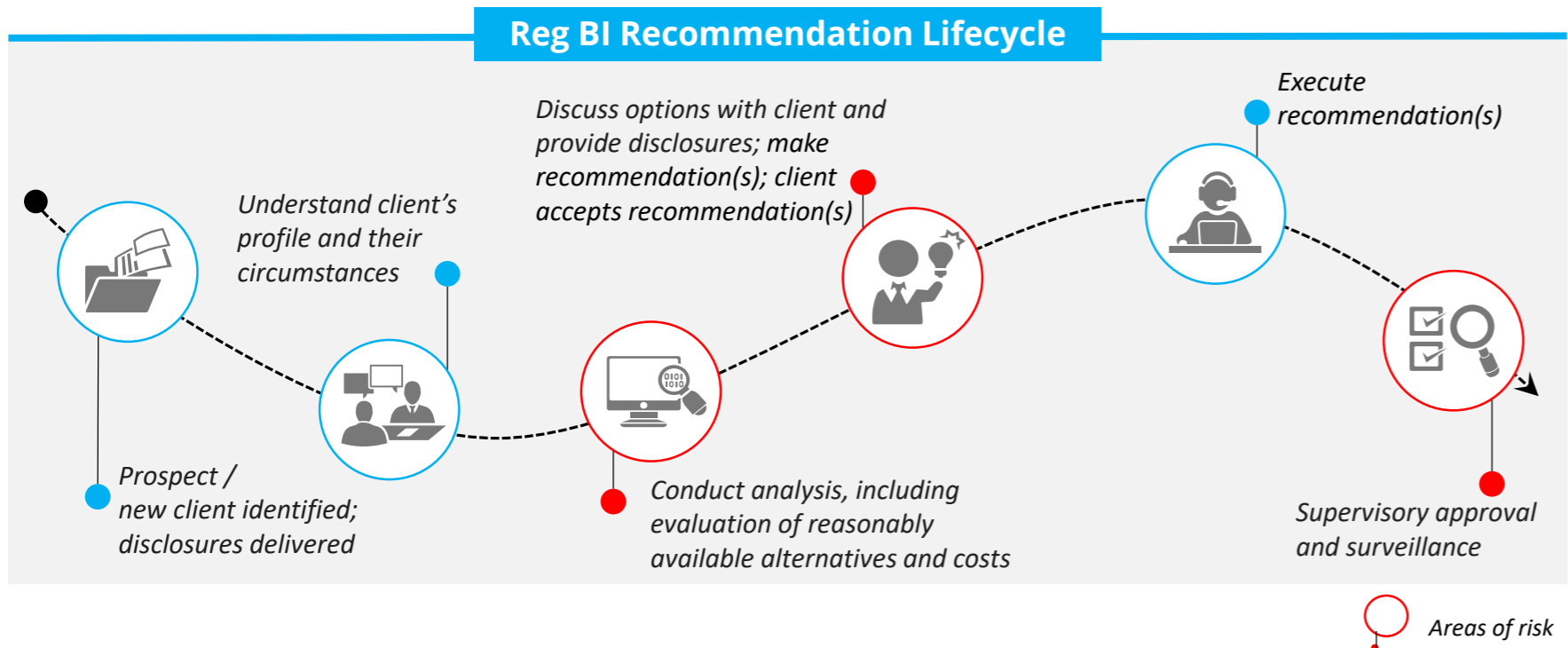


Post June 30, firms have shifted their focus to Day 2 initiatives by enhancing Day 1 solutions, including supervision and compliance capabilities, and strategically deploying technology across the Reg BI landscape.

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:

Maria Gattuso Principal Deloitte & Touche LLP 203-423-4445 mgattuso@deloitte.com	Karl Ehram Principal Deloitte & Touche LLP 917-880-7538 kehram@deloitte.com	George Hanley Managing Director Deloitte & Touche LLP 973-602-4928 ghanley@deloitte.com	Bruce Treff Managing Director Deloitte & Touche LLP 617-437-3087 btreff@deloitte.com	Craig Friedman Senior Manager Deloitte & Touche LLP 212-436-5130 crfriedman@deloitte.com	Joshua Uhl Senior Manager Deloitte & Touche LLP 212-436-4326 juhl@deloitte.com	Steve Allelujka Manager Deloitte & Touche LLP 312-914-4780 sallelujka@deloitte.com	Amitam Kumar Manager Deloitte & Touche LLP 404-487-7332 amitakumar@deloitte.com
---	--	--	---	---	---	---	--

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

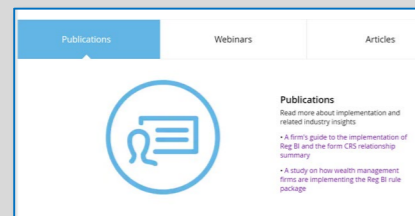
Evaluation of **third-party vendor solutions** and assist in managing a firm's selected third-party solution implementation

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

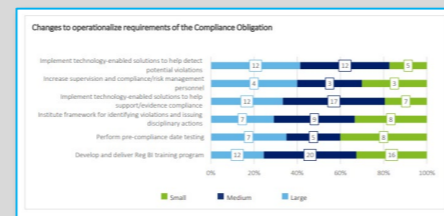
Implementation of **analytics to detect trends and patterns** in Financial Advisor conduct / non-compliance incidents



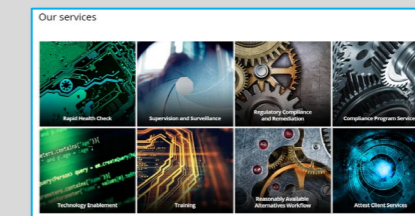
Deloitte's Thought Leadership



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](#)



This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

As used in this document, "Deloitte" means Deloitte & Touche LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2020 Deloitte Development LLC. All rights reserved.