FRS

Invest|GRC™ PRIIPs Product Sheet

Financial Risk Solutions' award-winning RegTech offering, **Invest|GRC**™, now includes a new module to automate the production & publication of Key Information Documents (KIDs) in line with upcoming regulation in January 2018 relating to Packaged Retail and Insurance-based Investment Products (PRIIPs).

Invest|GRC™ is an asset reporting and analytics tool for producing regulatory and risk management reports. It consumes data and empowers senior finance, risk, audit, ops and admin staff to monitor risk, manage rules and breaches. The new PRIIPs module enables manufacturers and distributers to efficiently produce and publish Key Investor Documents in line with upcoming regulation.

PRIIPs on Invest|GRC™

PRIIPs Regulation

The regulation, which relates to Packaged Retail and Insurance-based Investment Products (PRIIPs), will ensure that PRIIPs manufacturers are required to:

- ⊘ **Prepare a KID for each PRIIP that they produce**
- ⊘ **Publish each KID on their website**

The Key Investor Document (KID) must be provided for each investment product, in good time, before the consumer is bound by any financial decision and must clearly outline to consumer:

- ⊘ **Key features**
- ⊘ **Risk**
- ⊘ **Rewards**
- ⊘ **Costs**

KID Software for PRIIPs Manufacturers

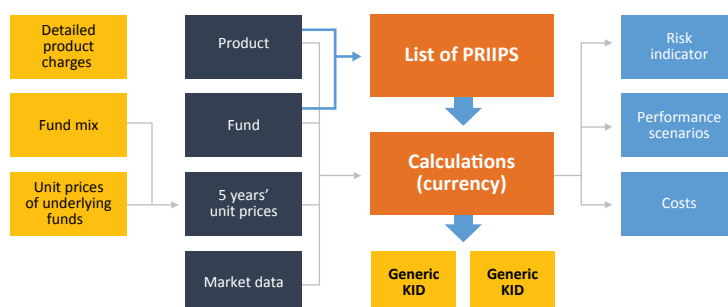The PRIIPs module from Financial Risk Solutions is comprised of five components

1 **SQL Database Repository**
To import, calculate and hold all new data and archive all PRIIPS and KIDS

2 **Calculation engine**
To compute using different data sets the complex calculations necessary for the production for all KIDS

3 **KID Reporting Tool**
For upload to website, broker interface, policyholder PDF, etc

4 **Ongoing Updating**
To existing products/policyholders KIDs and the launch of new products/policyholders KIDs

5 **Comparative analysis**
To track changes in PRIIPS and KIDS and do sensibility checks before sign off using the FRS rules and breach engine

Fund of Fund (FoF) Calculation Process:

Detailed product charges → Product → List of PRIIPS → Risk indicator
Fund mix → Fund → Calculations (currency) → Performance scenarios
Unit prices of underlying funds → 5 years' unit prices → Costs
Market data → Generic KID / Generic KID

Risk.net Buy-Side Awards 2016
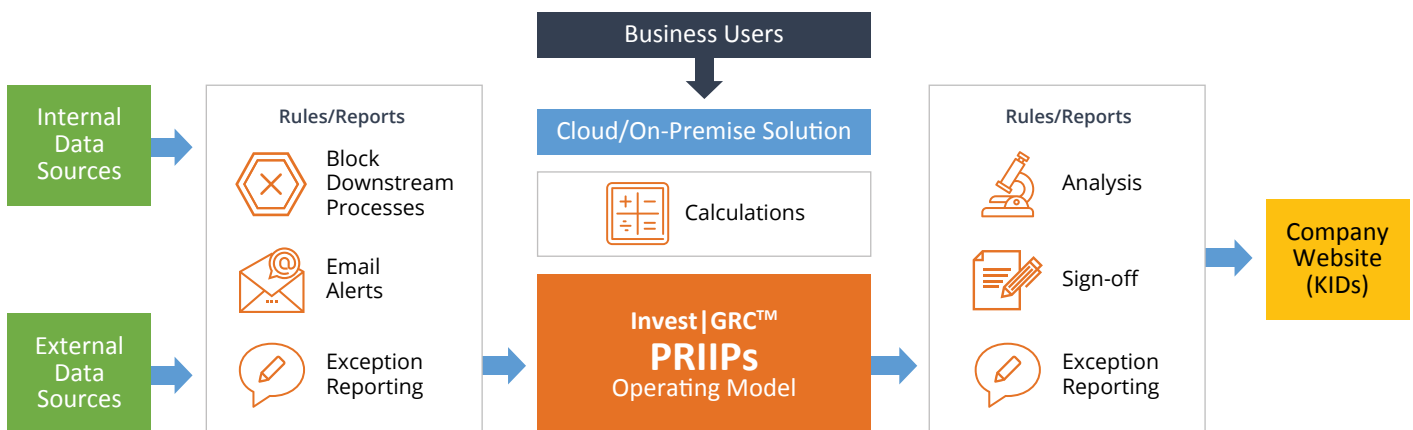**Winner Tech Vendor of the Year: GRC**

Benefits

- ✓ A cost-effective automated solution for the production of KIDs in a controlled environment which minimises dependencies on external parties

- ✓ A complete integrated PRIIPS solution covering direct funds, fund of funds and both single and regular premium PRIIPs

- ✓ Exception based processing incorporates comprehensive data validation including accuracy checks on the KID figures and cross-checks to previous results for the PRIIP

- ✓ Data analytics available on the PRIIPs results dataset

- ✓ Produces additional point of sale material for multi-option products such as comparative tables of key risk indicators, performance scenarios and cost figures for the permissible fund options for a PRIIP

- ✓ Provides PRIIPs manufacturers with a full audit trail of the KID production (the KID figures are maintained in a SQL database repository with a full history of the results and the dataset used in the KID production is also maintained) to address potential civil liability issues

- ✓ Can be deployed either on premise or as a cloud solution

License PRIIPs

Invest|GRC™

software today to beat the regulatory deadlines by emailing **Matthew or Frank**

Invest|GRC™ PRIIPs Operating Model

Business Users

Internal Data Sources → Rules/Reports
- Block Downstream Processes
- Email Alerts
- Exception Reporting

External Data Sources →

Cloud/On-Premise Solution
Calculations

Invest|GRC™ PRIIPs Operating Model

Rules/Reports
- Analysis
- Sign-off
- Exception Reporting

→ Company Website (KIDs)

Whilst the Key Investment Documents will be clear and easy to read for consumers (and in a pre-described format, bringing uniformity to the investment industry), the compilation of the KID is extremely complex for PRIIPs manufacturers, requiring quarterly updates to each KID based on the previous 5 years unit prices calculations using different positions holding data. The Key Investment Document also needs to demonstrate four performance scenarios showing the range of possible returns:

Stress Scenario	Unfavourable Scenario
Moderate Scenario	Favourable Scenario

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