PREPARE FOR REGULATION BEST INTEREST WITH SKIENCE

Skience offers a simple, out-of-the-box solution to enable firms and advisors to comply with the recurring delivery of the Client Relationship Summary forms mandated by Regulation Best Interest.

Introduction to Reg BI

In June 2019, the Securities and Exchange Commission adopted Regulation Best Interest (known colloquially as "Reg BI"), which establishes a new standard or conduct for broker-dealers and independent financial advisors to follow when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer. The rule goes into effect June 30, 2020.

Essentially, this regulation safeguards the interests of the investor by requiring the firm or advisor to demonstrate, when making an investment recommendation to a customer, that they are acting in the best interest of the customer at the time the recommendation is made, without placing their financial or other interest ahead of their customer's interests.

A full explanation of Reg BI is found on the SEC's Reg BI Resource website.

FORM CRS

Disclosure of the best interest information to the customer is made through a Client Relationship Summary ("Form CRS" for brokers and "Part 3 of Form ADV" for investment advisors). Form CRS requires that RIAs, broker-dealers, and associated persons disseminate information relating to the scope, terms and potential conflicts of interest, as well as any disciplinary history, to all retail customers.

Firms and financial advisors will be required to provide Form CRS at five key points, including:

- By June 30,2020 to current retail clients;
- At the start of any new relationship or recommendation (even if agreement is verbal);
- When there is a change to any account belonging to the retail investor;
- When any of the disclosures contained within the Form CRS change;
- Upon request.

Specific instructions regarding the content and format of Form CRS are found on the SEC's website.

The Skience Reg BI Solution

Skience provides a flexible, out-of-the-box automated solution for the documentation and delivery of the required disclosure forms—in both paper and digital formats. With Skience, firms and independent advisors have the assurance that they are acting in compliance with SEC and FINRA compliant document delivery and management.

DIGITAL DELIVERY AND SECURE STORAGE OF DISCLOSURE FORMS

With Skience, a firm or advisor can use a guided workflow to generate the appropriate version of the disclosure form, and then deliver the form electronically to the investor for review.

Our platform offers two electronic delivery methods that enable the receipt and review of the disclosure information:

- Delivery of the disclosure forms within an email to a client via Outlook.
- Delivery of the disclosure forms to a client via DocuSign, ensuring certified delivery.

In addition, if an investor would prefer to receive a printed copy of the disclosure form, advisors can print the disclosure within Skience to provide to the investor. A record of delivery is stored within the CRM.

To meet the mandate that firms are required to maintain and preserve these disclosures in an easily-accessible place, Skience will store a record of delivery, including date of distribution to the customer, securely within the firm's CRM.

Skience also offers firms the ability to route the disclosure email and completed DocuSign envelope to its document repository for record retention. Document storage must conform to existing SEC and FINRA rules and documents must be stored in a 17a-3 and 17a-4 compliant manner for a minimum of six years.

CUSTOMIZED SOLUTIONS

Skience has been working closely with a number of financial services firms to develop highly customized solutions for Reg BI since the regulation was approved last year. For firms that have broader requirements or require a more sophisticated process, Skience has the flexibility to design customized workflows that satisfy their unique disclosure needs, and facilitate certified delivery of every disclosure.

AVAILABLE NOW

Current instances of Skience can be configured with the addition of a Reg BI controller component to enable compliance by the date this rule goes into effect. This solution will be a feature of Skience version 13.0, scheduled for release in June 2020.

Contact Skience today to learn more about our out-of-the-box solution for Reg BI.

Privately-held and headquartered in Virginia, Skience delivers innovative digital strategies and solutions that transform businesses. Skience offers advisory and CRM implementation services, as well as an industry-leading, enterprise-class digital platform for broker-dealers and RIAs that provides wealth managers an efficient way to unify their technology, increase back-office and advisor productivity, and set the stage for a great client experience.

Visit **Skience.com** to learn more.

Or contact us at **(866) 754-3623** or **info@skience.com** to explore how Skience can transform your business.

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