

ENTERPRISE CONFLICTS OF INTEREST

Industry Challenge

As regulatory oversight intensifies, effective management of conflicts of interest (COI) issues is increasingly becoming a top priority for financial services firms. Domestic regulators, including the SEC, FINRA and state departments of insurance, as well as international supervisory bodies, have placed conflicts of interest management high on the list of topics of focus for regulatory examinations and audits, and have frequently cited COI failures as the catalyst for a series of costly and high profile fines and penalties levied against financial services firms in recent years.

Efficiently managing conflicts of interest across the range of potential conflict areas presents a significant challenge for banks, broker dealers, investment advisers, insurers and other financial services firms. Firms must manage requests to review potential conflicts of interest while continuously monitoring employee and third party activity for exceptions to conflicts of interest policies. And, supervisors and other stakeholders must distinguish between activities that are within the bounds of good compliance and the firm's policies, and material conflicts that pose potential non-compliance risk.

RegEd Solution

RegEd's conflicts of interest questionnaires capabilities include collection, analysis and reporting of compliance information, color-coding of critical questions, automated oversight of employee and third party compliance, escalation of answers that require management attention, a centralized document repository and full audit trail, and the ability to effectively manage attestations. Leveraging this functionality, firms can easily configure the solution to manage critical conflicts of interest areas across code of conduct compliance and employee supervision, including COI disclosures, distribution sales practices, client suitability and more.

In addition, RegEd offers a suite of for-purpose, fully integrated conflicts of interest modules, which enable firms to seamlessly monitor, identify and remedy conflicts of interest and code of conduct issues among the firm's employee population and third parties. The solution suite comprises the following robust, fully featured questionnaires modules which can be implemented individually or together:

- Outside Business Activities
- Gifts, Gratuities and Contributions
- Personal Securities Account Management
- Political Contributions

RELATED SOLUTIONS

[Gifts, Gratuities and Contributions](#)

[Outside Business Activities \(OBA\)](#)

[Personal Securities Accounts](#)

[Conflicts of Interest Questionnaires](#)

By automating the end-to-end management of request processes, compliance monitoring and exception management associated with the firm's conflict of interest policies, firms can have confidence they are embedding best practices in their compliance program.

Conflicts of Interest Solution Suite

Outside Business Activities (OBA)

- Access and view a comprehensive snapshot of all requested outside activities.
- Assess, filter and prioritize outstanding items requiring attention.
- Automated email notifications alert and remind task holders to take the next appropriate action.
- Ensure proactive management of current activities through periodic attestation requirements.
- Maintain current OBA record and access a list of open activities.
- Audit History enables reviewers to identify changes to an existing activity that may affect an approval decision.

Gifts, Gratuities and Contributions

- Track exchanges of gifts, entertainment and non-cash compensation by person and gift / contribution category.
- Automatic 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, employee, date range and other parameters.
- Quickly view aggregated totals by data range per recipient and employee.

Personal Securities Account Management

- Automate the time-consuming process of capturing, reporting and monitoring personal trading accounts.
- Ensure compliance with industry regulations and firm policies and procedures.
- Verify trading activity and issue alerts to identify and resolve exceptions.
- Complete mandated attestations.
- Monitor for activities such as front-running and restricted stock trading.

Political Contributions (Pay to Play)

- Enables firms to comply with applicable federal, state, and local rules on contributions.
- Tracks preclearance and restrictions on political contributions as permitted by state or local law.
- Provides compliance officers with the information needed to accurately complete the required political contribution forms and file them with the appropriate regulators.