GUIDE

Compliance Made Easy for RIAs and Broker-Dealers

How to make your compliance management easier, more efficient, and more reliable with **Smarsh**

smarsh®

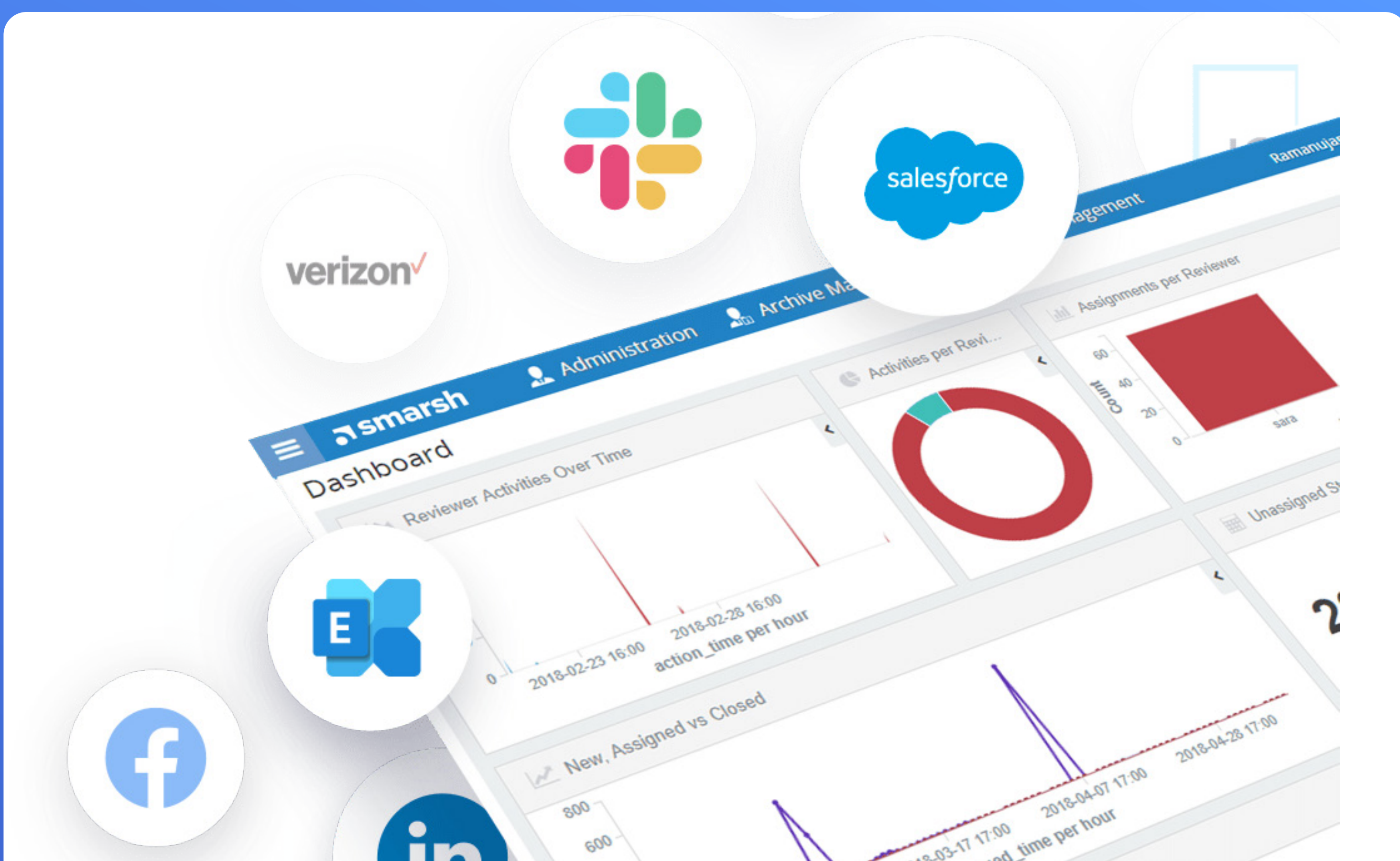
Introduction

Smarsh understands that a compliance career can make for many long days, and communications compliance is only part of your busy week. From the rigorous work of reviewing high volume of business communications to managing employees coming in and out of your firm, time and resources can disappear quickly.

Hybrid and remote work further complicate compliance, with regulated employees using a variety of social, collaboration, and mobile applications – all of the networks their customers prefer to use. The ability to meet recordkeeping and supervisory obligations set forth by SEC and FINRA requires more diligence, time, and resources to supervise communications reasonably.

In this era of increased digital transformation, not all archiving approaches will be able to meet modern demands. General solutions with unproven vendors and a lack of regulatory focus and expertise will not deliver the tools you need to stay ahead. Smarsh Professional Archive is a proven solution, backed by decades of product developments that are purpose-built for communications compliance, enabling your firm to make compliance easier, more efficient, and more reliable. From modern reporting dashboards and powerful search features to continually improved infrastructure, you can see data faster, eliminate blind spots and demonstrate compliance with the Smarsh Professional Archive.

In this guide, we'll highlight the key pillars of how the Smarsh Professional Archive can deliver compliance made easy.



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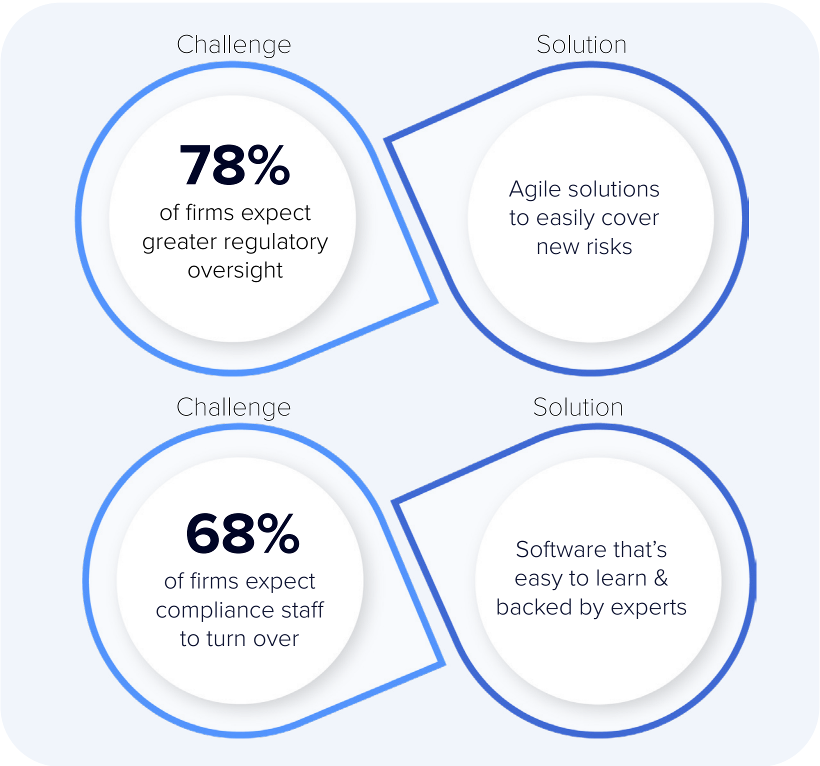


Easy communications capture

First things first: capture your communications data.

The first step in making compliance easy is capturing data across all approved internal and external networks to demonstrate to regulators that you are reasonably supervising electronic communications.

Technology is advancing at an intense pace. As new rules are released, such as the marketing rule, it's increasingly important to capture all of the networks used by your firm and stay on top of new tech features that may create compliance gaps. This includes social media sites, websites, mobile and collaboration tools like Slack, Microsoft Teams and Zoom — and their available features.

For prohibited networks, it's paramount to consider approved channels and potential gaps in the process. For example, LinkedIn vs. LinkedIn InMail are two different channels that should be captured if approved. Processes and procedures should be established and recorded to ensure regulated employees are not using prohibited channels. However, the easiest and most reliable path to compliance is capturing all the networks your current and future clients will use regardless of your firm's preferences.

Smarsh helps you make capturing networks easy by helping you:

1. **Stay informed.** Ensure data is absorbed into your platform and stored correctly for retention, search, supervision and export purposes. Smarsh makes this easy by including reporting dashboards that alert you if data is not properly ingested into the platform, flagging any potential issue and allowing your team to correct it quickly.

2. **Look ahead.** Choose a vendor with a wide variety of available channels to capture and long-standing partnerships with communications vendors like Zoom and Slack. Your employees aren't just on email, text and social anymore. According to a Spectrem Group Communication Preferences Survey, over 40 percent of Millennials communicate with their financial adviser through video chat, compared to only seven percent of WWII investors who communicate this way.

3. **Drive efficiency.** Choose a provider that can capture communications in their original format*. Many vendors flatten all communications to email, so auditing potential violations across multiple technologies is very time-consuming. To support efficiency, Smarsh APIs preserve native formatting by capturing mobile content in its original format directly from carrier networks or bring-your-own-device (BYOD) solutions.

*Original format means you can view communications in the same format they were captured. A text looks like a text; a LinkedIn post looks like a LinkedIn post, etc.

40%

Millennials communicate with their financial adviser through video chat

23%

Gen X and nearly 40% of Millennials text with their financial adviser

Make capturing data easy with reporting dashboards and alerts that help you avoid blind spots quickly

Source: Spectrem Group Communication Preferences Survey.

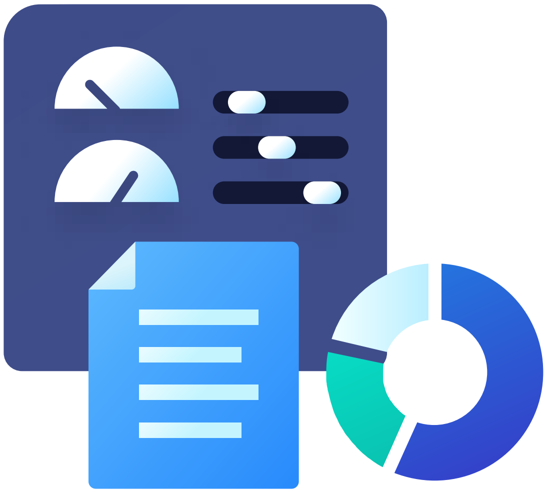
Find and review the data you care about up to 3x faster with reporting dashboards

Clean and simple supervision

Supervision is at the heart of communications compliance and its most challenging and time-consuming aspect.

The mandate is clear – FINRA and the SEC require that you reasonably supervise regulated activities. However, compliance managers for RIAs and broker-dealers are caught in a balancing act between trying to meet employee demands for hybrid and flexible work and maintaining regulatory compliance. Whether you manage a team of reviewers or are the only reviewer, Smarsh can help make supervision easy.

The first step in making supervision easy is to ensure you record your policies in your archive. Enabling this will be a critical time-saver throughout your workflow, allowing the Professional Archive to spot risks and violations via queues. Maintain a regularly reviewed library of policies like gifts and entertainment, customer complaints, and other topics aligned with regulatory violations. If you do not have the resources to create your own, Smarsh offers a wide variety of pre-written popular policies.



Reporting

The reporting dashboards in the Smarsh Professional Archive help you make compliance more straightforward, efficient and reliable. All dashboards enable you to visualize and filter the data you care about, as well as set alerts and schedule data to be emailed to yourself and others within your organization.

Eliminate blind spots Visualize and understand the data that is being ingested into the platform instantly with the Archive Dashboard	**Communications capture data by:** ✓ Date ✓ Channel (example: text messages) ✓ Feed (a channel with multiple accounts)
Promptly check reviewer activity Get a clear view of the total messages reviewed and actions taken with the Reviewer Activity Dashboard	**Reviewer activity metrics by:** ✓ Number and percentage of messages reviewed/ not reviewed ✓ Channels and feeds reviewed ✓ Averages and trends over time
Instantly view policy metrics Gain visibility into flag rates and conduct deeper analysis with the Policy Dashboard	**Policy performance by:** ✓ Flag rates for each policy ✓ Policy hits by channel and feed ✓ Trend over time of policy hits
Cover all your queues Understand queue efficiency and ensure reviewers are up-to-date with the Queue Dashboard	**Queue metrics by:** ✓ Total messages assigned to queues ✓ Age of messages within queues ✓ Percentage of message reviews completed

Queues and search

An unplanned dive into a review without the proper setup or interpersonal coordination can be difficult and time-consuming. A solid foundation for queues and searches is the key to effortless and efficient workflows.

Queues are groupings of reviews you can set up to align with policies. For example, you can set up a Gifts and Entertainment queue aligned to the lexicons for that policy. Another queue could be for Anti Money Laundering (AML) so that you can review potential violations for that specific policy. Because queues are populated to your specifications, you don't have to search for policy violations. While the search functionality within Professional Archive is a powerful tool, the easiest path for recurring workflows is setting up queues based on your policies when you start using your archive so you can leverage them when you sign in to do reviews.

Streamline workflows with up to 25% faster review time with the search filter pane

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Spot violations up to 20% faster with policy keyword highlighting

Suppose you need to look for messages related to a particular individual or to find a specific message or thread. In that case, our search functionality is purpose-built to find them easily and quickly. You can use tools like policy keyword highlighting to spot policy hits in messages and use filters to further drill down into a search.

Smarsh can help you make supervision easy by enabling you to:

- **Get the big picture, fast**: Four new intuitive reporting dashboards included in Professional Archive empower you to
  a. Eliminate blind spots in reporting and identify inconsistencies that may leave you exposed
  b. View and understand the data that is being ingested into the platform instantly
  c. Gain an understanding of how your reviewers are performing their review workflows
  d. Access detailed data on queue performance and supervision trends

- **Save review time:** Professional Archive queues make reviews easy, aligning with policy lexicons filtered by date, message types, and message tags (reviewed, further review, etc.)

- **Simplify Search:** Save time with powerful search features like policy keyword highlighting to spot policy hits in messages, and use search filters to further drill down into an existing search.

Effortless audit response and e-discovery

Whether you are preparing for an audit or legal case, Smarsh makes exports easy. Your data is yours, so we do not charge additional fees to get it. The Smarsh cloud-hosted solution allows you to access and export your data anytime in multiple formats. Exports can be created as in-browser downloads and are automatically encrypted and password protected. Additionally, all communications can be collected into cases, managed and placed on legal hold to assist with litigation preparedness and internal investigations.

Painless review and regulated employee management

Historically, managing regulated employees and reviewer activities has been time-consuming and difficult. However, simple onboarding and setting up hierarchies and roles with Smarsh make managing employees easy. With the Professional Archive, you can tag regulated employees based on what policies they should be tied to and easily manage events like when they leave or join your firm. With the new reporting dashboards in Professional Archive, you can see reviewed messages and actions taken by your review team. Larger firms can also leverage the data within Professional Archive to spot opportunities for training by viewing repeat offenses by regulated employees or closing workflow gaps with your reviewers.

1. **Save administration time:** Leverage our purpose-built groups within Professional Archive to simplify workflows. Larger firms can leverage Professional Archive's LDIF (LDAP Data Interchangeable format), which can be used to correspond to their unique directory attributes.

2. **Spend less time reviewing the reviewers:** Professional Archive queues make reviews easy, aligning with policy lexicons and filtering by date, message types, and message tags (reviewed, further review, etc.).

3. **Stay ahead of export needs:** Make sure your data efficiently and securely exports from your archive with easy-to-use export features at no additional cost, and schedule email sends from your reporting dashboards.

Need More?

Workloads can increase dramatically during onboarding, audits or legal events. Smarsh has many hands-on services to meet your needs, from pre-written policies and in-depth onboarding to audit and complete supervision offerings. Whether you're a small firm ready to scale, or a large firm with a big job to do, Smarsh Services make compliance easy.

Conclusion

Compliance workflows don't need to be complicated. Choose a proven vendor focused on the Financial Services industry, ensure you have high-quality policies, set up your archive for success from the beginning, and take advantage the Smarsh Professional Archive capabilities. Experience compliance made easy.

The industry's most comprehensive, easy-to-manage compliance solution

Regulatory Archiving	Capture any communication	Capture web pages	Confidently meets SEC 17-a4 regs
Supervision	Create policies & spot risks fast	Easily review, sort and act on issues	Have Smarsh build policies for you
E-Discovery	Easily gather and set legal hold	Export for legal review	Have Smarsh export data for you
Cyber Compliance	Quickly monitor & protect end-points	Assess 3rd parth vendors for risks	Have Smarsh verify your cyber posture

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