# Business Requirements Document

# Investment Processing

## Document Control

| Item | Description |
| --- | --- |
| Document Title | Investment Processing - Business Requirements Document |
| Document Version | 1.0 |
| Document Status | Draft |
| Document Owner | [Document Owner] |
| Last Updated | March 20, 2025 |

## 1. Introduction

### 1.1 Purpose

This document outlines the business requirements for the Investment Processing component of the Emtelaak Platform. This component is responsible for managing the investment flow, processing property share purchases, recording ownership, and distributing dividends to investors.

### 1.2 Scope

The Investment Processing system will handle the following processes: - Investment flow for primary market offerings - Funding verification and payment processing - Investment confirmation and ownership recording - Dividend calculation and distribution - Investment tracking and reporting - Tax documentation

### 1.3 References

* Project Charter (project-charter.docx)
* Development Approach and Tech Stack (development-approach.docx)
* Feature Comparison with Similar Platforms (emtelaak-feature-comparison.docx)
* Investment Flow (Investment flow.pdf)

## 2. Stakeholders

### 2.1 Business Stakeholders

* Executive Sponsors
* Product Owner
* Legal & Compliance Team
* Finance Team

### 2.2 Technical Stakeholders

* Project Manager
* Technical Architect
* Development Team
* QA Team
* Security Team

### 2.3 End Users

* Investors (Individuals and institutions)
* Property Issuers
* Platform Administrators

## 3. Business Objectives

### 3.1 Primary Objectives

1. Create a secure and transparent investment process for property shares
2. Implement reliable payment processing and funding verification
3. Establish accurate ownership recording and management
4. Provide automated dividend calculation and distribution
5. Create comprehensive investment tracking and reporting
6. Ensure compliance with financial regulations for property investments

### 3.2 Success Criteria

1. 100% accuracy in investment processing and ownership recording
2. Dividend distribution processed within 24 hours of scheduled date
3. Complete audit trail for all investment transactions
4. Real-time investment tracking for both investors and issuers
5. Processing of at least 1,000 concurrent investment transactions

## 4. Business Requirements

### 4.1 Investment Flow Requirements

#### 4.1.1 Investment Selection

1. **Offering Selection**
   * Browse available property offerings
   * View offering details and documents
   * Compare multiple investment opportunities
   * Save potential investments for later
2. **Investment Research Tools**
   * Interactive financial projections
   * Investment calculator
   * Risk assessment tools
   * Historical performance of similar investments
   * Neighborhood analytics
3. **Investment Eligibility**
   * Verification of investor eligibility
   * Jurisdiction-based restrictions
   * Accreditation status checks
   * Investment limits enforcement
   * Suitability assessment

#### 4.1.2 Investment Transaction

1. **Investment Amount**
   * Minimum investment amount enforcement
   * Maximum investment amount limits
   * Incremental investment amounts
   * Share/token quantity calculation
   * Total investment cost calculation (including fees)
2. **Investment Reservation**
   * Temporary reservation of shares/tokens
   * Reservation expiration timer
   * Queue management for high-demand offerings
   * Reservation confirmation
3. **Investment Checkout**
   * Investment summary
   * Fee disclosure
   * Terms acceptance
   * Subscription agreement execution
   * Digital signature of legal documents

#### 4.1.3 Payment Processing

1. **Payment Methods**
   * Bank transfer / ACH
   * Wire transfer
   * Credit/debit card (where applicable)
   * Digital wallet integration
   * Recurring payment setup for multi-stage investments
2. **Payment Verification**
   * Payment confirmation
   * Funds verification
   * Failed payment handling
   * Payment retry options
   * Manual payment verification
3. **Escrow Management**
   * Escrow account integration
   * Funds holding until offering fully funded
   * Release conditions and triggers
   * Escrow account reconciliation
   * Refund processing for canceled offerings

### 4.2 Ownership Recording Requirements

#### 4.2.1 Share Allocation

1. **Share Recording**
   * Investor ownership registration
   * Share/token issuance
   * Ownership certificate generation
   * Legal ownership documentation
   * Beneficial ownership tracking
2. **Ownership Registry**
   * Central registry of all ownership records
   * Historical ownership tracking
   * Ownership percentage calculation
   * Transfer restrictions enforcement
   * Lien and encumbrance recording
3. **Share Structure Management**
   * Share classes and rights
   * Voting rights allocation
   * Distribution preferences
   * Liquidation preferences
   * Ownership caps enforcement

#### 4.2.2 Investment Confirmation

1. **Confirmation Notices**
   * Investment confirmation generation
   * Share certificate delivery
   * Welcome package for new investors
   * Ownership verification tools
   * Investment receipt for tax purposes
2. **Investment Status**
   * Pending investments
   * Active investments
   * Closed investments
   * Canceled investments
   * Transferred investments

### 4.3 Dividend Management Requirements

#### 4.3.1 Dividend Calculation

1. **Dividend Determination**
   * Rental income tracking
   * Expense deduction
   * Net income calculation
   * Distribution amount calculation
   * Reserve allocations
   * Special distributions
2. **Distribution Schedule**
   * Distribution frequency setup (monthly, quarterly, etc.)
   * Distribution calendar management
   * Distribution announcement
   * Record date determination
   * Payment date scheduling
3. **Dividend Types**
   * Regular cash dividends
   * Special dividends
   * Return of capital
   * Tax-advantaged distributions
   * Reinvestment options

#### 4.3.2 Dividend Processing

1. **Dividend Allocation**
   * Per-share/token dividend calculation
   * Investor-specific distribution amount
   * Pro-rata calculations for partial periods
   * Distribution priority enforcement
   * Rounding rules
2. **Payment Processing**
   * Batch payment generation
   * Payment method selection
   * Direct deposit processing
   * Check generation (if applicable)
   * Wallet credit options
   * Failed payment handling
3. **Distribution Reporting**
   * Distribution notices to investors
   * Distribution summaries
   * Year-to-date distribution tracking
   * Tax classification of distributions
   * Distribution history reports

### 4.4 Investment Tracking Requirements

#### 4.4.1 Portfolio Management

1. **Investment Dashboard**
   * Portfolio overview
   * Investment performance metrics
   * Property valuation updates
   * Dividend history and projections
   * Document access
2. **Performance Tracking**
   * Total return calculation
   * Cash-on-cash return
   * IRR calculation
   * Appreciation tracking
   * Comparison to projections
   * Benchmark comparisons
3. **Property Updates**
   * Property status updates
   * Occupancy reports
   * Maintenance and improvement updates
   * Neighborhood development news
   * Property manager communications

#### 4.4.2 Tax Reporting

1. **Tax Document Generation**
   * Annual tax statements
   * Schedule K-1 generation (if applicable)
   * 1099-DIV for dividends
   * Tax basis tracking
   * Depreciation allocation
2. **Tax Calendar**
   * Tax document delivery schedule
   * Tax filing deadline reminders
   * Estimated tax payment reminders
   * Tax document archive

## 5. Integration Requirements

### 5.1 External System Integrations

1. **Payment Processors**
   * Bank/ACH integration
   * Credit card processing
   * Digital wallet services
   * Wire transfer services
2. **Tax Service Providers**
   * Tax document generation
   * Tax calculation services
   * Tax filing services integration (optional)
3. **E-Signature Services**
   * Document signing
   * Signature verification
   * Document delivery
4. **Property Management Software**
   * Rental income data
   * Expense data
   * Occupancy information
   * Maintenance records

### 5.2 Internal System Integrations

1. **User Registration and Authentication**
   * Investor verification status
   * Accreditation status
   * Permission checks for investment
2. **Property Listing and Offering Management**
   * Offering details
   * Available shares/tokens
   * Offering documents
   * Offering status updates
3. **Wallet and Transaction System**
   * Balance verification
   * Transaction processing
   * Payment tracking
   * Dividend disbursement
4. **Secondary Market**
   * Ownership transfer recording
   * Trading eligibility verification
   * Portfolio updates after trades

## 6. Non-functional Requirements

### 6.1 Security Requirements

1. **Transaction Security**
   * Secure payment processing
   * Encryption of financial data
   * Multi-factor authentication for transactions
   * Fraud detection mechanisms
   * Transaction verification protocols
2. **Data Protection**
   * Investment data encryption
   * Access controls for financial information
   * Audit logging of all financial transactions
   * Compliance with financial data regulations

### 6.2 Performance Requirements

1. **Response Times**
   * Investment transaction processing < 5 seconds
   * Payment processing confirmation < 30 seconds
   * Dividend calculation < 10 seconds per batch
   * Investment dashboard loading < 3 seconds
2. **Scalability**
   * Support for 10,000+ concurrent investors
   * Processing of 1,000+ simultaneous investment transactions
   * Management of 100,000+ ownership records
   * Distribution to 50,000+ investors simultaneously

### 6.3 Availability Requirements

1. **System Uptime**
   * 99.99% uptime for investment transaction processing
   * 99.9% uptime for dividend processing
   * 24/7 availability with minimal maintenance windows
   * Redundancy for all critical financial components

### 6.4 Compliance Requirements

1. **Regulatory Compliance**
   * Compliance with securities regulations
   * Financial transaction reporting
   * Anti-money laundering compliance
   * Tax reporting compliance
   * Audit trail for all financial activities

## 7. User Experience Requirements

### 7.1 Investment Experience

1. **User-friendly Interface**
   * Intuitive investment flow
   * Clear presentation of investment information
   * Transparent fee disclosure
   * Simple document review and signing
   * Mobile-responsive design
2. **Decision Support**
   * Interactive financial calculators
   * Visual comparison tools
   * Risk assessment visualization
   * Clear presentation of terms and conditions
   * Investment simulation tools

### 7.2 Portfolio Management Experience

1. **Portfolio Dashboard**
   * Comprehensive portfolio overview
   * Visual performance metrics
   * Dividend tracking visualization
   * Document organization
   * Property status updates
2. **Reporting Tools**
   * Customizable investment reports
   * Export options (PDF, Excel, CSV)
   * Tax document access
   * Historical performance visualization
   * Print-friendly formats

## 8. Reporting Requirements

### 8.1 Investment Analytics

1. **Transaction Analytics**
   * Investment volume trends
   * Average investment amounts
   * Conversion rates from browsing to investment
   * Payment method usage
   * Funding velocity
2. **Performance Analytics**
   * Property performance vs. projections
   * Dividend yield analysis
   * Total return analysis
   * Comparison across property types
   * Benchmark comparison

### 8.2 Financial Reporting

1. **Platform Financial Reports**
   * Total assets under management
   * Total dividends distributed
   * Transaction fee revenue
   * Management fee tracking
   * Platform growth metrics
2. **Investor Reports**
   * Individual portfolio performance
   * Tax obligation estimation
   * Dividend reinvestment analysis
   * Portfolio diversification metrics
   * Projected future returns

## 9. Constraints and Assumptions

### 9.1 Constraints

1. Must comply with all relevant financial regulations and securities laws
2. Must integrate with specified payment processors
3. Must support various ownership structures and dividend types
4. Must accommodate different tax jurisdictions

### 9.2 Assumptions

1. Payment processing services will be reliable and responsive
2. Property income data will be provided accurately and timely
3. Tax regulations will remain relatively stable
4. Investors will have necessary bank accounts or payment methods

## 10. Appendices

### 10.1 Glossary

* **IRR**: Internal Rate of Return
* **ACH**: Automated Clearing House
* **KYC**: Know Your Customer
* **AML**: Anti-Money Laundering
* **Cash-on-Cash Return**: Annual cash flow divided by total cash invested

### 10.2 Related Documents

* Investment Flow Diagram
* Payment Processing Integration Specifications
* Dividend Distribution Process Flow
* Ownership Recording Data Schema
* Tax Document Templates