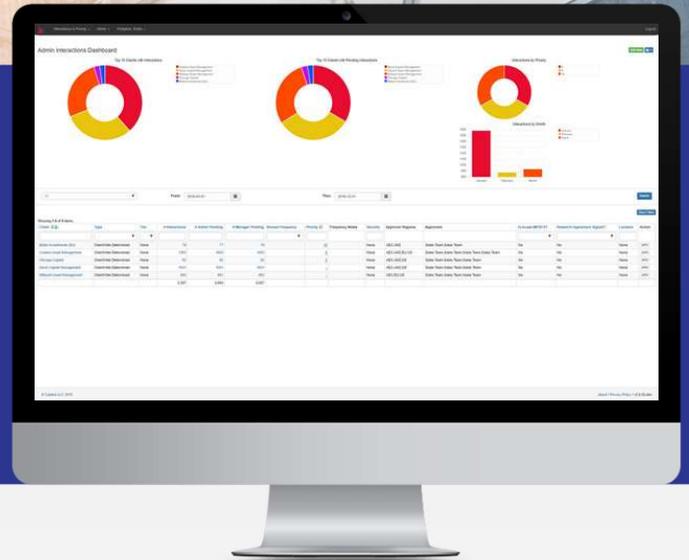


## Spinnaker - Research Pricing, Invoicing, and Allocation

Complete research pricing, approval, invoicing, client reporting, and business unit allocation



Castine's *Spinnaker* system helps broker-dealers, research brokers, and independent research providers manage their MiFID II-regulated reporting around pricing, invoicing, payments, and inducement oversight.

MiFID II has motivated sell-side firms to ensure that they are not providing inducements to their clients. Most notable inducement concerns:

- 1) All services that were formerly free must now be priced and paid for.
- 2) Any services that are "under billed" might be construed as an inducement to a client and are thus in violation.
- 3) Any services a broker provides that a client has not paid for might be considered an inducement.

In response to MiFID II, brokers and IRPs are working to define their pricing and payment activity with each of their clients. Castine's *Spinnaker* system automates and simplifies the entire process.

**Pricing.** *Spinnaker* tracks the pricing agreements a research provider has with its clients. These can include various pricing structures, including per-product, retainer, matrix/utilization, etc. Client agreements are captured as well, as are intermediate updates on price negotiations with each client.

**Consumption/Utilization Tracking.** When pricing is based on the amount of services that a client is using, whether à la carte or tiered, brokers must be able to track the consumption of those services. *Spinnaker* lets you upload all of your consumption data and create customized reports at a client, user, or summary level.

**Invoicing.** The unbundling requirements of MiFID II will require brokers to prepare invoices for their proprietary services in order to trigger a payment from their clients RPA bank. Brokers must also be prepared to track the actual payments received against these invoices to ensure proper record keeping.



VAT. If and when research payments from an RPA account become subject to VAT, you can rely on Spinnaker to manage the VAT component of each research invoice. Spinnaker tracks the jurisdictional VAT rates to ensure proper billing.

**Revenue Collection.** *Spinnaker* enables you to compare what clients have budgeted to pay you vs. actual revenues collected on an ongoing basis. *Spinnaker* enables you to easily send out monthly statements to clients, and/or permission them to log-in to your client portal. There's also an option for generating past-due letters for use with clients.

**Analysis and Forecasting.** Once a client's research requirements are established, it is critically important to monitor the level of service they're receiving vs. the payments collected for these services. Not only is this a good business practice, it also helps to support your clients by ensuring the timely identification of any potential inducement situations.

**Payment Allocation.** Payments that are received into the system, either directly from clients or from payment aggregators can be allocated out to different business units, sectors, lines of business, regions, teams, or even individuals. Allocation can be done on a pre-approved, consumption-weighted basis, etc. to reflect the proper earning of the payments made.

**Administrator Portal.** The *Spinnaker's* Administrator Portal allows you set up new clients, attach service level agreements (SLA's), record their pricing arrangements, track and manage invoices and payment commitments, perform analytics around the services a client consumes, and the gross profitability of each client.

**Instant Setup.** As a cloud-based product, *Spinnaker* allows for easy and quick setup for new clients as it can be accessed from any secure browser or tablet.

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## Better Information. Better Rates. Better Revenue.

### About Castine

Since 1982, Castine LLC has provided Cloud-based and in-house solutions to the financial industry. Our C3 platform addresses Commission management, Compliance, and Compensation and are in use by brokers, IRPs, asset managers, hedge funds, and investors worldwide.

The Castine C3 platform of integrated modules lets clients focus on specific areas where gains can be quickly realized with the confidence that the suite can grow as their needs change.

Modules include CSA, RPA, and P&L-based commission management for the buy- and sell-side, including research consumption, pricing, and reviews; compliance calendar, due diligence and RFPs, and reporting and approvals from employees and trading; trader and adviser compensation, performance reporting, trend analysis, and profitability.

**Offices in New Jersey, London, and Buenos Aires**