



Institutional client reporting for PE/RE investment funds

Looking for transparency

Facing ever increasingly complex reporting requirements from European authorities and local regulators, credit institutions, insurance companies and pension funds are turning to their PE/RE asset managers for more transparency reporting, such as TPT, QMV, PKG, VAG, KSA, LCR, ECD, CVA or GroMiKV, on their holdings in PE/RE investment funds.

Under existing regulations, banks, insurances and pension funds generally have the following options for reporting on investment funds:

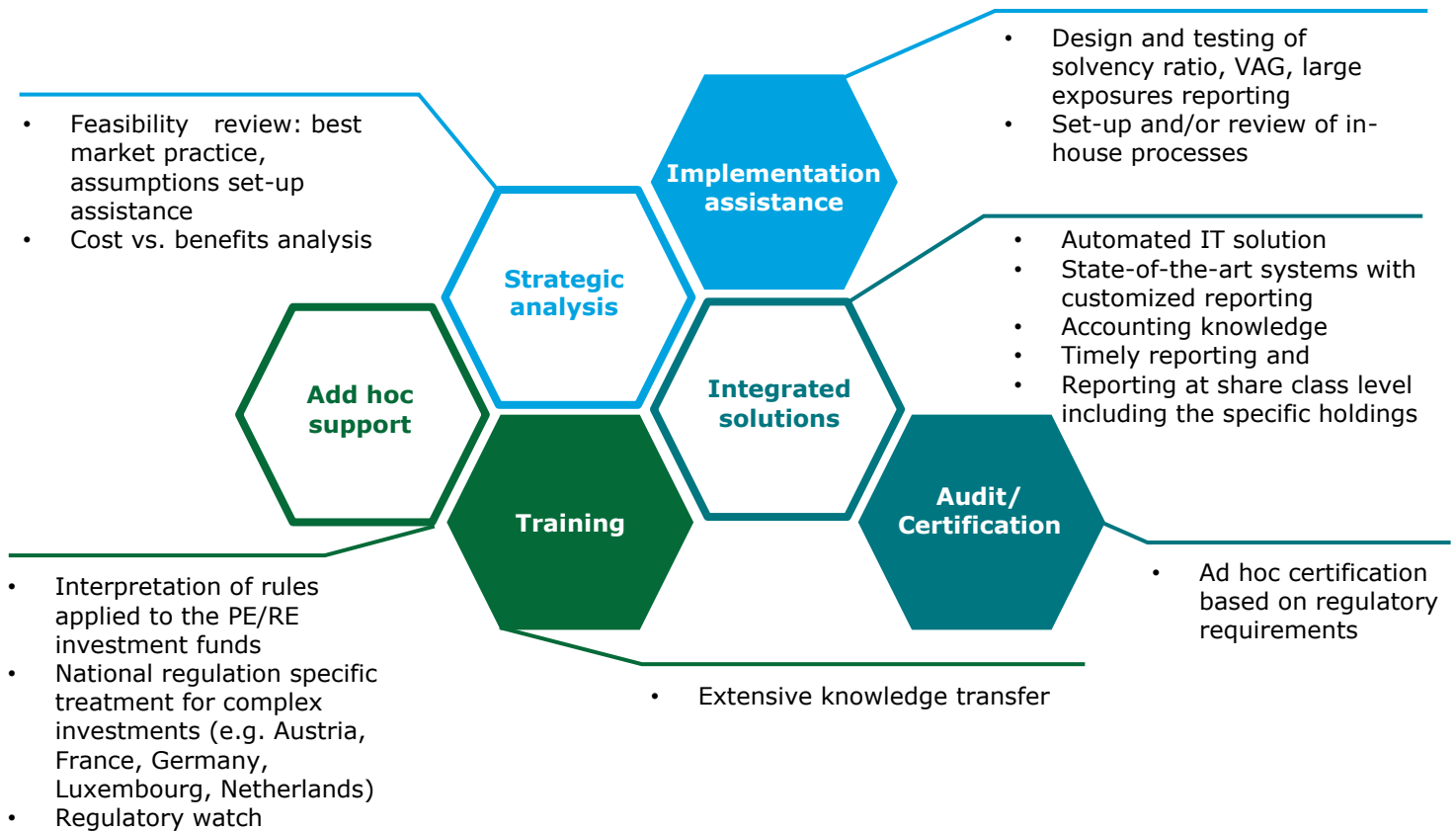
- Treat PE/RE funds as high risk equity positions - which triggers higher capital requirements and impact their investment restrictions; or
- Apply the transparency or look-through approach: i.e. treat each asset in a PE/RE fund as directly held and apply the corresponding capital requirements treatment, which generally leads to lower capital requirements, especially for PE/RE funds and look-through on special purpose vehicles holding the PE/RE investments.

“In the current regulatory environment of the financial industry, institutional investors are obliged to regularly report on the composition of their capital investments in investment PE/RE funds to relevant supervisory authorities, using pre-set methodologies, selected indicators and a defined set of templates including specific treatments of the Real Estate and Private Equity investments.”

In the latter case, institutions are relying on PE/RE asset managers and service providers to supply them with the necessary information in the standard formats.

Deloitte Approach

Over the past 10 years, Deloitte in Luxembourg developed an internal reporting platform including the Real Estate and Private Equity funds specificities (look through on SPVs, Real Estate investments risk classifications, bespoke accounting reporting) to answer to the Investor’s needs. In addition, Deloitte Luxembourg created strong relationships with their network European PE/RE specialists and regulatory experts, in order to follow any regulatory updates and apply the best market practices.



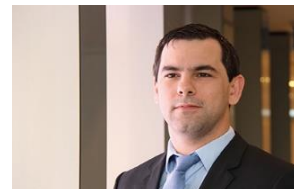
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