



Requirements Specification (Lastenheft): Automated Monitoring & Reporting for the Liability Umbrella Module

1. Introduction

Huddlestock GmbH aims to implement an automated system component ('Regulatory Monitoring & Reporting Engine') that collects, processes, and analyzes transaction and client data—primarily retrieved via Tradevest API—to meet all regulatory obligations under the company's liability umbrella (Haftungsdach) structure. This module must support real-time monitoring, rule-based compliance scoring, reporting, and alerting.

2. Regulatory Framework & Requirements

2.1 German AML Law (GwG) / Anti-Money Laundering:

- Customer identification, risk analysis, continuous monitoring, and STR (Suspicious Transaction Reporting)
- PEP and Sanctions list screening

2.2 Market Abuse Regulation (MAR):

- Surveillance and flagging of suspicious trades or manipulative behavior
- Logging and audit obligations

2.3 Record-Keeping (WpHG / MiFID II):

- Retention of all customer and transaction data for a minimum of 5 years in immutable format

2.4 Sanctions Regulations (AWG):

- Prevention of dealings with sanctioned individuals or entities; up-to-date sanctions list checking

3. Functional & Process Requirements

3.1 Data Ingestion:

- Integration with Tradevest API (<https://tradelvest.stoplight.io/docs/tradelvest-api>)
- Capture fields: Account ID, Client ID, Transaction Type, Instrument, Timestamp, Status

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- Event stream ingestion (Kafka or RabbitMQ) with persistence in secure database

3.2 Compliance Rule Engine & Scoring:

- Rule-based classification (e.g., high return ratio, PEP match, off-target orders)
- Traffic-light scoring model per customer/partner

3.3 Reporting & Alerting:

- Monthly / quarterly standard reports (CSV, XML, XBRL)
- Ad hoc alerts to Compliance (e.g. Slack, Email) upon high-risk triggers

3.4 Dashboard & Visuals:

- Partner/client view, KPI filters, transaction drilldown

3.5 Interfaces:

- Outbound API (for BaFin, internal audit)
- SFTP report delivery

3.6 Security & Compliance:

- Role-based access, immutable logs, encryption, GDPR compliance
- 5-year minimum secure retention (WORM storage)

4. Workflow (End-to-End)

1. Pull data from Tradevest → Create event
2. Event stored and evaluated by rules engine
3. Scoring triggers alerts if necessary
4. Generate report
5. Dashboard update
6. Audit log records activity

5. Technical Architecture

- Backend: Kotlin/Java or Node.js Microservices
- Event Bus: Kafka or RabbitMQ
- DB: PostgreSQL + InfluxDB
- Frontend: React/Vue with REST API
- Secure API Gateway with OAuth2
- Cloud-native (e.g., Kubernetes), high-availability setup

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6. MVP Timeline

- MVP (6 weeks): API integration with Tradevest, base rule engine, basic CSV report
- Release 2 (12 weeks): Full scoring system, alerting, and base dashboard
- Release 3 (18 weeks): Full MAR, AML, and sanctions coverage, partner portal

7. Developer Partner Requirements

- Strong background in financial regulation (AML, MAR, MiFID II)
- Experience with RegTech and transactional event processing
- Knowledge of BaFin and EU compliance environments

8. Deliverables

- Technical implementation incl. APIs and frontend
- Documentation (user, admin, API)
- Testing (unit, integration, compliance scenarios)
- Handover and training for Huddlestock team

9. Budget & Timeline

- Budget: to be defined based on final scope
- Timeline: 18 weeks total
- Payment: 40% at kickoff, 40% after Release 2, 20% after final delivery