



Global reach
Local knowledge



Real estate investment business thrives with virtual office

TMF Group helps CBRE Global Investors manage its Romanian real estate portfolio more efficiently while better managing risk

Client profile

CBRE Global Investors runs complementary real estate investment programmes for institutional clients across North America, Europe and Asia. With 1,100 employees in more than 20 countries, and assets worth over \$88 billion under management in Q2/2013, its strategic strength lies in striking the right balance between detailed local knowledge and in-depth global research.

Strategic issue

As east European countries joined the European Union (EU) in growing numbers, CBRE Global Investors saw fresh opportunities. It started its Romanian operation from scratch in the year before the country's EU accession.

The company first employed three local staff members – a finance manager, an asset manager and an assistant – but needed support to deal with a range of key business processes including local accounting, tax compliance, governance, administration and management reporting.

To handle these tasks would have taken three or four specialists, but without enough work to occupy them all full time. David Hendrych, Director of Finance & Operations at CBRE Global Investors, says: "We decided to look for a company with global reach and the processes and structures to guarantee consistent quality."

TMF Group engagement

The search took on added urgency when the global economic downturn struck. As investment funds' performances deteriorated and buyers turned risk averse, the CBRE Romanian fund wasn't growing as planned and further initiatives in Romania were put on hold. It was imperative to keep costs down while riding out the crisis.

The Romanian market was, moreover, at the riskier end of the spectrum, marked by a cumbersome attachment to bureaucratic paperwork and what David describes as a "grey" economy. To mitigate these risks, CBRE Global Investors invited tenders from potential outsourcing partners.

David recalls: "In Romania we wanted a partner with knowledge of both local rules and changing EU regulations. TMF Group proved to us that its processes would guarantee the level of service we were requesting. Its size and experience, assuring seamless continuity of service, were other key factors in our choice."

"TMF Group people really understand our business, and they go beyond the day-to-day scope of the work for which we engage them."

David Hendrych
Director of Finance & Operations
CBRE Global Investors

TMF Group provides the following services to CBRE Global Investors in Romania:

- Local accounting procedures in full conformity with national framework
- Compliance with EU regulation, including money-laundering rules
- Full tax compliance, including signature and delivery of tax returns
- Local governance and administration tasks with registered business address
- Management reporting for CBRE investors and internal company systems
- Paper document retention and third party archiving.



contact@tmf-group.com



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Business value

TMF Group today provides CBRE Global Investors with services that integrate so smoothly with the real estate investment company's business operations that TMF Group functions like an internal department of CBRE Global Investors itself. And the trust and responsiveness of the relationship extends right across the board.

Not only preparing tax returns for CBRE Global Investors, TMF Group has power of attorney to sign and deliver them to the authorities, while storing all relevant paperwork in case of an official audit requirement. On the governance side, TMF Group provides CBRE Global Investors with a registered address – an essential business requirement – and has access to its bank accounts to monitor fund movements for compliance with money-laundering regulations.

Full management reporting, both internally and externally, is another TMF Group responsibility. In other CBRE Global Investors offices these tasks are usually undertaken by in-house analysts. However, in Romania, TMF Group compiles reports for investors and enters data onto the company's internal reporting systems.

In all, TMF Group handles some 500 documents a month and archives

electronic copies. It also manages third party storage, working with Iron Mountain, of those that need to be retained in hard copy format.

The seamless integration of TMF Group into the company's business processes offers considerable value. The operational advantages of the contract lie not so much in cost savings but in administrative convenience, business efficiency and risk reduction. "It enables us to run our Romanian arm remotely, as a virtual office, with no full-time CBRE Global Investors employees stationed in the country," David says. "It's much easier not to have direct employees and avoid payroll administration."

CBRE Global Investors has found that TMF Group can field a team with deep knowledge of Romania, and that it has no trouble finding staff replacements, so it can ensure continuity of knowledge and service. For example, it was able to deal quickly with a surprise audit requirement when the CBRE Global Investors global HQ requested a new report. TMF Group handled it all, with only light-touch supervision by CBRE Global Investors.

Says David: "TMF Group people really understand our business, and they go beyond the day-to-day scope of the work for which we engage them."

Looking forward

The fully-outsourced CBRE Global Investors' Romanian operation is not typical of the company's business methods in other countries. However, it provides a powerful model for financial services organisations that, like CBRE Global Investors, need to handle substantial assets efficiently, securely and at low cost.



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