



Magic FinServ

DRIVING BUSINESS IMPACT FROM INFORMATION

Global Regulatory Reporting

Transaction Regulatory &
Fund Regulatory Reporting

Topics Covered

The Magic FinServ Global Regulatory Reporting solution has the capability to assist Asset Managers in standardizing, automating, and implementing the business workflow related to regulatory data processing, data aggregation, and regulatory calculated metrics. It also helps in creating test disclosure forms or reporting form structures for different regulatory reforms mentioned below:

Global Fund Regulatory Reporting

- AIFMID Annex IV
- Form PF
- Form ADV
- CPOPQR etc.

Post Trade Transaction Regulatory Reporting

- SFTR
- MiFID 2
- EMIR Rift etc.

Document Production

- UCITS KIID
- PRIIPS KIID
- Factsheet etc.

Magic FinServ capability



**Process
Implementation &
Standardization**



**Data Validation,
Automation
Reconciliation &
Reporting**



**Digital
Transformation**



**Agile Project
Management**



**Data Onboarding &
Transformation**



**SMEs/Data Analyst
/Business Expert
Support**

Introduction

Global Fund Regulatory Reporting:

In the United States and Europe, under different Reform and Consumer Protection Acts, the SEC, CFTC, and ESMA require multiple regulatory forms such as Form PF, AIFMD Annex IV, CPOPQ, and Form ADV for Alternative Investment Funds to provide greater transparency to institutional investors. All forms must be submitted to the National Competent Authority (NCA) within specified time frames, which may be quarterly or annually, as defined by the regulatory body.

Forms	Regulatory Body
European Union AIFM Directive (EU AIFMD)	Alternative Investment Fund managers report to the relevant National Competent Authority (NCA)
Form PF Private	Fund managers report to the U.S. Securities and Exchange Commission
Form CPO-PQR	Commodity Pool Operators report to the U.S. Commodity Futures Trading Commission
Form ADV	Investment advisor to the U.S. Securities and Exchange Commission



Transaction Regulatory Reporting

The European Securities and Markets Authority (ESMA) has released new Post-Trade Regulatory Reporting guidelines for Asset Management and Investment Management firms. Some regulations, such as MiFID 2, SFTR, EMIR, and the new EMIR Rift reform, have their own specifications related to transparency of shadow banking transactions, mandatory CCP clearance with LEI for each counterparty, and transparency of each trade executed on other trading venues like OTF/Regulated markets.

MiFID 2/MiFID- Markets in Financial Instruments Directive 2014

SFTR- Securities Financing Transactions Regulation

EMIR- European market infrastructure regulation

KIID (Key Investor Information Document)

This document is essentially a fact sheet-type sales document that includes critical, fund-specific information for retail or professional investors.

UCITS KIID	PRIPS KIID
It represent the Undertakings for collective investment in transferable securities ("UCITS")	It represent the Packaged retail investment products and insurance-based investment products ("PRIIPs")
The UCITS or its management company will produce this document to Retail or Professional investor both.	The PRIIPs manufacturer (such as fund managers, insurance undertakings, credit institutions or investment firms) will produce this document to Retail investor
The UCITS KIID produces before proposed subscription OR after the conclusion of the transaction with the FCA's express approval.	PRIPS KIID produces before investors contract OR exceptionally, after the conclusion of the transaction
File with the UCITS' home state regulator and regulator of any EEA state	Member states have discretion to impose a prefilling requirement; no indication yet that such requirement will be imposed

EMIR Refit(Reforms)



EMIR Refit Challenges

New Changes

Description

New Counterparty Data Fields

Firms need to collect and submit additional information on their counterparties, such as the nature of the sector, clearing threshold indicator, and whether they are a financial counterparty.

Delegated Reporting

Firms to report on behalf of certain non-financial counterparties (NFC-).

Unique Product Identifier (UPI)

Along with ISIN and CFI codes, the new technical standards introduce UPIs which add a new layer of complexity of product information that reporting firms need to collect.

EMIR Expanded to 203 Fields

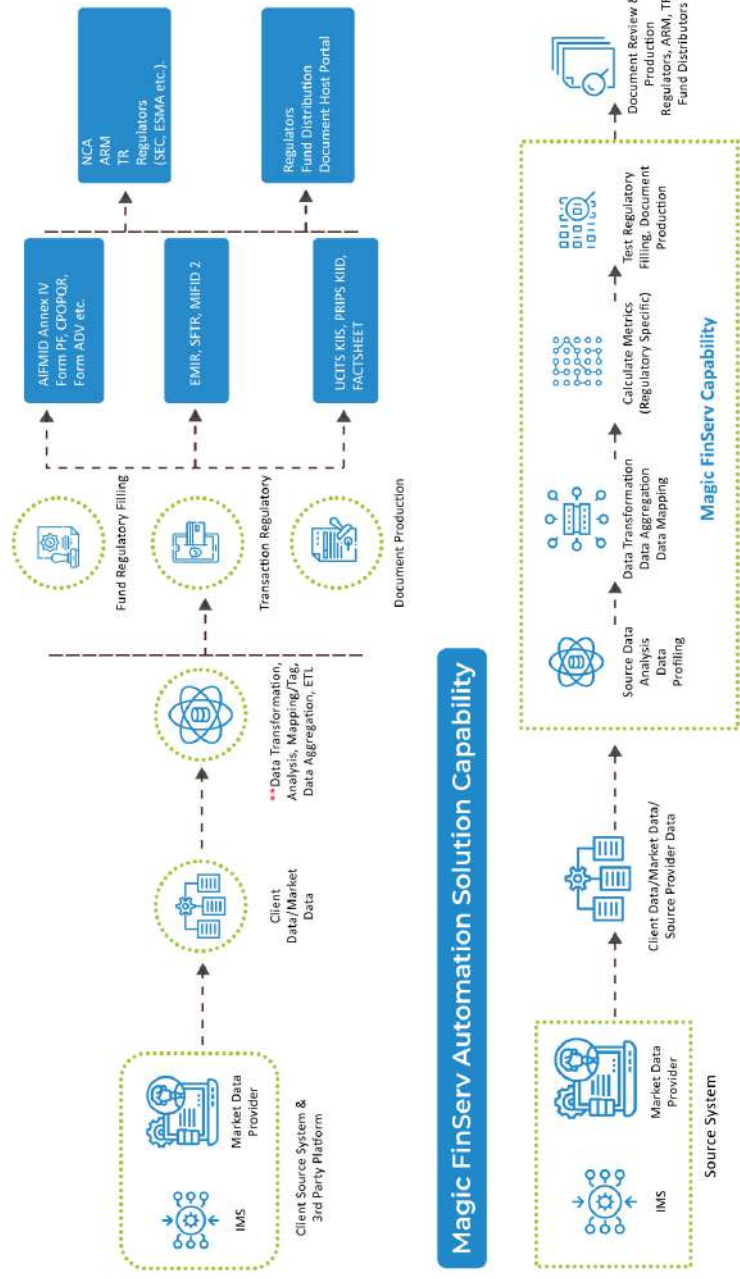
The technical standards introduce 83 new fields with another 39 existing fields being updated

Backloading

Firms are required to backload old positions within six months of the go-live date in the new reporting formats



Fund Regulatory Reporting Workflow & Magic FinServ Digital Automation Solution



Magic FinServ Automation Solution Capability

* - DeepSight AI/ML Automation Solution Capability

Fund Regulatory Reporting Challenges & Magic FinServ Solution Proposition

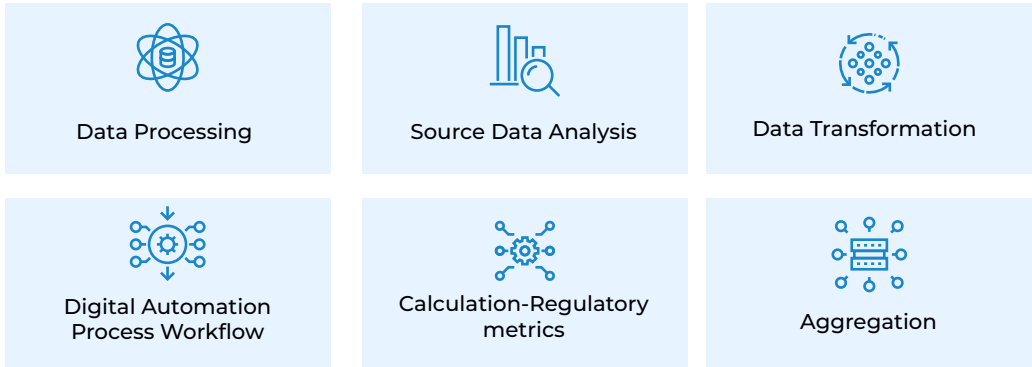
Challenges	Magic FinServ Solution	AI/ML Automation Business Capability
<p>The analysis, profiling, and transformation of data from the client source system has become a manual and time-consuming process.</p>	<p>Magic FinServ's Deepsight™ AI/ML automation solution has the capability to create workflows where users can manage and perform all activities related to data processing, such as data profiling, data transformation, data mapping/tagging, data reconciliation, and data validation.</p>	<ul style="list-style-type: none"> ▪ Data Extraction Capability (Unstructured & Structured sources both) ▪ Data Transformation/Tagging ▪ Data Validation ▪ Reconciliation
<p>Regulatory Rule/ Calculated matrices based on different Business rule defined by Regulatory authority body.</p>	<p>Magic FinServ's Deepsight™ AI/ML automation solution has the capability to perform mathematical calculations and aggregations, as well as validate business rules. This helps users aggregate data sets and create regulatory business metrics based on defined rules.</p>	<ul style="list-style-type: none"> ▪ Mathematical Calculation/Aggregation ▪ Business Rule Engine ▪ Reconciliation
<p>Incompleteness of Data</p>	<p>The Magic FinServ Deepsight™ AI/ML automation solution helps complete data requirements based on defined business rules and creates alerts if they are not derived from the defined business rules.</p>	<ul style="list-style-type: none"> ▪ Validation & Completeness Check ▪ Business Rule Engine
<p>Aggregation of Data from multiple sources</p>	<p>Magic FinServ's Deepsight™ AI/ML automation solution helps to calculate and aggregate data at both the fund and security level, including security, position, transaction, and fund NAV, based on business rules. Additionally, it creates a reconciliation report tailored to the customer's needs.</p>	<ul style="list-style-type: none"> ▪ Business Rule Engine ▪ Aggregation ▪ Reconciliation



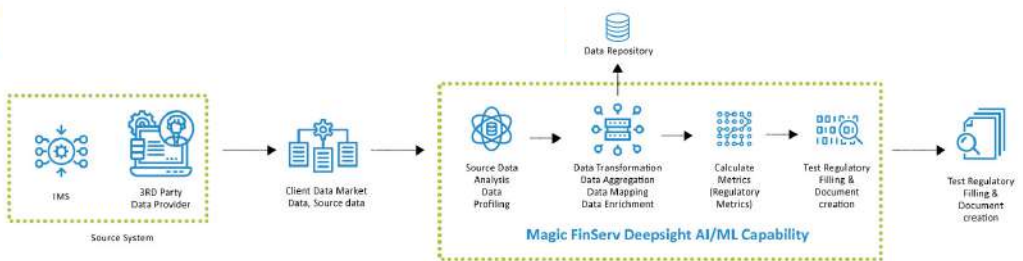
How DeepSight™ Help to Automate the Process?

Deepsight™ Automation Capability Use case: In this use case, the Magic FinServ Automation Solution helps the Regulatory Reporting and Compliance team to create and automate their business workflow, which includes data analysis, data processing, regulatory-based metric calculations, and test regulatory filing report generation support. The overall solution helps the Asset Management team to reduce the costs involved in managing their data processing and in calculating metrics generation, while also improving their overall business efficiency.

Key highlighted Capability



Magic FinServ Automation Solution Capability



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