

Deloitte regulatory news alert

The data exchange challenge

9 May 2016

Following the publication of the final draft RTS on 7 April 2016, the main challenge for asset managers will be the exchange of cost, risk and performance data to support other PRIIP manufacturers in the preparation of product KIDs, in particular for the insurance industry.

Insurance companies will need to rely on the quality and accuracy of data provided by the asset management industry, with varying levels of demand in terms of PRIIP data support. Some insurance companies will seek to reconstruct product KIDs from scratch and will consequently request raw data such as:

- Past performance of the invested funds and of their benchmarks
- Portfolio allocations, including credit rating data
- Breakdown of all incurred costs
- Potential associated narratives, e.g. relative to liquidity risk

Alternatively, other insurance companies may prefer to handle only processed or calculated data to simplify the process and will request derived data such as:

- SRI, MRM and CRM ratings
- Performance percentiles
- Reduction in Yield

The two cases above demonstrate that expectations in terms of data exchange will differ from one manufacturer to another, due to a lack of an industry-adopted norm.

Therefore, with a concern for comprehensiveness and standardization, Deloitte is working with all manufacturers in the insurance, asset management and the asset servicing industries to design a “data exchange pack” suitable for all purposes, that can be adopted as the norm for communication.



How can Deloitte help?

In light of this new—and impactful—challenge, we have focused our assistance on three aspects:

- **Advisory and project management services**—accelerate your PRIIPs implementation project with our PRIIPs consultants, leveraging the knowledge gathered in analysing PRIIPs for the past 2 years and engaging in a number of “proof of concept” projects with cross-industry participants.
- **PRIIPs Data Service**—a large part of PRIIPs regulation is the data challenge (from requirements, to data sourcing, calculations & enrichment, to client communication). We can clarify data exchange requirements and expectations and help you with the ongoing data management & processing.
- **PRIIPs KID Factory for Funds, Insurance and Banks**—our proven and successful KIID platform is now ready to produce and maintain PRIIPs KIDs (in line with the current understanding of the final draft RTS). Ask us for a demo of our live system!

We trust this information is of assistance and we remain available for any questions you may have.

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