

EFFICIENT TRACKING, AUTOMATED ALERTS REDUCE NON-COMPLIANCE RISK

Industry Challenge

Under FINRA Rule 3220 member firms are responsible for monitoring and tracking the exchange of cash and non-cash gifts and gratuities.

FINRA continues to make Conflicts of Interest, including the supervision of Gifts and Gratuities, a top priority. To ensure compliance, member firms must identify technology and processes that enable the efficient management of the Gifts and Gratuities request submissions, supervisory review, approval / response, status tracking, registered representative attestation, documentation and reporting processes.

RegEd Solution

Gifts and Gratuities is part of RegEd's *Conflicts of Interest Solution Suite*, which comprises five modules that can be implemented individually or together. The solution automates the monitoring and management of gifts, gratuities and non-cash compensation to instill confidence that best practices are embedded in the firm's compliance program.

Gifts and Gratuities is fully configurable to enable the firm to readily adapt its organizational hierarchy and compliance work processes to the system.

The solution streamlines the compliance process for registered reps, investment advisers and other persons who are subject to the policy. Submitters access the system's intuitive, web-based interface, and enter details related to gratuities or other non-cash compensation, given or received. The system calculates the total against the firm-defined threshold and notification is automatically sent to designated recipients. Sophisticated workflow management directs pre-clearance requests through a firm-defined workflow. Approvers can approve or reject the request and full documentation is captured by the system. Alerts are automatically sent to compliance, managers and other designated individuals upon limit violations. In addition, firms can implement their own business rules to create event-driven email notifications.

Gifts and Gratuities enables centralized management of submissions and approvals. The system provides the ability for stakeholders to manage by exception and readily communicate on submitted requests, which reduces review time and speeds the decision process. Full tracking capabilities enable Compliance, managers and other stakeholders to holistically monitor the exchange of gifts, gratuities and other non-cash compensation, track the preclearance approval process and identify limit violations.

Gifts and Gratuities, along with the other RegEd *Conflicts-of-Interests Solution* modules, captures requests, approvals, exceptions and other information. Reports can be generated on-demand or using pre-defined report formats. Comprehensive reporting and full audit trails provide valuable documentation to satisfy requests from internal stakeholders and regulators.



Distinguishing Capabilities

Gifts and Gratuities leverages RegEd's powerful platform capabilities to enable comprehensive monitoring, workflow-directed task management, real-time alerts to exceptions and sophisticated hierarchy management.

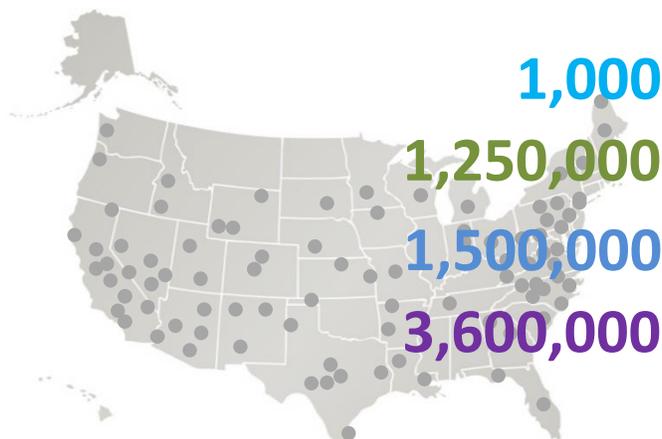
- Track exchange of gifts, entertainment and non-cash compensation by person and category.
- Automate notifications to supervisors, compliance and other stakeholders when gifts, gratuities or other contributions are given or received.
- Route submissions via a pre-approval workflow leveraging the firm's supervisory and organizational hierarchy.
- Identify and flag limit violations that exceed regulatory and other established thresholds.
- Generate comprehensive reports by recipient, category, date range and other parameters.

RegEd's *Gifts and Gratuities* 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. Our solutions deliver unparalleled levels of operational efficiency and enable firms to cost-effectively comply and manage risk associated with state, FINRA and SEC regulation.

- An investment in RegEd technology translates into extraordinary long-term value. Firms can cost-effectively build on their initial investment as their needs evolve, maximizing the return and value for their compliance spend.
- RegEd solutions are continuously 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, engaged customer service professionals.



Clients, including 400 enterprise clients, encompassing the nation's top financial services firms

CE courses and insurance certs delivered annually

End users in broker-dealers, insurance companies and brokers

Insurance and securities transactions processed annually