

# *Are you confident?*

## Risk Management in the Asset Management Industry

### Third Party Assurance

TPA in Risk Management

*Regulations change. New trends emerge. Risk Management structures and processes in Asset Management are subject to improved Governance, more Board responsibilities, and an increase in computation requirements. Demand for transparency and assurance grows when Investment Funds and Management Companies outsource to other organisations their Risk Management components. These service providers face the challenge to provide assurance on their business processes and related controls to their clients.*



## *How PwC can help*

Assisting you in improving Risk Management processes, transparency and trust that stakeholders place in you, PwC will help your organisation demonstrate the quality delivered

Combining the expertise of both its Risk Management and Controls Consulting teams, PwC is ideally positioned to report on your company's controls and processes, and provide assurance beyond the financial audit. By utilising non-financial statement reporting standards, including ISAE 3000, agreed upon procedures and customised attestations, PwC can provide additional solutions under

the Third Party Assurance umbrella that are of great value to your stakeholders and provide comfort accordingly.

Our services enable you to demonstrate to your clients the comfort that your systems, processes and Risk Management procedures are operating effectively and within a well-controlled environment.

# Third Party Assurance (TPA)

## A three-way relationship

### External or Internal Stakeholder(s)

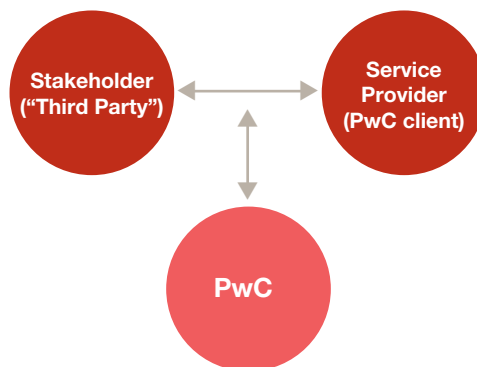
Requires comfort over the services provided

### Service Provider

Needs to report to clients / stakeholders

### PwC

Assists service provider to supply assurance to the stakeholder(s) by performing an independent review



### Challenges

#### Increasing regulatory requirements

Under UCITS IV and AIFMD, the expectations of the regulator regarding Risk Management are increasing.

#### Increasing competition

The competition is increasing: Manco's mobility, cost of data, number of service providers (internal/external) etc.

#### Increasing level of responsibilities

As part of the increasing level of responsibilities of Manco Board members, Directors are liable for both risk taking and Risk Management.

#### Time investment

External audits (audit of financial statements, Long Form Reports etc.) and internal reviews (internal audit, Risk Management controls etc.) are time consuming.

#### Staying up to speed

Expectations regarding Risk Management are currently moving fast. Stakeholders need to ensure that they are in line with both regulation and market best practices.

### Benefits of TPA

Independent reviews of Risk Management processes confirming and validating the compliance of the processes with the expectations of the regulator could **provide comfort** to the different fund's stakeholders (Board members, investors etc.).

Risk Management services that have been reviewed by an independent, external service provider will be perceived as a **competitive advantage**.

Third party assurance covering Risk Management processes will then **increase Board members' level of comfort**.

A single third party review will be performed and then shared with the different stakeholders.

As third party assurance review are based on the latest expectations from the regulator as well as best practices, you will benefit from **regular and continuous improvement** of the Risk Management processes based on our market and industry knowledge.

## Why PwC Luxembourg?

Our specialist team members have gained a strong expertise as consultants and through their experience within the financial industry. As a result, we are able to quickly understand your concerns. Our solution is proportionate to the scale, diversity and complexity of your activities; as result it is really tailored and sound.

PwC Luxembourg ([www.pwc.lu](http://www.pwc.lu)) is the largest professional services firm in Luxembourg with more than 2,100 people employed from 57 different countries. It provides audit, tax and advisory services including management consulting, transaction, financing and regulatory advice to a wide variety of clients from local and middle market entrepreneurs to large multinational companies operating from Luxembourg and the Greater Region. It helps its clients create value they are looking for by giving comfort to the capital markets and providing advice through an industry focused approach.



### To get started, call:

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