Actuarial Coordination Across Borders

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The Global Consolidation Challenge

European hubs in London, Frankfurt, and Paris deliver the final number. Mercer India GCC makes it possible — on time, every time.

Reality	Impact
450+ MNCs file IAS 19 / US GAAP disclosures	One data error in India → million $ restatement in London
Average MNC: **28** countries, **28** local actuaries	UK/DE/FR hubs must consolidate in <60 days
India headcount: **15–20%** of global workforce	But local India valuations are just one input

What Is Global Actuarial Consolidation?

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Global Actuarial Consolidation = the **harmonization, validation, and aggregation** of employee benefit obligations across **28+ jurisdictions** into **one audit-ready IAS 19 / US GAAP P&L impact** — delivered by **European hubs**, powered by **India GCC**.

04 **Pillars** | **GCC Lens**

Pillar	GCC India Role	Output to Europe
1. Data Validation	Cleanse & standardize APAC + EMEA extracts	Single validated dataset to London
2. Assumption Alignment	Run global consistency checks vs. UK/DE policy	Approved assumption pack for 42 countries
3. Valuation Roll-Up	Execute PUCM, projected cash flows in software	Country-level PBO/SCI → Paris consolidation
4. Timeline & QC	Drive D+10 India, D+15 APAC, D+20 global	On-time feed into Frankfurt close

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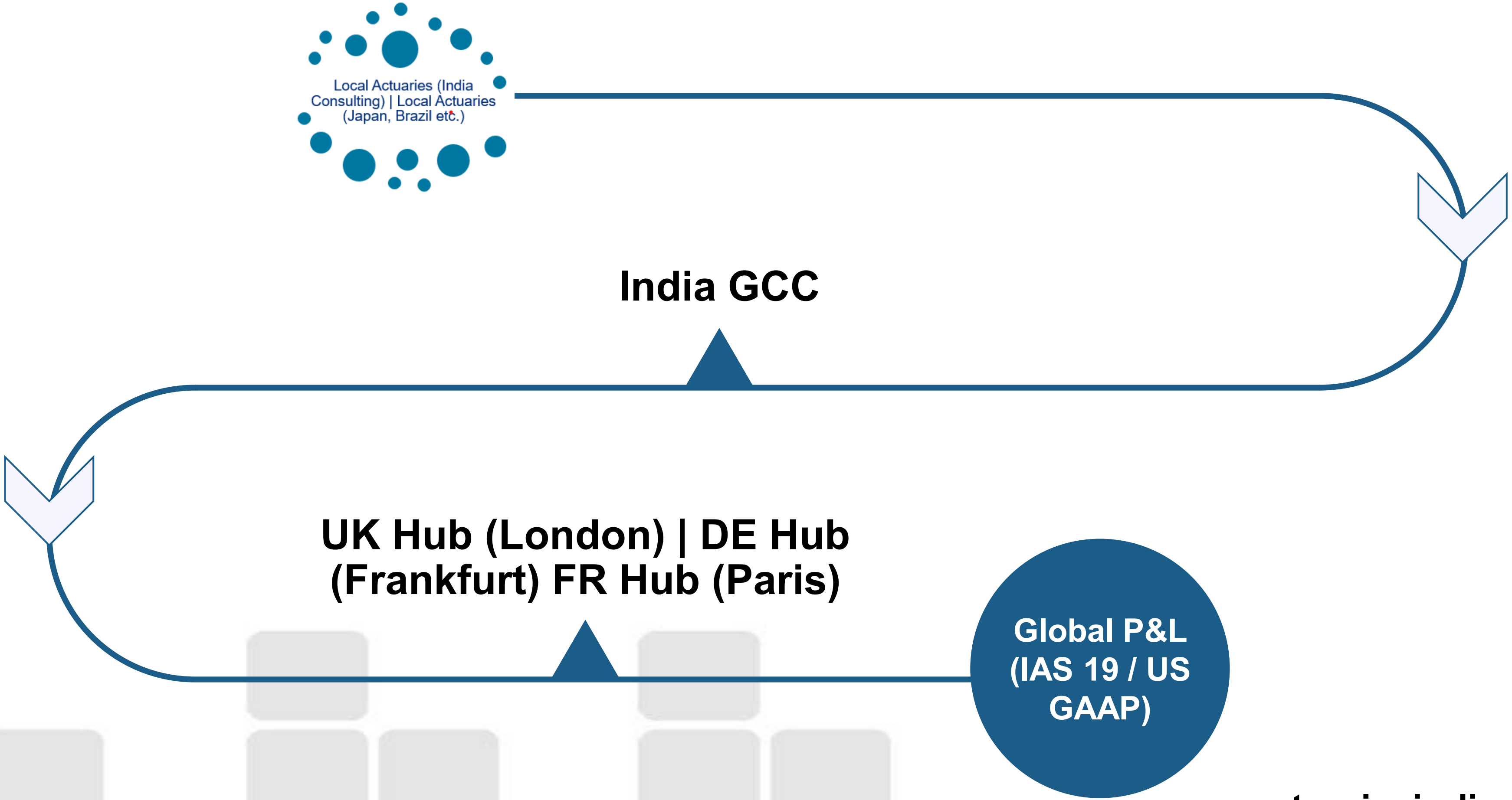

Why The Coordinating Actuary (And GCC) Exists

"The Coordinating Actuary in London owns the number. The India GCC owns the process."

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Without GCC Support	With India GCC
UK team: 3 weeks behind on APAC data	D+12 delivery → 2 weeks buffer
Manual QC: 400+ errors	Automated anomaly detection: 92% caught pre-review
Assumption disputes: 15+ emails	One approved deck — signed off in Gurugram

- GCC Value to Europe:
- 24/7 coverage — India works while Europe sleeps
- Cost-effective scale — 44 FTEs vs. 12 in London
- Deep technical bench — 15+ tenure, 5 FIAs, 4 data engineers

Mercer India GCC

3-Year Growth Story

Clients supported (via Europe)	Countries coordinated	GCC FTEs
7 → 120	1 → 4	4 → 14

Key Milestones

2022	2023	2024	2025
GCC launched in Gurugram → supported **France hub** pilot	Added **Germany & UK** → built **APAC valuation engine**	**AI and automation layer** → reduced European review time **10%**	Now **UK and EU** consolidation backbone

Note: India Consulting team separately serves **local Indian clients** as statutory actuaries. This session is about **GCC supporting European hubs**.

Session Roadmap

Your 3 Takeaways		
GCC is the invisible engine behind every European EB close.	Global consolidation = local precision + GCC scale.	India GCC = career fast-track — 25 countries in 3 years.

Time	Focus	Speaker
30 min	GCC Playbook: Key Concepts, Challenges, Reporting, and Best Practices	Muzammil Husain
30 min	Live Demo: Tool roll-up + anomaly detector	Neha Jain
15 min	Panel: GCC + India Consulting insights	All

Handover

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Live Poll

“How many time zones do you coordinate with?”

Handover

“From Gurugram to London in 12 days — that’s the GCC magic.

Introduction to Accounting Consolidation

- Definition of Accounting Consolidation
- **Purpose:** Unified financial statements for the corporate group
- **Scope:** Integration of multiple entities across geographies and accounting frameworks

Significance of Consolidation in Global Financial Reporting

- Ensures accuracy and completeness
- Supports regulatory compliance (IFRS, GAAP)
- Enables strategic decision-making
- Builds transparency and trust
- Critical for actuarial valuations and risk assessments

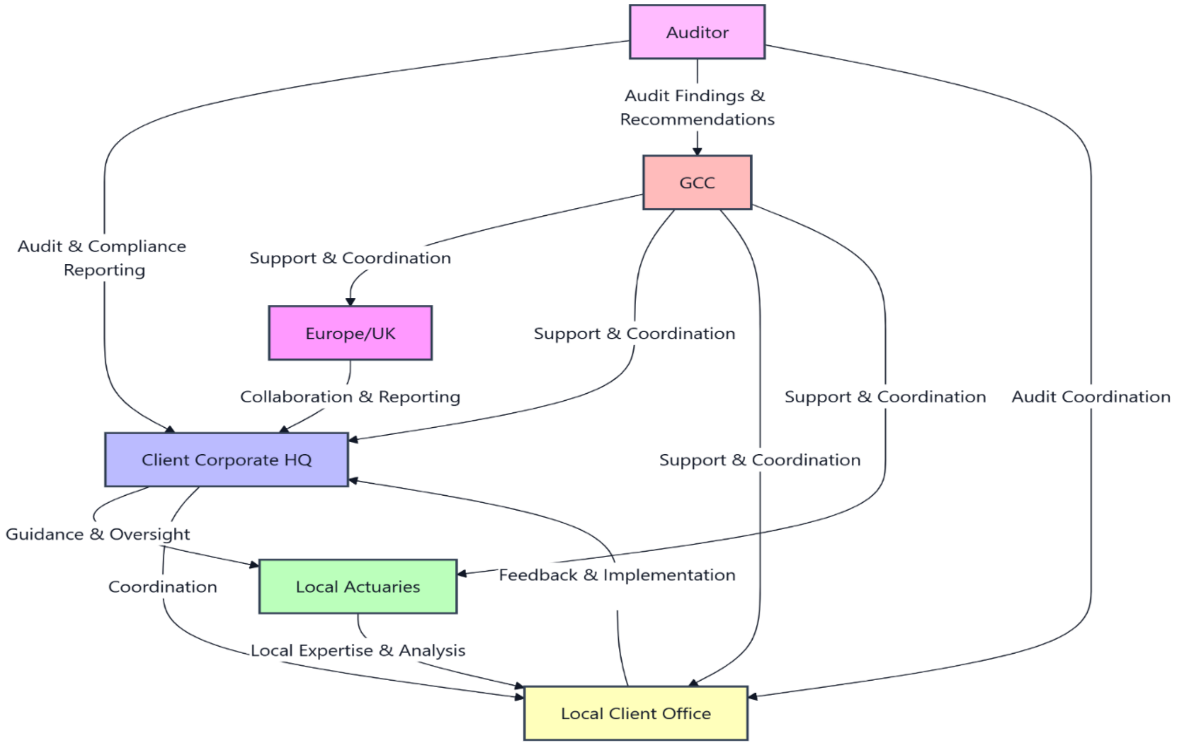
Key Challenges in Global Accounting Consolidation

- Data integration from diverse systems and jurisdictions
- Differences in accounting standards
- Timing and cut-off date discrepancies
- Data quality and completeness issues
- Currency translation complexities

Roles and Responsibilities of Stakeholders

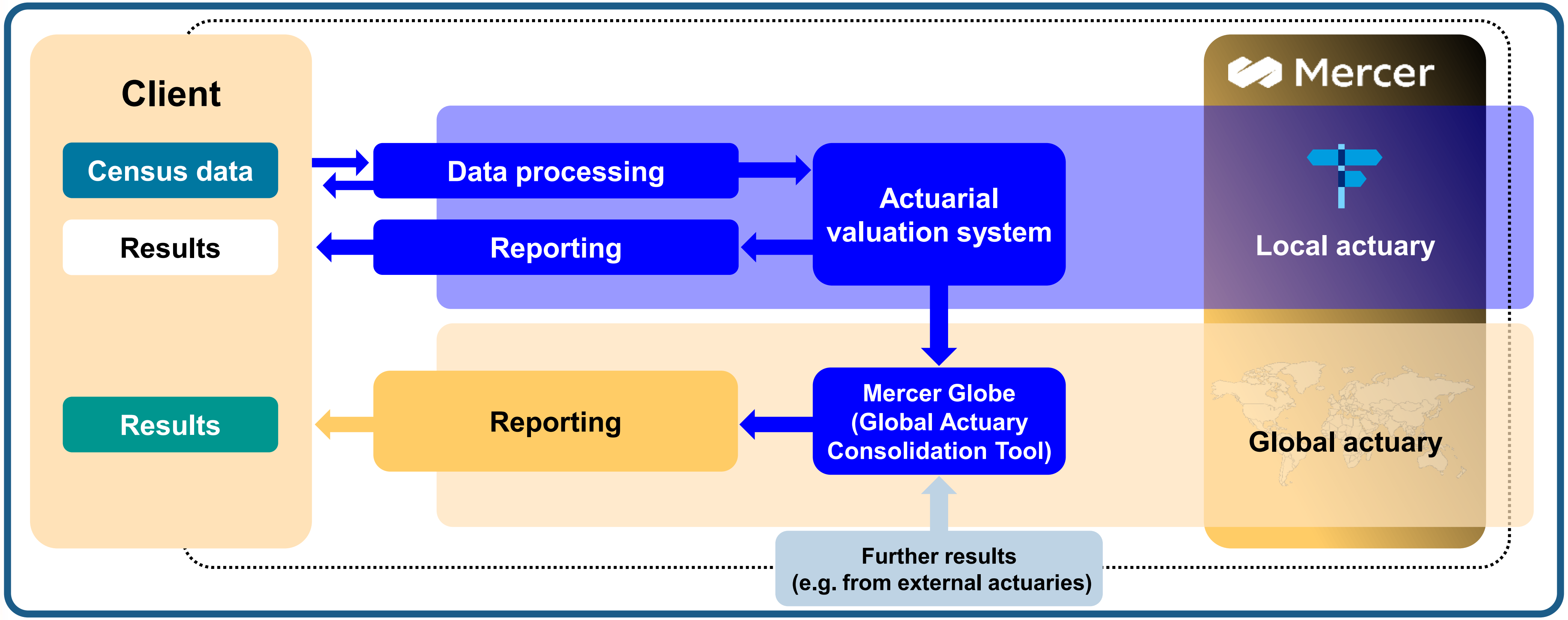
- **Corporate Headquarters:** Governance and approval
- **Local Actuaries:** Data accuracy and actuarial insights
- **Clients and Auditors:** Validation and compliance
- **Global Capability Centre (GCC):** Coordination and support

Stake Holder Collaboration



Financial Report consolidation-

Local and Global actuary



Managing Currency Translation and Adjustments

- Functional vs. reporting currency
- Use of spot, average, and historical exchange rates
- Impact on consolidated equity and profit/loss
- Importance of disclosure and transparency

Preparation and Review of Final Consolidated Reports

- Reconciliation and elimination of intercompany transactions
- Inclusion of all relevant entities
- Compliance with accounting standards
- Multiple review cycles and stakeholder involvement
- Documentation for audit purposes

Best Practices for Effective Global Accounting Consolidation

- Standardize consolidation processes and templates
- Leverage technology and automation
- Maintain clear communication channels
- Provide ongoing training and updates
- Continuously improve based on feedback and audits

Software Access

- Verify team member for client every year
- Grant access in our system
- Can provide up-to 5 members access at same time

Roll Forward (RF)

- Some clients requires RF results
- Cost effective
- No census data collection/no data processing -> Experience G/L - 0
- No demographic assumption changes
- Only financial assumption changes
- Actual cashflows/assets are collected

Review of Results

- Estimating impact of DR/Salary change based on plan duration
- Actual cashflows/Expected cashflows
- Change in CY P&L from LY
- Past Service Cost
- Reasonable experience G/L
- Asset allocation
- Asset rate of return

Review of Results

- Split of DBO
- Valuation assumptions
- Sensitivity information
- Plan duration
- Expected cashflows
- Membership statistics
- FY P&L calculation

Both Accounting Standard

- Reporting under both USGAAP & IAS19R
- Disclosure collected under USGAAP
- Results converted into IAS19R by global team
- Additional information for USGAAP – ABO, Amortization Period/Gain Loss, Plan amendments/Special Accounting treatment.

Customization of Results

- Software processed results differ from final deliverable to HQ
- GCC customizes as per HQ need
- E.g. Report/excel based files/presentations
- Internally prepared macro tool

Forex Update

- Results consolidated in local currency
- Global team updates results in standard currency – Euro
- Done twice – Preliminary and the final results
- Provides consistent comparison for results in one currency

Year End Updates

- Global gathers the cashflows
- Updates software
- Updates discount rate with CY financial conditions

Questions?