

ViClarity

White Paper



Keeping Up With Asset Management Regulations

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For ViClarity, keeping up with Asset Management Regulations is as important as a teenager keeping up with the Kardashians. The asset management space has seen much change in recent times with regulatory challenges (MiFID II, AIFMD), data demands, and evolving market dynamics being examples of key areas which are influencing asset managers' priorities. These changing dynamics pose the question, what is next for the industry? Or in short, how can organisations gain a better handle on managing their bottom line with their fixed assets. External challenges facing this segment include regulatory reporting, compliance programs, risk disclosures, investment guidelines and restrictions. While asset managers may only focus on a small piece of the overall financial services jigsaw, the areas which make up this segment play a vital role in shaping the asset manager's role and that of the company. The segment area examples include:

- Risk
- Investment Compliance
- Regulatory Reporting

A more varied enterprise-wide approach to risk during the financial crisis and its aftermath has revealed the true extent of asset managers' risks with the SEC and IRS undertaking more frequent audits and investigations. High correlations between credit, market, liquidity and valuation risks have underlined the need for more adaptive approaches to investment risk management.

Amendments to regulations globally are making the task of remaining compliant more and more difficult. Asset management stakeholders have in recent times come full circle with the market as a result of such market complexity to the realisation of the importance of transparency within fund management. A move toward greater transparency has seen a call for a rethink of organizational structures and governance models to provide a greater voice for the shareholder through more frequent due diligence. The increase in the volume of technology being utilized by organisations and the benefits it provides in gleaning valuable customer and market insight has seen the need for a consolidated 'dashboard' reporting tool to be implemented to allow for ease of reporting and identification to become available.

The governance of regulatory reporting is one that has come under increased scrutiny from regulators and

investors, the boards of asset management (AM) companies and funds have greater oversight responsibilities than ever. This increased responsibility heightens the need for firms to respond positively in rethinking their governance models, such change will require greater transparency for executives' and directors' in terms of reporting, audit and accountability across the organisation. Looking ahead, directors might want to evaluate the appropriate governance committee structures, roles, decision rights and supporting management processes to support decision-making and risk management as a means of improving transparency.

Asset managers are increasingly working with solution providers to design bespoke enhanced operations' architectures to improve reporting and operations' efficiency. The range of initiatives that are being implemented include improved workflow and data management as means to combine greater and more complex transaction volumes and make them more manageable. These initiatives have traditionally posed problems as they have resulted in the stretching of front-, middle- and back-office systems in addition to the need for integrated reporting systems for traditionally separate asset classes.

There is a realisation among asset management professionals that greater transparency enhances trust which has a knock on effect of building confidence in reporting accuracy, governance and accountability. A common occurrence is that legacy and existing information systems often can't meet the growing information requests from investors and, increasingly, regulators. Asset managers who do give information in a timely, accurate and useful manner have a competitive advantage.

RegTech is the future and will undoubtedly continue to have a profound impact across all front, middle and back-office functions within the marketplace, specifically in the asset management focused areas associated with the ever-increasing new regulatory challenges including MIFID II. Management will also increasingly move from tactical decision making to more strategic and long-term choices of RegTech technology. This move will in turn enhance the potential of RegTech to provide the asset management industry with new strategic platforms to meet all of their regulatory reporting and risk management requirements and to obtain real business value through the ability to intelligently mine "big data."

The Solution

ViClarity is a market leading Risk and Compliance solution which enables your organisation to effectively identify, monitor, score and report on risk. The ViClarity automated compliance monitoring platform will give

you the tools and structure you require to tackle your compliance needs with increased efficiency and greater transparency. In an already competitive market, investing in best-practice technology means you will maintain or create a competitive advantage. Working with ViClarity ensures higher levels of compliance and higher levels of internal efficiency.

The ViClarity solution has a number of modules available within it, these include areas such as:

- AIFMD
 - Client Assets & Investor Money
 - The Management of Side Letters
 - Supplier Management
 - AML & Anti Fraud
 - Staff Policy Signoff
 - Governance
- and many more customizable modules.

For more information on ViClarity's Solutions call 01 902 2859 or email info@viclarity.com. Chat to us live on our website at www.viclarity.com.