

The Charles River logo consists of the words "Charles" and "River" stacked vertically in a white, sans-serif font, set against a dark blue rectangular background.

Charles  
River

A State Street Company

# Charles River IMS Compliance

[crd.com](http://crd.com)



# Charles River Compliance



The Charles River Investment Management Solution (Charles River IMS) automates compliance workflows and provides advanced compliance rule building, testing and maintenance, customizable reporting, and a complete audit history across the trade lifecycle.

## Charles River Compliance Capabilities

- Compliance monitoring at any time during the trading process to help ensure rules are not breached
- Evaluate an investment strategy's compliance to its stated benchmark
- Enable portfolio managers to size trades correctly and remain compliant with established trading limits
- Import and export compliance rules and tests in a dedicated compliance workspace
- Research and resolve alerts efficiently in the workspace
- Expedite rule creation based on templates and testing, including “four eyes” approval

## Centralized Compliance Solution

Navigating a complex regulatory environment presents unique challenges for investment managers; failure to comply or keep up with required regulations can result in heavy fines and/or loss of business reputation. Charles River helps clients meet regulatory obligations with centralized, scalable compliance monitoring and management capabilities, it provides a library of built-in rules for worldwide regulatory requirements and mandates, including US SEC 1940 Act, Rule 2a-7, UCITS and ESMA, KAGB, and global shareholder disclosure (GSD) regulations.

### ADVANCED CAPABILITIES:

- Monitor fund-of-fund structures with account look-through
- Aggregate and roll-up complex account hierarchies/relationships
- Support all instruments including derivatives
- Help ensure accuracy by leveraging one data platform and security master







## “As of” Compliance

Charles River’s “As of” Compliance capability helps managers meet regulatory requirements for data storage, provides the ability to analyze historical data, and supports advanced compliance reporting and analysis capabilities within the Charles River IMS. “As of” Compliance goes beyond traditional historical compliance reporting by allowing clients to capture, maintain, and manipulate historical data outside of their production environment.

### “AS OF” COMPLIANCE CAPABILITIES

- Capture on-demand or automated (daily, month-end, quarter-end, year-end) snapshots of data
- Meet regulatory storage requirements and business needs through flexible data retention policies and database sizing
- Help ensure accurate month-end reporting by reprocessing data with updated tests, account and security data
- Generate compliance results for specific dates
- Trace the history of a particular violation against an account, using an optional trade-date range of violations




## Futures Position Limit Monitoring

Up-to-date exchange-imposed contract ownership limits are critical for managers who trade futures globally or specialize in futures. Violation of such limits constitutes a strict liability offense, yet position limits are complicated, variable, and only posted on exchange websites, not through traditional market data providers. Further, managers must monitor their positions with respect to each individual exchange’s limits.

Charles River Futures Position Limit Monitoring (FPLM) simplifies the task of monitoring exchange-imposed contract ownership limits. FPLM calculates exchange-specific future, option, and spread spot and non-spot trading limits. These limits are compared to portfolio holdings, which are netted and aggregated according to the rules of each exchange and product.

### FUTURES POSITION LIMIT MONITORING CAPABILITIES

- Exchange position limits can be tracked for exchange traded futures, options, calendar spreads and product spreads
  - Allows for tracking of reporting, spot, single month and all month limits
  - Interfaces with exchange limit data provider FIA Tech
  - Exchange limit data can be imported or entered manually
- 



## Global Shareholder Disclosure

Ever-changing foreign ownership regulations must be monitored, interpreted, and implemented in a timely fashion. Furthermore, following the disclosure process from trading through regulatory filing is time-consuming and resource-intensive.


Charles River Global Shareholder Disclosure (GSD) leverages the compliance capabilities of the Charles River IMS so firms can file the necessary forms to comply with shareholder disclosure requirements in many jurisdictions.

### GLOBAL SHAREHOLDER DISCLOSURE CAPABILITIES

- Quantity and value-based tests for holdings
- Support for voting shares, voting rights, non-voting holdings
- Shareholder disclosure for both regulatory and issuer limits
- Event management blotter designed for GSD, including terminology and workflows
- Track and research regulatory reporting events
- Production of required forms for submission to regulators
- Track issuer and jurisdiction disclosures separately
- Report filings can be generated on a schedule and based on thresholds breached
- Monitoring of holdings across the full exchange universe

### GLOBAL SHAREHOLDER DISCLOSURE SERVICE

The Charles River Global Shareholder Disclosure Service (GSDS) helps clients manage shareholder compliance more confidently and efficiently by providing rule advising, writing, maintenance, and support. The service helps subscribers keep up with changes, understand the impact on their business, and follow filing requirements despite the complex regulatory bodies involved. Charles River GSDS includes the following resources:

- A global rule library with over 1200 rules, proactive monitoring, notification, and interpretation of global rules
  - Major shareholder disclosure rules for 96 jurisdictions
  - Coverage for major foreign ownership rules such as short disclosure, sensitive industry, takeover panel, and client-driven issuer limit rules
  - Detailed legal information from the aosphere Rulefinder Shareholding Disclosure Service that monitors and issues alerts on changes to global shareholder legislation
  - Charles River's dedicated team of compliance experts write, adapt, and test the rules in the subscriber's Charles River environment
- 



## Compliance Rule Advisory Service

Managing an increasingly complex regulatory environment, meeting demands for more stringent risk management, and supporting cost-efficient growth strain many buy-side compliance departments. The Charles River Compliance Rule Advisory Service extends the compliance organization to help manage these demands.

Charles River's compliance specialists bring deep knowledge of regulatory bodies and processes, and have access to thousands of rules from numerous jurisdictions worldwide. Compliance Rule Advisory Service clients leverage this experience to help ensure that workflows are efficient and rules keep pace with new mandates and regulations, including the Investment Company Act of 1940, CFTC, NI 81-102, UCITS, ESMA, SFC, and others.

### COMPLIANCE RULE ADVISORY SERVICE CAPABILITIES

- Help ensure accurate and up to date compliance monitoring
- Assist in coding of new fund launches
- Stay current with regulatory changes
- Support new products and asset classes
- Facilitate geographic expansion
- Leverage best practice compliance expertise
- Designed to reduce internal staffing pressures
- Help ensure efficient rules for optimal performance
- Streamline compliance processes



## Charles River Compliance Health Check

The number and complexity of buy-side regulations have increased, placing pressure on firms' compliance organizations. Many firms find it difficult to maintain and update rule libraries. This results in obsolete, redundant, and even erroneous rules that may trigger false compliance alerts. The Charles River Compliance Health Check helps firms respond and compensate for the shortage of expertise and resources, and provides an objective assessment of your compliance rules and practices, using a proven methodology applied by an experienced compliance team. Charles River's specialists assess current compliance rules and processes, compare them with the best practices of industry peers, identify gaps and inefficiencies, and recommend specific corrective actions.

### COMPLIANCE HEALTH CHECK CAPABILITIES

#### Rule Library Review

- Rule construction, identify redundancies, and help improve accuracy
- Tune rule performance
- Evaluate current alerts
- Identify gaps in coverage and utilization
- Help ensure data accuracy and find mismatches

#### Compliance Process Review

- Discovery interviews
- Software analysis
- Comparison with peers and best practices
- Audit risks
- Manual processes and redundancies





A State Street Company

**Charles River enables sound and efficient investing across all asset classes. Investment firms in more than 30 countries use Charles River IMS to manage more than US\$25 Trillion in assets as of April 2019 in the institutional investment, wealth management and hedge fund industries. Our Software as a Service-based solution (SaaS) is designed to automate and simplify investment management on a single platform – from portfolio management and risk analytics through trading and post-trade settlement, with integrated compliance and managed data throughout. Headquartered in Burlington, Massachusetts, we support clients globally with more than 925 employees in 11 regional offices.**

**[WWW.CRD.COM](http://WWW.CRD.COM)**

Charles River Development - A State Street Company is a wholly owned business of State Street Corporation (incorporated in Massachusetts).

This document and information herein (together, the "Content") is subject to change without notice based on market and other conditions and may not reflect the views of State Street Corporation and its subsidiaries and affiliates ("State Street"). The Content is provided only for general informational, illustrative, and/or marketing purposes, or in connection with exploratory conversations; it does not take into account any client or prospects particular investment or other financial objectives or strategies, nor any client's legal, regulatory, tax or accounting status, nor does it purport to be comprehensive or intended to replace the exercise of a client or prospects own careful independent review regarding any corresponding investment or other financial decision. The Content does not constitute investment research or legal, regulatory, investment, tax or accounting advice and is not an offer or solicitation to buy or sell securities or any other product, nor is it intended to constitute any binding contractual arrangement or commitment by State Street of any kind. The Content provided was prepared and obtained from sources believed to be reliable at the time of preparation, however it is provided "as-is" and State Street makes no guarantee, representation, or warranty of any kind including, without limitation, as to its accuracy, suitability, timeliness, merchantability, fitness for a particular purpose, non-infringement of third-party rights, or otherwise. State Street disclaims all liability, whether arising in contract, tort or otherwise, for any claims, losses, liabilities, damages (including direct, indirect, special or consequential), expenses or costs arising from or connected with the Content. The Content is not intended for retail clients or for distribution to, and may not be relied upon by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to applicable law or regulation. The Content provided may contain certain statements that could be deemed forward-looking statements; any such statements or forecasted information are not guarantees or reliable indicators for future performance and actual results or developments may differ materially from those depicted or projected. Past performance is no guarantee of future results. No permission is granted to reprint, sell, copy, distribute, or modify the Content in any form or by any means without the prior written consent of State Street.

The offer or sale of any of these products and services in your jurisdiction is subject to the receipt by State Street of such internal and external approvals as it deems necessary in its sole discretion. Please contact your sales representative for further information.

©2019 STATE STREET CORPORATION

2365852.1.1.GBL