

## *Efficient Management of Outside Business Activities Reduces Risk Exposure*

### Industry Challenge

FINRA Rule 3270 requires that registered representatives and other supervised persons provide prior written notice of any outside business activity (OBA) to the member firm. Member firms are required to review the activity and determine if it is allowed or prohibited in accordance with FINRA Rule 3270. The member firm may also set certain limits and restrictions related to the activity. The review and decision process must be appropriately documented and filed.

FINRA continues to make the supervision of Outside Business Activities a top exam priority. To ensure compliance, member firms must identify technology and processes that enable the efficient management of the OBA request submission, supervisory review, approval / response, status tracking, registered representative attestation, documentation and reporting processes.



### RegEd Solution

*Outside Business Activities* is the top solution choice among broker-dealers across the country and another reason why RegEd is the nation's highest volume FINRA WebEFT filer. The system facilitates the collection, analysis and reporting of critical compliance information required by FINRA. Hallmarked by robust automation, end-to-end workflow management and FINRA-filing capabilities, *Outside Business Activities* enables centralized, systematized management of OBA disclosures, attestations and amendments, reducing review time and facilitating communication on specific requests to speed the decision process.

The user-friendly interface guides reps through the OBA request submission process, identifying any specific documentation that must accompany the request. Requests are automatically routed to the appropriate supervisor based on the firm's specific hierarchy and defined workflows. Full tracking capabilities enable submitted requests to be tracked and approvals, adverse responses or other communications to be logged.

*Outside Business Activities* provides reps with access to their current U4 record and enables online editing and the creation of new disclosure submissions. Registered persons, supervisors and other stakeholders are able to view current status of all OBA requests based on assigned permissions. And, the solution's periodic attestation requirements and tracking ensures that all current activities are proactively managed, reducing risk exposure.

The system records the full chronology of each request, enabling compliance, supervisors and other stakeholders to readily identify when the OBA was filed and disclosed to FINRA, and initiate and monitor supervisory review activity, reducing potential FINRA exam findings resulting from late filings.

*Outside Business Activities*, along with the other RegEd *Conflicts of Interest* solution modules, captures requests, approvals, exceptions, audit trails and full compliance documentation. The solution's enterprise reporting capabilities include reporting on-demand and using pre-defined formats, enabling users to readily satisfy requirements and ad-hoc requests from internal stakeholders and regulators.

By automating end-to-end OBA management, compliance monitoring and exception management, firms can have confidence they are embedding best-practices in their compliance program.

## Distinguishing Capabilities

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*Outside Business Activities* leverages RegEd's powerful platform capabilities, enabling comprehensive monitoring, workflow-directed task management, real-time exception alerts and sophisticated hierarchy management.

- Unique in the provision of end-to-end OBA tracking and reporting with FINRA Integration.
- View OBA submissions and record approval decision including specific conditions or limitations on the activity.
- Automatic email notifications alert and remind task holders to take the next appropriate action.
- The OBA audit history identifies changes to an existing activity that may affect an approval decision.
- Direct integration with FINRA WebEFT facilitates online filing and reconciliation of U4 amendments.

RegEd's *Outside Business Activities* solution delivers extraordinary efficiency and enhances the quality of supervision while dramatically reducing the risk of non-compliance and related consequences.

### Why Choose RegEd?

RegEd is the leading provider of compliance management, licensing and registration and compliance and product education solutions to the financial services industry. Since 1994 RegEd has set the industry standard for quality, compliant content, rule-based compliance intelligence and workflow automation. RegEd solutions deliver unparalleled levels of operational efficiency and allow firms to cost-effectively comply and manage risk associated with state, FINRA and SEC regulation.

Here's why compliance, operations and technology stakeholders across hundreds of financial services firms choose RegEd:

- An investment in RegEd technology translates into extraordinary long-term value. Firms can cost-effectively build on their initial investment as their needs grow and evolve, maximizing the return and value for their compliance spend.
- RegEd solutions are continuously innovated and expanded using input from solution-specific client advisory boards.
- Clients view RegEd as an extension of their organization. They are assigned an experienced implementation project team and have a dedicated support team, including a relationship manager, product support experts, and experienced and engaged customer service professionals.
- RegEd is highly regarded for its thought leadership across the compliance domains that our solutions address. RegEd compliance, technology and operations experts frequently speak at industry conferences and industry associations including SILA (Securities & Insurance Licensing Association) and the IRI (Insured Retirement Institute), provide RegEd's regulatory content and analysis to their members.