

Charles River Compliance LawCard® Solution

Navigating the shifting 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. Asset managers conducting business within different jurisdictions must comply with multiple regulations and regulators, adding layers of complexity.

Compliance Support for Multiple Jurisdictions

Charles River's LawCard® Solution helps to alleviate this burden by providing comprehensive predefined regulatory rule libraries that simplify the process of determining jurisdictional investment restrictions. The LawCard® team frequently monitors the regulatory landscape for updates and amends the rules to remain current with regulatory changes. These regulatory rule libraries serve as a single reference point for relevant regulations, LawCard® team interpretations, and best practices and are accessible through the LawCard® Portal.

The LawCard® regulatory rule libraries contain more than 1,800 rules across multiple jurisdictions with support for:



Over
1200 UCITS/AIF Rules
for European
countries



Over
50 1940 Act Rules
for European
countries



Over
350 Rules
for APAC

As of June 2021

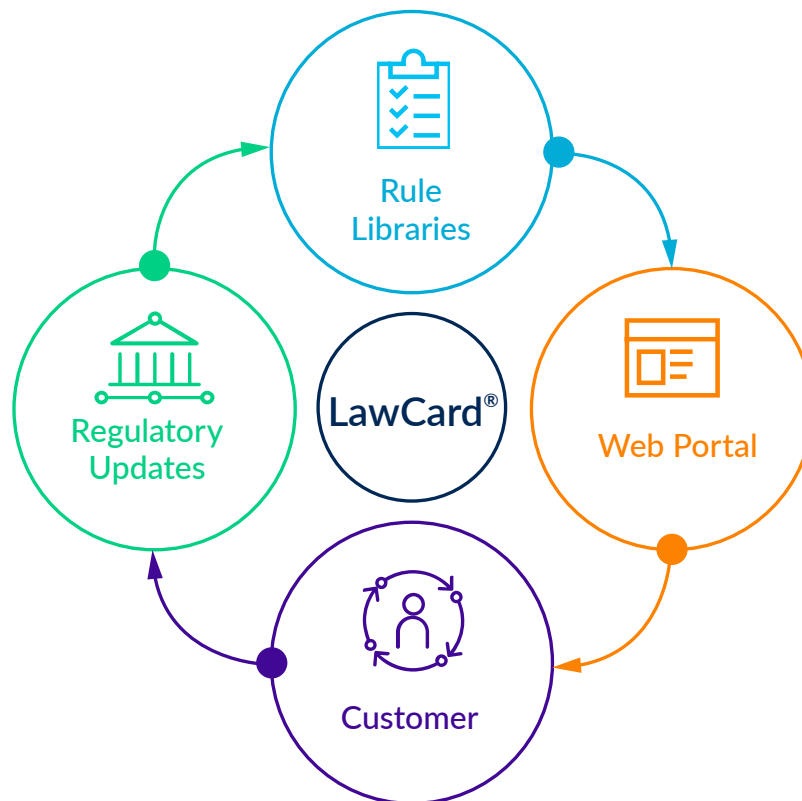
The LawCard® Portal

The LawCard® Portal is an actively managed knowledge database that provides:

- Extensive documentation can be found in the regulatory rule library, including legal texts, comments, and best practices
- Comprehensive rule definitions, syntax and interpretations
- Access to updated documentation per jurisdiction

Dedicated LawCard® Team

Our compliance analysts are multi-lingual with deep industry experience. They are former compliance officers and fund industry subject matter experts; they are also members of local financial and asset management associations and participate in various events on regulation-related topics. Each LawCard has dedicated analysts that provide rule writing services and support within that jurisdiction.

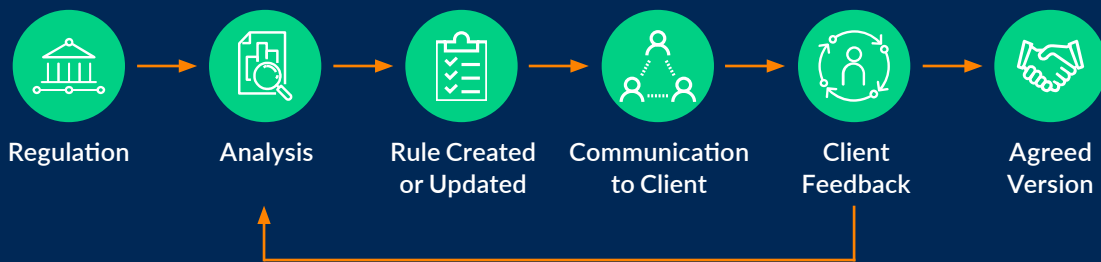


LawCard® Creation Process


The creation or modification of LawCards begins when a regulatory body at the regional or domestic level of the jurisdiction issues new or updated regulation:

- The LawCard® analyst assigned to that jurisdiction evaluates the regulation to determine if rules need to be created or updated.
- The analyst then writes new rules or updates existing rules in the impacted regulatory rule library.
- New and updated rules are checked in the LawCard® test environment and special documentation is created accordingly.
- The analysis and documentation, including rules, are communicated to the clients. If the regulation is new or an update requires significant changes, the client is invited to provide feedback, which may be incorporated into the LawCard® regulatory rule library.
- Once the client and LawCard analyst agree upon a final version, the rules are published in the LawCard® Portal with regulatory references, rule scripts, and interpretations where appropriate. Clients receive final documentation of the corresponding rules.
- Charles River can make updates directly in the client's Charles River IMS environment using Annual Service hours if rule updates or new rules are necessary due to a new or updated LawCard®.

LawCard® Creation Process



Global LawCards Coverage*

 Europe	
Luxembourg	Law of 17 December 2010 (UCITS/Non-UCITS), CESR 10-788 Level 3, CESR 10-049, other documents
Germany	KAGB, DerivativeV, RiLi Fondskategorien, BaFin regulations and guidelines ESMA Guidelines, CESR Guidelines Other documents
Ireland	Central Bank UCITS Regulations 2019 (“CBI 2019”), Guidance related to UCITS, AIF Rulebook, AIFMD Level 2 (12/2012) Directive on Alternative Investment Fund Managers, ESMA 2014/937, CESR 10-788, Level 3, ELIGIBLE ASSETS DIRECTIVE (“EA Directive”)
France	Code Monétaire et Financier (UCITS, AIF) Global Exposure based on the AMF Instruction N° 2011-15 Classification Rules based on AMF Instructions N° 2011-19 §30 & N° 2011-20 §30 Diversification Rules based on the AMF Instruction N° 2013-06 §35
UK	New Collective Investment Schemes (Coll): UCITS, Non-UCITS, QIS, AIF, NURS, Other documents
Switzerland	KKV, KKV-FINMA, BVV2, Other documents
Italy	Regolamento 19 gennaio 2015 Banca d'Italia AIFMD Level 2 + AIFMD ESMA Q&A CESR 10-788, Level 3 CESR 10-049 ELIGIBLE ASSETS DIRECTIVE (2007) COMMISSION DIRECTIVE 2007/16/EC UCITS IV Directive (2009)
Lichtenstein	UCITSG - Fassung vom 01.Okt.2016 UCITSV - Fassung vom 18.März.2016 FMA-Richtlinie 2012/02, FMA-Richtlinie 2016/1 Risikomess Anlagen in Wertpapieren (OGAW) EU-Richtlinie 2007/16/EG EU-Richtlinie 2007/16/EG (Eligible Asset-Richtlinie) CESR 10-788 CESR's Guidelines, CESR 10-049
Sweden	SFS 2004:46 The Swedish Investment Funds Act SFS 2004:46 FFFS 2007:1 Finansinspektionen's Regulations and General guidelines governing capital adequacy and large exposures FFFS 2007:1 FFFS 2008:11 Finansinspektionen's Regulations governing investment funds FFFS 2008:11 SFS 2003:1223 Swedish Secured Bonds (Issuance) Act SFS 2003:1223

Global LawCards Coverage*

 North America	
US	SEC 1940 Act (includes 2a-7 Money Market Funds), IRS Subchapter M,L New York Laws ISC - Article 14: Insurance Investments
Canada	National Instruments

 Asia	
Hong Kong	HK-MPF, HK-SFC CAP 485 MANDATORY PROVIDENT FUND SCHEMES ORDINANCE CAP 485A MANDATORY PROVIDENT FUND SCHEMES (GENERAL) REGULATION
Singapore	Code on Collective Investment Schemes, October 2018 Central Provident Fund Investment Guidelines Last Amendments October 2017 CPF Investment Guidelines Last Amendments October 2017

 General EU	
MMF	EU-MMF Regulation of the European Parliament and of the Council + further amendments, guidelines

*Certain elements of LawCard® are in transition / stabilization in CRD environment and we kindly invite our clients to discuss the details with LawCard® Team representative.

Charles River Development, A State Street Company

Investment firms, asset owners, wealth managers, hedge funds and insurers in more than 30 countries rely on Charles River's front and middle office investment management platform to manage more than US\$30 Trillion in assets. Together with State Street's middle and back office capabilities, Charles River's cloud-deployed software technology forms the foundation of State Street AlphaSM. The Charles River Investment Management Solution (Charles River IMS) is designed to automate and simplify the institutional investment process across asset classes, from portfolio management and risk analytics through trading and post-trade settlement, with integrated compliance and managed data throughout. Charles River's growing partner ecosystem enables clients to seamlessly access external data and analytics, applications and liquidity venues that support the demands of their product and asset class mix. Headquartered in Burlington, Massachusetts, we serve clients globally with more than 1,000 employees in 11 regional offices.

(Statistics as of Q1 2021)

Learn more at [crd.com](https://www.crd.com)

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