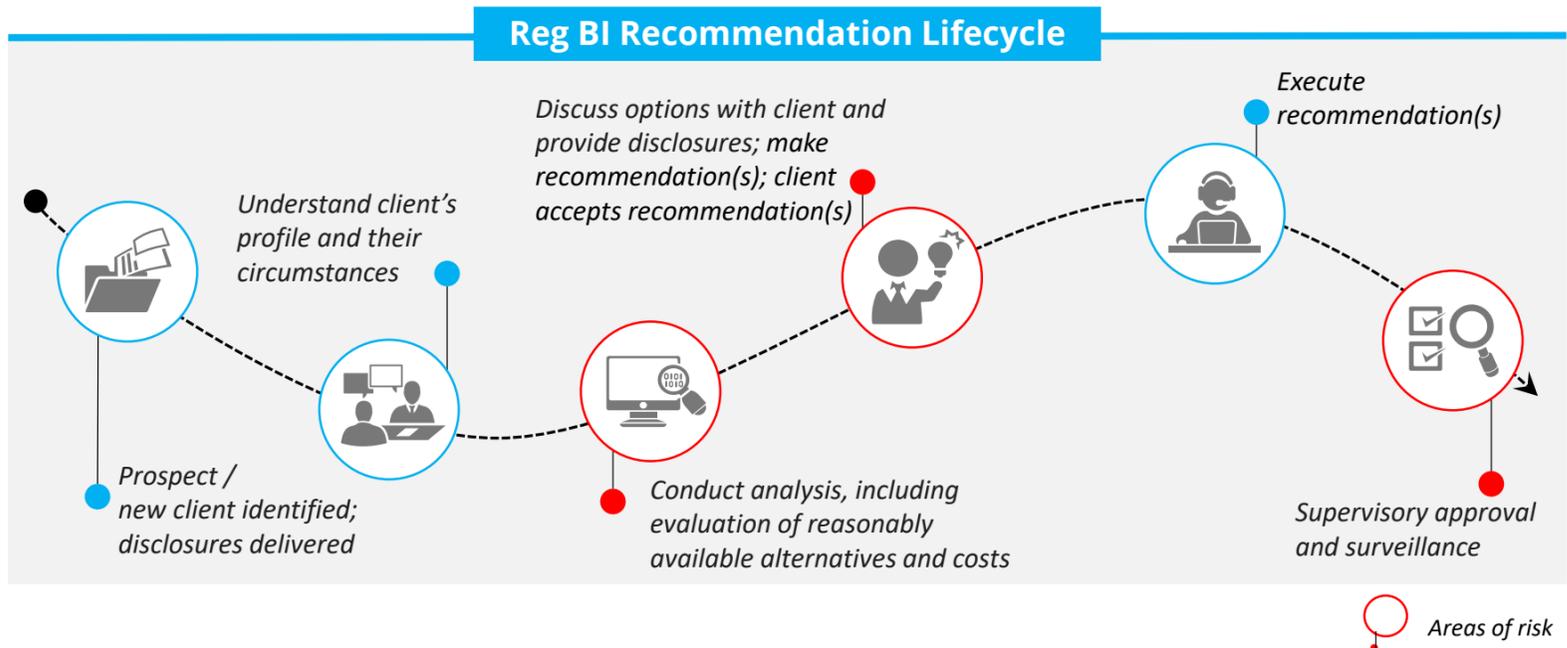


Post June 30, firms have shifted their focus to Day 2 initiatives by enhancing Day 1 solutions, including supervision and compliance capabilities, and strategically deploying technology across the Reg BI landscape.

COMMON CHALLENGES FROM DAY 1

- Untested regulatory expectations and unclear competitive landscape can lead to a “wait and see” approach for some decisions, which creates potential ongoing program gaps**
- Manual processes deployed across the advisor, client and supervisory lifecycle are unlikely to be sustainable in the long-term**
- Attestations to support recommendations may not meet regulatory expectations or a firm’s compliance and supervision needs**



DAY 2 FOCUS

- Assess initial decisions and prioritize enhancements**
Review Reg BI program decisions including items descoped or delayed for Day 1. Identify areas of highest risk or greatest pain-points after go-live and prioritize for enhancement
- Stand up compliance programs and testing**
Continue compliance program development and deployment based on the firm’s decisions for Day 1 and prepare for anticipated regulatory exams. Begin testing and monitoring of Day 1 controls to aid in identifying areas of opportunity for Day 2 enhancement
- Enable and enhance supervision and surveillance**
Identify supervisory constraints or issues that may be arising from Day 1 decisions or stop-gap processes through evaluation of request, alerts and task volumes. Develop and deploy enhancements to better enable efficient and effective supervision
- Strategically deploy technology**
Design and implement technology-enabled solutions across the Reg BI program landscape to increase effectiveness and efficiency where most needed and beneficial. Determine if a vendor relationship or internal build will be most effective based on defined requirements

For further discussion please contact:

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Deloitte has a suite of service offerings to assist wealth managers in complying with Reg BI and implementing their Day 2 initiatives.

DAY 2 FOCUS



Assess initial decisions and prioritize enhancements



DELOITTE DAY 2 SERVICES

RAPID HEALTH CHECK

Assessment providing a perspective on a firm's **good faith compliance efforts** versus SEC and FINRA expectations

Assist with enhancements to a firm's Reg BI compliance program's **efficiency and effectiveness**

Assist with aligning Rule¹ compliance program with **regulatory expectations and leading industry practices**

Identification of mitigation techniques for regulatory risk areas and **enhancement of controls**



Stand up compliance programs, testing, and surveillance



COMPLIANCE PROGRAM SERVICES

Report on a firm's preparedness through **compliance program assessment** including mock regulatory style exams

Assist with enhancement of **compliance testing plan design** and execution

Point in time testing of Reg BI policies and procedures (P&Ps) and controls

Continuous testing of **Reg BI P&Ps** and operating effectiveness testing of controls (as managed service)



Enable and enhance supervision and surveillance



SUPERVISION & SURVEILLANCE

Evaluation of and assistance to enhance controls around recommendations and retail communications

Assist with enhancement of first and second line workflows for **evidencing cost considerations and reasonable alternatives**

Integration with BAU processes and systems

Assist with enhancement of analytics, reporting, and trending capabilities to help identify and mitigate **sales practice risks**



Strategically deploy technology



TECH ENABLEMENT

Enhancement of compliance through **technology-enabled solutions** designed to help meet Reg BI obligations

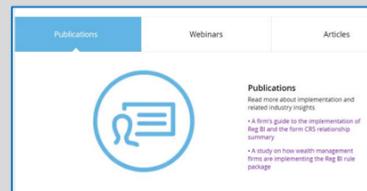
Evaluation of **third-party vendor solutions** and assist in managing a firm's selected third-party solution implementation

Design and implementation of **supervision and surveillance dashboards**

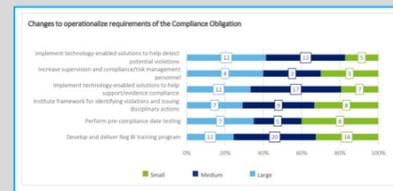
Implementation of **analytics to detect trends and patterns** in Financial Advisor conduct / non-compliance incidents



Deloitte's Thought Leadership



Deloitte helped prepare a [guide to the implementation of Regulation Best Interest and the Form CRS Relationship Summary](#) with SIFMA



Deloitte worked with SIFMA to conduct a study on [how wealth management firms are implementing the Reg BI rule package](#)



For more details on Deloitte Reg BI services/raise RFP, please visit the [website](#)



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