructing the firm's ability to keep up with the regulatory changes and the evolving requirements in the market and from clients. The asset manager had decentralized data sources spread around Europe, leading to a state of poor data management capabilities and data inconsistencies.

Regulatory Templates & Filings

Their processes to calculate transaction costs, produce regulatory templates and filings were labor intensive and introduced risk to their compliance program. The firm was also reliant on manual processes and spreadsheets, that made it difficult to calculate transaction costs and ensure the calculations were consistent with their regulatory filings.

In order to scale efficiently, the firm made the strategic decision to centralize its regulatory data management. They were in search of a vendor that could help consolidate data, with both the technology and the expertise to solve their regulatory obligations in the long-term.

The firm sent an RFP request with the prerequisites that the solution should:

- Be fully hosted with an ability to adapt to their in-house needs
- Support template production including cost and charges and help enrich their data as required
- Provide regulatory reporting capabilities, covering the data templates for PRIIPs, MiFID, Pension Disclosures, AIFMD, MMFR and more
- Provide Managed Services for a fully managed data environment with processes monitored and tracked for exceptions

Business Results

Accurate, coherent data and efficient cost calculations

CSS worked together with the firm to evaluate the data needs across all the regulatory forms and templates. Once our regulatory team scoped the overall requirements, we worked with the client to deliver an overarching data model covering the full range of regulations in scope as the first step in delivering a fully hosted, end-to-end data management solution. This included building an enterprise-wide data consistency and enrichment process to ensure scalable and repeatable cost calculations were a cornerstone of the program.

Efficient template production and distribution

Once the client had the capability to manage the data and calculate costs efficiently, they could begin moving forward with the next phase of the project – the production of regulatory templates.

After the data management program was built, all the data was now consolidated into one single source, removing complexities from template production. Rather than manually filling form by form, the clean data was now automated into the different template outputs. With the support of CSS, the client now has a data dictionary that auto-translates data values across all required forms and regulations and into other industry-accepted templates (e.g. WM Datenservice).

Following the template production program, CSS engaged in a highly efficient and structured distribution process for these templates. The range of distribution endpoints was defined, and the client now can distribute the templates in a variety of ways, all automated, depending on the needs of retail investors, institutional investors and asset owners. Combining one-to-one distribution for specific institutional clients with one-to-many distribution of standard templates to the wider market, provided a clean and efficient process for the client.

Regulatory filing optimization

With an overarching data model in place, the firm was able to leverage the same dataset for its own regulatory reporting and filing purposes in addition to the template and data distribution to end clients.

As the asset manager and CSS had taken a consolidative approach and gathered all necessary regulatory data into one single source, it was a simple process to retrieve a core dataset and then apply regulation-specific calculations to the data to generate the different outputs. With an efficient process in place, the firm was able to focus on the exact regulatory interpretations and calculations – in conjunction with CSS's Regulatory Guidance experts – to ensure they strictly adhere to technical standards and execute auditable and repeatable processes.

The client now has the infrastructure in place for data management, validation and control, is prepared for regulatory changes on the horizon, and has the efficiencies built in as the foundation of a world-class regulatory compliance program across its global business.

Value Realized

- The firm has moved from a tactical to strategic approach to compliance, optimizing data, operations and technology, with the regulatory agility to be prepared for what's next
- They were able to derive more value from data, turning data into a business asset that supports external client communications, regulatory requirements and internal business information with consistency for more informed business planning
- They removed non-core tasks from their workflow, so the compliance team could focus on more strategic activities rather than on tactical operations
- The firm created a resilient and repeatable process with scalability and flexibility to evolve with regulatory change
- The asset manager was able to reduce the firm's total cost of ownership and mitigate risk through automation and by removing manual processes