



FUNDSQUARE
MARKET INFRASTRUCTURE

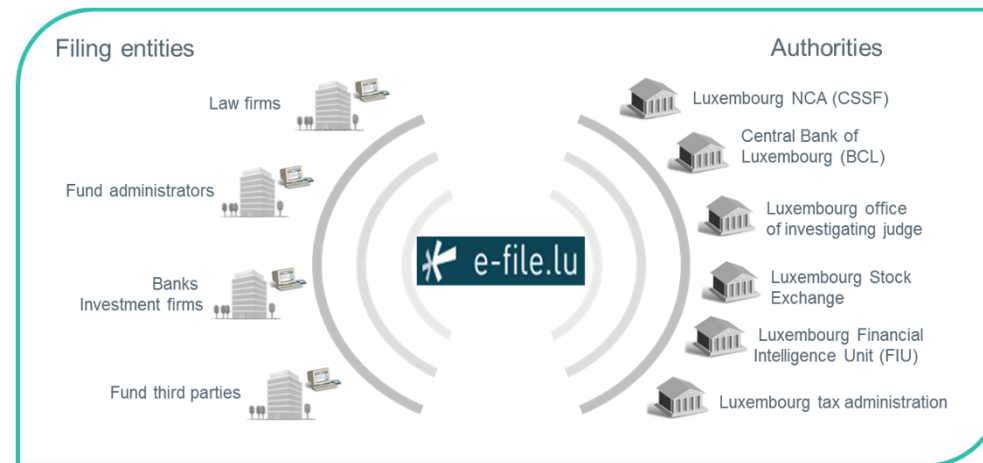
Common Reporting Standard

Reporting Solution



A comprehensive CRS and FATCA solution for all financial institutions

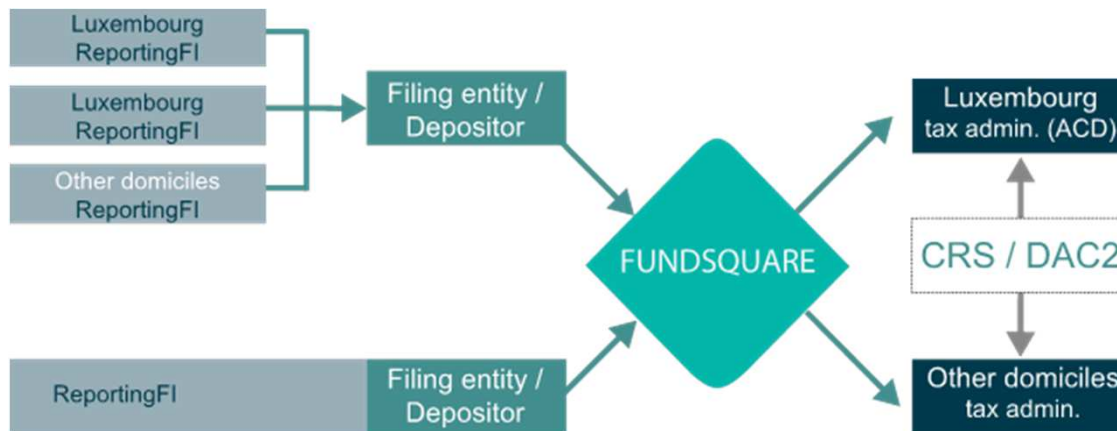
Under the CRS Luxembourg Law on the Automatic Exchange Of Financial Account Information in the field of taxation, all Luxembourg Financial Institution (FIs), including investment funds, will report to the Luxembourg tax administration, who will then transmit the information to all other European Union Members States (DAC2), as well as other OECD jurisdictions that have signed the Multilateral Competent Authority Agreement.



Enabling Automatic Exchange Of Information: E-file platform becomes an **official channel** for secure transmission between Luxembourg financial institutions including Funds and the **Luxembourg Tax Administration (ACD)** to transmit **CRS** (Common Reporting Standard) reporting in 2017.



Model and volumes



- **6,500 to 8,500 potential reporting entities having to send CRS reports to the ACD**

- ✓ Estimate provided by the ACD based on their experience of FATCA reporting

- **Filing entities**

- ✓ Volume and industrialization process will increase => there should be a lot of consolidation within filing entities performing reporting on behalf of reporting entities

- ✓ The main filing entities and service providers should be our existing FATCA customers such as Management Companies and service providers (big 4 & Lawyers, Fund administrations, ...) & banks.



Product features

Area	Short description
Web forms	<ul style="list-style-type: none">• Entry screens and forms are available enabling users to upload or complete manually the FATCA reporting and submit it to ACD => Direct deposits are not allowed by the ACD
Sending Service	<ul style="list-style-type: none">• The Sending Service is our solution for automatically transmitting reporting to the authorities. This tool is compatible with most of the current operating systems (Windows / Unix / Linux) and is usually installed on a server on your side. With an easy network mapping, users can then simply copy the file to be sent in the appropriate directory. The file is then automatically encrypted and sent.
Encryption	<ul style="list-style-type: none">• Transmission via e-file.lu platform will be encrypted and authentication are done via a LuxTrust certificate. The terms of public key management for the authority are based on our already existing models.
Acknowledgments	<ul style="list-style-type: none">• Management of technical and business feedbacks from the ACD have been implemented in our GUI and sending service based on our existing models.
XML reporting	<ul style="list-style-type: none">• The official message is XML CRS (OECD Standard) and is used with some additional data "header" & locals rules defined by the ACD.

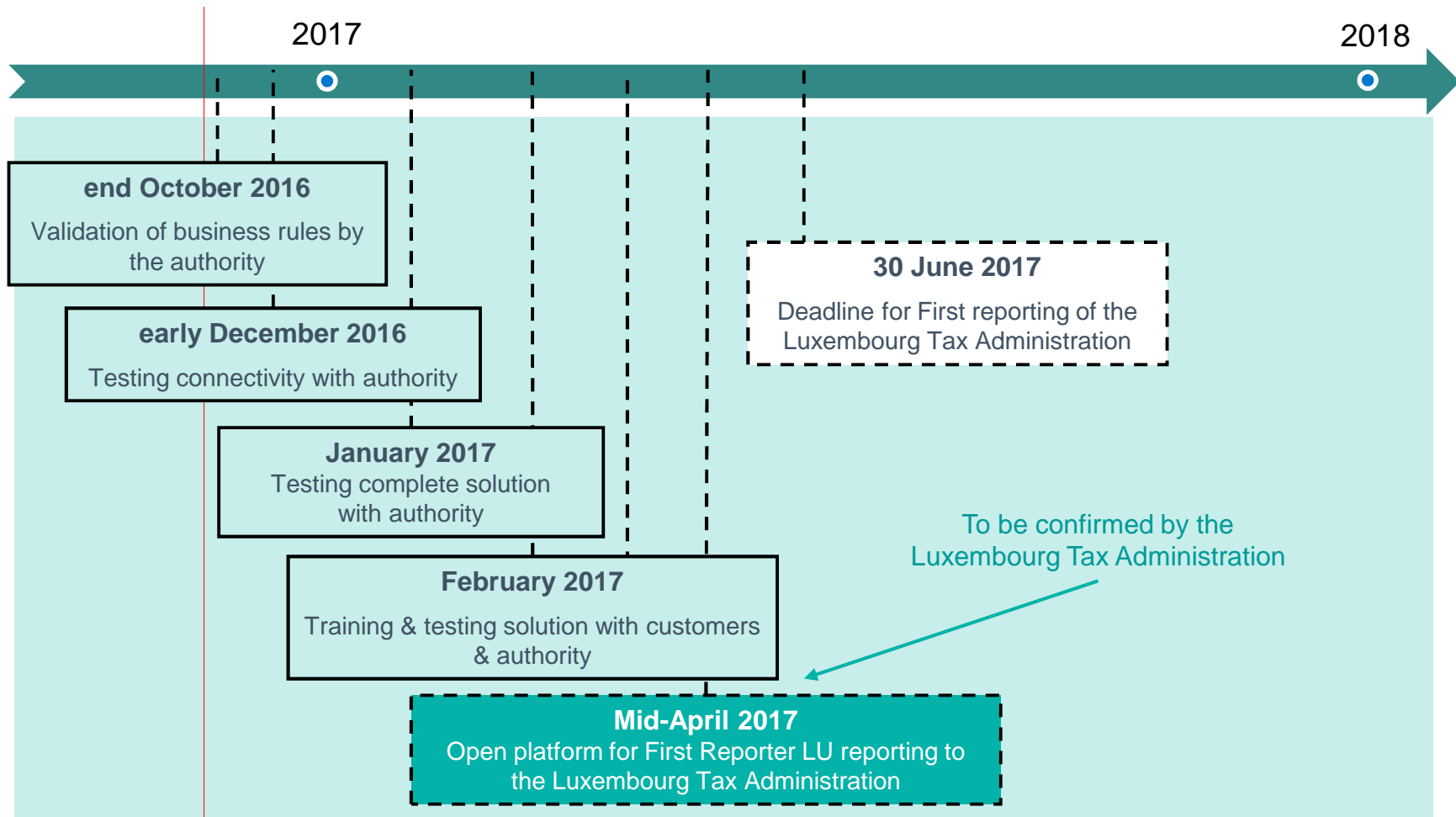


Product features (2)

Area	Short description
Naming convention for files	<ul style="list-style-type: none">• A naming convention has been defined with the ACD in order to track (via a dashboard) all automatic transmissions, ensure completeness of controls and identification of filing and reporting entities.
Common codification	<ul style="list-style-type: none">• ReportingFI and filing entities / Depositors use official serial number codes defined by ACD (CCSS code - Common Center of Social Security).
Zero reporting management	<ul style="list-style-type: none">• Ability to transmit quickly an empty reporting => only the header will be mandatory but the body of the report will be optional.
Dashboard	<ul style="list-style-type: none">• User friendly dashboard for filing entities / depositors.



Timelines and Milestones





Pricing model

The product is based on the same model than FATCA, and will be offered with **two different pricing elements** in our service offering

1. A fee for filing entities considered as a new reporting module and based on our current reporting pricing model

➤ **Per module – max 1100 € - min 500 € per year**

(1st e-file module = 1100 €, 2nd module = 700 €, 3rd module = 600 €, others module = 500€)

2. A fee for the CRS reporting transmission to Authorities based on the volume of reporting entities:

➤ **100 € by reportingFI entities per reporting period**

Invoicing model is to send invoices to filing entities – **two elements are bundled** - but with detailed information in the dashboard.

For example: A filing entity must file reports for 25 reportingFI, CRS module is the 2nd e-file module.

pricing = 700 € + (25 x 100 €) = 3 200 € per year



In the FSQ catalog

2. Other reporting		Pricing model (VAT excluded)	Invoicing
2.1	Collection and transmission of regulatory reporting to authorities (CSSF, BCL, Investigating Judge, tax administration, ...)	Cost per module and per legal entity: 1 = 1,100 EUR 2 = 1,800 EUR 3 = 2,400 EUR 4 = 2,900 EUR > 4 = 500 EUR additional	"Invoicing is made on an annual basis as of the signature or (for the following years) at the beginning of the calendar year. Invoicing is made according to the number of modules and number of legal entities if applicable (ex: module 12 issuing companies). If a new module or entity is activated during the year, a fee adjustment will be performed at the end of the current calendar year. A new invoice will be issued in the event it results from the fee adjustment that the client has underpaid Fundsquare. Invoicing for the following year will be made on the basis of the number of subscribed modules for the year before. "
	Modules 1 to 21 ... Module 22: CRS Reporting – module for Filing entities (Depositor) for Secured Electronic Reporting with the Luxembourg Tax administration - Circular ECHA - n° ... : CRS		
2.3	CRS reporting transmission to Authorities (Luxembourg Tax Administration) by ReportingFI	Cost per ReportingFI: 100 EUR	Frequency: yearly (end) Basis: number of ReportingFI with at least one transmission per period