

# Solutions for private equity firms and service providers



Private Equity is operating in an tough environment caused by

- fierce competition to raise funds;
- difficult investment;
- decrease of fees.

Given the tax pressure and the avalanche of new regulations, the choice of the domicile and the local operational set-up become paramount to ensure the sustainability of your business.

Financial Services  
Consulting

## PE more hands-on than ever

Private Equity firms and service providers will have more pressure to take good care of their investors. For Private Equity firms emphasis will be put on their capacity to structure their activities with the sufficient level of substance in order to be compliant with current and

future regulation (i.e. AIFMD) and to benefit from competitive tax structures. The key success factor will consist in defining efficient operational activities that meet more stringent regulator and investors' requirements.

## Your challenges

How efficiently do you manage your day to day business?

- Operating memoranda drafting & review
- Performance fee computations and waterfall agreements
- Exit accounting and income accounting model design
- Investment performance reporting design & review (EVCA standards)
- Definition of IFRS reporting
- Selection, implementation & testing of PE administration systems
- Due diligence & selection of service providers
- Monitoring & internal reporting design

Are your controls appropriate to mitigate your risks?

- Shareholder management and management of capital calls review
- Corporate life events for your structures
- Valuation principles and reporting standards model definition
- Ownership evidencing and archiving/ update of ownership titles management review
- Monitoring & control of investees review
- Follow-up on bridge loans, off-balance commitments and investment costs
- Certification of controls framework



How can you benefit from the current and upcoming regulatory requirements?

- Compliance, investor acceptance and KYC-controls definition
- Contracts drafting & review
- Review & filing of PE structures
- Update on regulatory requirements with regards to service providers duties





## *Business cases*

### ***Leading service providers in the alternative investments industry***

#### *Organisational review of the Private Equity activities:*

We assisted several banks and administrators in performing an organisational and performance review of their custody and fund administration activities:

- Formalisation of existing processes in place within the dedicated team
- Roles and responsibilities definition for stakeholders in the PE processes
- Identification of gaps with regards to market and/or best practices
- Assistance to the activities enhancement

### ***PE branch of a major German bank subsidiary***

#### *Outsourcing of Private Equity back-office activities:*

We assisted the company during the outsourcing of most of its existing fund administration and custodian bank activities to a new service provider with the:

- Definition of business requirements
- Assistance during RFP the process
- Support during service providers workshops
- Assistance the management decision process

### ***European PE house***

#### *Operational assessment of the Private Equity operations:*

We assisted a renowned Private Equity firm in undertaking a critical review of their back-office processes:

- Assessment of daily operations and administrative review
- Drafting of the operations gap analysis and best practice recommendations
- Operational re-engineering action plan definition
- Implementation of management decisions

## Why PwC Luxembourg?

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### People working alongside you

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