Corporate Governance is defined by your operational structure (in-house or delegated functions), which may be spread across several jurisdictions depending on the location of your real estate assets.

Regulators are focused on changes to corporate and internal governance practices to enhance Board transparency, increase director accountability and give greater voice to shareholders over critical boardroom decisions.

In today’s fast-changing regulatory environment, there is an increased need for directors and management of real-estate entities to make sure the full spectrum of Corporate Governance functions follows management needs and regulations.

Your challenges
Are your governance and audit functions operational and well-organised?
Is your governance model adequately designed, effectively and efficiently ensuring compliance?
Do your Directors receive sufficiently adequate reports and information to be able to fulfil their responsibilities?
Do your policies and procedures comply with regulatory requirements?
Will your authorised management be able to confirm to the CSSF and to investors that the company is fully compliant with AIFMD and other regulatory requirements?
Is your Board structure & organisation compliant with best practices? (Profile selection, responsibilities, involvement, training, documentation, insurance, etc.).

Your needs
You need a trusted partner to ensure your Corporate Governance and Board functions meet best practices and regulatory requirements to stay on top of these challenges and to allow you to focus on your core business. This means you can focus on your business while we provide streamlined, efficient and compliant governance.

Our value proposition
You need to ensure that your company has a robust and clearly defined internal governance framework allowing sound and prudent management of risks.
We can assist you in:
• analysing and identifying potential discrepancies;
• scoring (fully compliant, partially compliant, non-compliant);
• recommending actions to be implemented or improved;
• designing an action plan.

www.pwc.lu
We recommend focusing on:

**Your people and functions**

**Board members: strategies and management guidelines**
- Composition - chairman, appointment & succession, number of members, right skills, training, experience, sufficient time, disclosure of other mandates, conflicts of interests, insurance
- Responsibilities - know your structure, know the applicable rules, define the company strategies and risk appetite, oversight over portfolio and Risk Management activities
- Adequate level of Real Estate expertise on the Board
- Meeting dashboard - agenda and minutes
- Information - transparency reports to be received.

**Internal Audit Functions**
- Appointment - approved by the Board, notified to the CSSF, qualified person
- Organisation - independence & synergies, outsourcing possibilities
- Responsible persons & roles
- Work programme
- Reporting

**Authorised Management: Implementation of the strategies & management guidelines**
- Responsibilities - plurality of functions, qualifications & independence, Luxembourg presence
- Dashboard - audit function reporting, content and deadline of the annual reports, CSSF-expected certification
- Information - audit function reporting to be received

**Your organisation**

**Internal Organisation**
- Mandatory documents - organisational chart & up-to-date job descriptions
- Written policies & procedures
- Administrative & accounting organisation
- IT function - organisation, responsible persons (IT officer & Information Security Systems Officer)
- BCP/DRP
- Outsourcing - procedure, selection of providers, contracts, supervision
- Remuneration policy
- Internal Code of conduct including the management of holidays

**Crisis Management plan**
- Should not be merged with BCP/DRP. Are you prepared if an internal fraud is detected and a press article released?
- Be prepared: who should be contacted? Is there a lawyer involved? Is there a crisis communication manager? Who should communicate internally/externally? What could be communicated? Is there an insurance policy in place?
- Should an internal procedure be implemented?
- Should specific training be provided?

**Whistleblowing process**
- Or “how to allow staff to escalate (outside established lines of authority) concerns related to internal governance”.
- Good practices for implementation: prepare a formal policy, define clear responsibilities and reporting system, communicate adequately and efficiently with employees.

**Past engagements**
- Designing or updating internal governance strategies and frameworks
- Preparing or updating policies & procedures
- Evaluation of Board efficiency
- Assessment of the entity’s Corporate Governance
- Quality review of the internal audit function
- Assessment of third-party service providers
- Compliance with the COSO framework
- Perform governance due diligence work on potential counterparts

**Why PwC Luxembourg?**

PwC Luxembourg (www.pwc.lu) is the largest professional services firm in Luxembourg with 2,450 people employed from 55 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 the value they are looking for by giving comfort to the capital markets and providing advice through an industry focused approach.

The global PwC network is the largest provider of professional services in audit, tax and advisory. We’re a network of independent firms in 157 countries and employ more than 195,000 people. Tell us what matters to you and find out more by visiting us at www.pwc.com and www.pwc.lu.

© 2015 PricewaterhouseCoopers, Société coopérative. All rights reserved. In this document, “PwC Luxembourg” refers to PricewaterhouseCoopers, Société coopérative (Luxembourg) which is a member firm of PricewaterhouseCoopers International Limited (“PwC IL”), each member firm of which is a separate and independent legal entity. PwC IL cannot be held liable in any way for the acts or omissions of its member firms.

**Contacts**

Birgit Goldak
Partner,
Governance, Risk & Controls
+352 49 48 48 5687
birgit.goldak@lu.pwc.com