



# Compliance Solutions

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## UK FINANCIAL FIRMS

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FCA and PRA Requirements and Global Relay Solutions for Electronic Communications Recordkeeping & Supervision

Archiving the financial services world

SYSC 9.1  
SYSC 3.1  
SYSC 3.2  
COBS 11.8



**WELCOME AND THANK YOU** for your interest in the electronic messaging compliance services of Global Relay for UK firms subject to FCA and PRA requirements. We are confident you will find that our compliance solutions exceed your expectations.

**COMPLIANCE** is more than just the preservation of records to ensure that your firm can survive regulatory, audit, and evidentiary scrutiny. It's a matter of Reputation, Integrity, and Control. The stakes are high and they are tied to the prosperity of your firm. The compliance and legal eDiscovery burden should involve proactive decision-making on the part of senior management to choose a high quality compliance solution to efficiently retain, protect, manage, and ensure authenticity of records and to implement safeguards and internal supervisory controls against inadequate data management practices. Selecting a message archiving solution should be thought of as an investment in your firm's future, both in terms of risk reduction and overall firm image.

**GLOBAL RELAY'S TECHNOLOGY SOLUTIONS** reflect "best practices" standards that have become the benchmark for message management. Our technology, Global Relay Archive, Global Relay Search, and Compliance Reviewer, is specifically engineered to provide a total regulatory compliance and eDiscovery solution for firms subject to the regulatory compliance requirements of the FCA, SEC, FINRA, and other international regulatory authorities, as well as international data protection and privacy laws such as the UK Data Protection Act. Our cloud services provide reliable, cost-effective, and scalable message management and compliance solutions that:

- are implemented within hours, with no software or hardware requirements or other capital outlays
- are continuously and seamlessly updated to meet current technological, legal, and regulatory needs
- provide end-user tools such as mobile access to all data via iPhone, iPad, Blackberry and Android

All customer data is stored in our two east/west coast mirrored SOC audited data centres. As the developer, owner and operator of our technology, we have provided message archiving solutions since 1999 without a single incident of data loss. Each year, we engage KPMG to perform independent testing on our security, business, and operational controls and report upon findings. This comprehensive third party validation is unique in the cloud archiving industry.

**YOUR COMPLIANCE SOLUTION** will be tailored, without extra cost, to meet the existing and evolving needs of your firm. Our solutions are scalable to meet the needs of all firms - from small businesses to large-scale multi-national banks. We are a dedicated team of professionals with the highest synergy of business, technical and legal expertise. With 24x7x365 IT support and our full-time, in-house compliance lawyers, we can help your firm troubleshoot and resolve key IT and business issues, as well as play a mission critical role in your equation for achieving corporate excellence.

Global Relay Archive seamlessly integrates with virtually any technology environment, allowing your firm to leverage our fully redundant systems and multi-layered security without the cost and staff time required to run and maintain equivalent systems on-premise. We also provide a superior balance of technology, service, support, training, and affordability to help your firm efficiently meet regulatory, audit, corporate governance, eDiscovery requests and other business needs.

Call Global Relay at **0800-032-9829** or visit us at [www.globalrelay.com](http://www.globalrelay.com), and let us demonstrate how our best-of-class solutions will make the difference in winning you as a customer.

Yours truly,

A handwritten signature in black ink, appearing to read "S Rogers". The signature is fluid and cursive, with the first letter 'S' being particularly large and stylized.

Shannon Rogers  
President & General Counsel

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# Global Relay Archive

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### For More Information

Please refer to the following Global Relay publications:

- Global Relay Services Guide: a complete overview of all Global Relay compliance, message archiving, support, and professional services.
- Global Relay Compliance Solutions Guidebooks: additional publications detailing how Global Relay addresses the message archiving and compliance needs of:
  - SEC Regulated Firms (Investment Advisors, Hedge Funds & Private Equity)
  - FINRA Regulated Broker-Dealers
  - CFTC Regulated Firms
  - Canadian Financial Firms (IIROC & MFDA)
  - Health Care (HIPAA & HITECH)
  - Public Companies (Sarbanes-Oxley)

### Available upon request

- KPMG Report on Global Relay's Business, Operational and Security Controls: provides assurances and transparency into the high standards of Global Relay's internal controls and how these truly differentiate Global Relay
- SOC audit reports on Global Relay's two mirrored east/west coast data centres

### Also Refer to the Following FCA & PRA Related Documents, Which Can be Found Online:

- FCA Handbook: <https://www.handbook.fca.org.uk/handbook/>
- FCA Resources (forms, consultation papers, and other useful information): <http://www.fca.org.uk/your-fca/list>
- PRA Publications: <http://www.bankofengland.co.uk/pr/Pages/publications/default.aspx>

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## SERVICES

# At-A-Glance

### Global Relay Archive

Securely captures and preserves email, instant messaging, mobile messaging, Bloomberg, Thomson Reuters, CME/Pivot, ICE/YellowJacket, social media (LinkedIn, Twitter, Facebook), web pages and more. Check with Global Relay if you need to archive a message type that is not listed here.

### Compliance Reviewer

Complete message supervisory system that is configured to enforce and monitor your supervisory policies and procedures.

### Audit and eDiscovery

Solutions are readily accessible within Global Relay Archive, providing efficient online tools for collaboration, case management and responses to legal data requests.

### Global Relay Search

Provides users with 24/7 "anywhere access" to archived data via mobile apps, Outlook, and the Web.

### Global Relay Message

Global Relay's flagship messaging and unified collaboration communications service, designed to address the messaging, federation, compliance, privacy and security needs of firms in regulated industries.

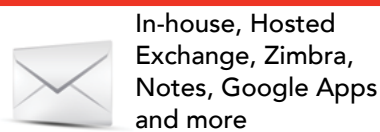
Global Relay Message is currently in Beta.

Global Relay services are presented in three "pillars":

#### message

- **Global Relay Message<sup>1</sup>**  
Secure, fully compliant messaging platform
- **Email Services**  
Secure email with spam and virus filtering, shared calendars and contacts
- **Message Hub**  
Federate your Microsoft OCS/Lync with Thomson Reuters Messaging

#### archive



#### search



- Access messages anytime, anywhere
- Search across all message types
- Easily Reply, Reply All, Forward and Recover messages
- SAML enabled

1. Global Relay Message is our messaging and collaboration platform for the financial community. In Beta - available soon.

All trademarks are the property of their respective owners. Third party trademarks are used to identify supported data types.

## OVERVIEW

# UK Financial Industry Regulatory Reform

In accordance with the Financial Services Bill, which received Royal Assent in December 2012, the Financial Services Authority (FSA) has split into two bodies: a prudential regulator and a conduct regulator. Historically, the UK regulatory system has been composed of three regulatory bodies and institutions - the Bank of England, the FSA and the Treasury - with no single institution having the authority to monitor the financial system as a whole, identify systemic risks, and resolve these risks efficiently and effectively. The regulatory reform implemented through the Financial Services Bill seeks to address this issue, giving the Bank of England prudential regulatory authority to deal with systemic risks through the Prudential Regulatory Authority (PRA) and creating the Financial Conduct Authority (FCA) to supervise the conduct of financial firms.

Legal cutover to the new regulatory system occurred on April 1, 2013.

### Prudential Regulatory Authority (PRA)

The PRA is part of the Bank of England. It is the prudential regulator for deposit takers, insurance companies and systemically significant investment firms. Its mandate is to promote the safety and soundness of these organizations in order to ensure the stability of the UK financial system. This includes minimizing the damage caused to the financial system by failures, as well as managing any systemic risk created by the way PRA regulated organizations conduct their business.

### Financial Conduct Authority (FCA)

The FCA is the new conduct regulator. Its three primary objectives are: 1) to ensure the integrity of the market, 2) to protect consumers, and 3) to encourage competition. The FCA is responsible for ensuring retail and wholesale markets function well, as well as for conduct supervision of all financial firms and prudential supervision of firms not under the authority of the PRA. The FCA's powers include the regulation of financial products (e.g. setting minimum standards or even banning products).

### Financial Policy Committee (FPC)

The FPC (part of the Bank of England) is responsible for macro-prudential regulation and the stability of the overall financial system. The FPC gives recommendations and directions to the PRA and FCA.

### New Rulebooks

In order to avoid issues caused by the implementation of many rule changes at once, both the PRA and FCA have adopted the majority of the rules in the current FSA handbook. These rules have been split up or shared between the PRA and FCA. Only those changes that were required by the Financial Services Bill were effective when the cutover occurred. Going forward, the PRA and FCA will amend provisions in accordance with their specific responsibilities and powers.

## SUMMARY OF REQUIREMENTS

# Data Protection

### UK Data Protection Act

The UK Data Protection Act of 1998 (DPA) regulates the collection, holding, use and disclosure of personal information. Global Relay holds and processes confidential and personal data for UK firms in compliance with the DPA. Specifically, Global Relay complies with the following provisions:

i. **Data Transfer Outside the EEA** – Principle 8 of the DPA prohibits the transfer of personal information to countries outside the European Economic Area unless there is an adequate level of protection in the country of destination. Global Relay stores all data in two mirrored east/west coast SSAE16/SOC I Type II data centers located in Canada. Canada is expressly listed under the DPA as a jurisdiction that may hold UK data. As well, the European Commission has twice audited Canada's privacy laws and determined that they provide protection that is equivalent to or better than the European Privacy Directive.

ii. **Data Processing** – The DPA requires that data controllers who contract with a vendor to process personal data on their behalf ensure the contracted vendor has appropriate technical and organizational measures to safeguard the data being processed. Global Relay uniformly classifies all customer data as "Highly Sensitive & Confidential" and has supporting policies that ensure data is kept secure at all times, including physical, organizational and technical protections. We contract with KPMG for annual testing and validation of our business, operational and security controls to provide independent verification of our technical representations relating to the security, confidentiality and protection of data.

### Canada as a Jurisdictional Safe Zone

Canada is recognized internationally as a leader in the creation of privacy laws and policies, with both federal and provincial laws designed to protect privacy and data. Most notably, the Personal Information Protection and Electronic Documents Act (PIPEDA) governs personal information collected, used and disclosed by private sector companies in the course of commercial business. PIPEDA applies in all provinces and territories of Canada except British Columbia, Alberta and Quebec, which have passed provincial legislation that is substantially similar to PIPEDA. Specifically, in British Columbia, the Personal Information Protection Act (PIPA) provides nearly identical provisions. Canada is recognized by the United States, the European Union (EU) countries, Asia and in much of South America, as a "data safe zone." Data held in Canada by Global Relay is not subject to direct document access demands of U.S. government bodies pursuant to the USA Patriot Act or PRISM surveillance program.

### In-House Legal Team

Global Relay has an in-house Legal Team whose full time focus is to assist customers in preparing for, meeting and responding to the various legal and compliance requirements to which they are subject. Our Legal team monitors privacy compliance requirements, establishes proactive data protection and retention policies, and ensures Global Relay's in-house software development teams continuously expand and update Global Relay's technology offerings to meet evolving laws, rules and regulations worldwide. As well, our Audit & eDiscovery team works with customers to respond to data production requests and anti-money laundering (AML) control inquiries from law enforcement and regulatory authorities. These teams ensure that proper due diligence is undertaken and security processes observed before responding to any lawful access or data requests.



## SUMMARY OF REQUIREMENTS

# Recordkeeping

### Significance of Rules

In order to prevent, detect and deter market abuse, the [Conduct of Business Sourcebook \(COBS\) Rule 11.8](#) requires financial firms to record and retain electronic communications related to receiving, negotiating, arranging and/or executing client orders. As well, [Senior Management Arrangements, Systems and Controls \(SYSC\) Rule 9.1](#) requires firms to keep orderly records of their business, including all services and transactions. With the majority of business being conducted using electronic communications such as email and IM, it is essential that firms retain indexed and searchable records of such communications to ensure they can provide regulators with sufficient evidence of compliance with regulatory obligations.

### Who Must Comply

All firms and individuals that carry out a regulated financial service market activity in the UK must comply. This includes mutual societies, banks, financial advisers, investment managers, stockbrokers, building societies, wholesale investment firms and other organizations. [SYSC Rule 9.1](#) is shared between the FCA and the PRA. [COBS 11.8](#) is an FCA rule.

### Requirements

Under [SYSC 9.1](#), firms must:

- Retain records that are sufficient to allow the appropriate regulator or other competent authority to monitor their regulatory compliance, with a particular focus on identifying whether firms have fulfilled all of their obligations to clients;
- Retain records related to MiFID business for at least 5 years;
- Retain non-MiFID records for as long as is relevant for the purpose(s) for which they were made;
- Ensure records are readily accessible by the appropriate regulator or other competent authority and allow the regulator to “reconstitute each key stage of the processing of each transaction”;
- Ensure any corrections or amendments to records, as well as the original contents of the records, are easily identifiable, and that records cannot otherwise be manipulated or altered; and
- For the retention of records that are not related to MiFID business, implement appropriate controls to ensure records are adequate, accurate, and secure.

Under [COBS 11.8](#), firms must:

- Take reasonable steps to record oral and electronic communications - including communications via facsimile, email and instant messaging - that contain conversations or communications between employees/contractors of a firm and a client (or between employees/contractors and another person when the employee/contractor is acting on behalf of a client) that conclude an agreement by the firm to carry out the activities listed in [COBS 11.8.1](#), or which are conducted with a view to executing such an agreement. Covered activities include receiving client orders, executing client orders, etc.;
- Retain records of such communications for at least 6 months;
- Retain all relevant communications, regardless of the devices used to transmit them; and
- Take reasonable steps to prevent employees from using devices and equipment that prevent firms from capturing relevant communications

### Global Relay Archive Solution

Global Relay Archive is a highly scalable cloud-based message archive system designed to address FCA and PRA rules. It captures and archives an authentic and complete record of all of a firm’s electronic communications - including email, instant messages, Bloomberg, Thomson Reuters, mobile messaging, social media communications and more - in a single unified repository that is accessible online 24x7x365.

## SUMMARY OF REQUIREMENTS

# Supervision

### Significance of Rules

**SYSC Rules 3.1** and **3.2** require UK financial firms to develop, establish and maintain supervisory systems and controls that monitor compliance with regulatory requirements. These systems and controls must be comprehensive and tailored to each firm's specific business and activities. In Supervision (SUP) 1A.3.2, the FCA describes the principles on which its supervisory approach is based. These principles include: being more interventionist, being consumer-centric, focusing on firms' business models and cultures as well as product supervision, and viewing poor behaviour through the lens of its impact on consumers. With the majority of business, including communications with prospective clients, current clients and the general public, being conducted electronically, firms' supervisory controls should include the monitoring of electronic communications, including email, IM, mobile messaging and social media. Such supervisory controls can assist firms with efficiently identifying, managing and resolving potential or actual compliance violations.

### Who Must Comply

All firms and individuals that carry out a regulated financial service market activity in the UK must comply with **SYSC 3.1** and **3.2**. This includes mutual societies, banks, financial advisers, investment managers and stockbrokers, building societies, wholesale investment firms, sole advisers, and others. SYSC 3.1 and 3.2 are shared rules between the FCA and PRA; however, specific provisions in both rules are limited to the FCA (e.g. AML requirements).

### Requirements

Under **SYSC 3.1** and **3.2**, firms must:

- Take reasonable care to implement and maintain systems and controls that are appropriate to their business and are designed to ensure compliance with applicable requirements and standards under the regulatory system;
- Develop systems and controls that take into account the nature and scale of the business, the risk associated with each area of operation, the diversity of operations, and the volume and size of transactions;
- Implement controls that are comprehensive and proportionate to their business activities and allow the identification of money laundering risk;
- Conduct regular reviews and assessments of systems and controls to ensure their adequacy;
- Depending on the nature and size of a firm, consider establishing a separate compliance function;
- If they carry on designated investment business with or for retail or professional clients (e.g. managing investments, advising on investments, etc.), appoint a director or senior manager to hold responsibility for oversight of compliance who must report to the governing body; and
- Retain records of "matters and dealings" that are subject to regulatory requirements and standards.

### Global Relay's Supervision Solution

The Compliance Reviewer is seamlessly incorporated into Global Relay Archive, providing financial firms with a turn-key, unified electronic record supervisory control system with advanced monitoring tools (including keyword/lexicon flagging and exclusions and random sampling), as well as reporting, audit and eDiscovery tools. The Compliance Reviewer provides a flexible, easy-to-use, multi-tier supervisory system that can mirror the reporting structure of any size firm, no matter how complex. All archived messages, including email, IM, mobile messaging, social media and more – can be retrieved, viewed, reviewed and managed within a single unified platform. communications and more - in a single unified repository that is accessible online 24x7x365.

# GENERAL RULES ON RECORD-KEEPING

## SYSC 9.1 Solution

Global Relay Archive is engineered to meet FCA and PRA requirements for record retention and availability, including those requirements in [SYSC 9.1](#). The requirements are met as follows:

SYSC 9.1	Compliance Requirement	Global Relay's Compliance Solutions
<a href="#">9.1.1 Required Records</a>	A firm must arrange for orderly records to be kept of its business and internal organization, including all services and transactions undertaken by it, which must be sufficient to enable the appropriate regulator or any other relevant competent authority under MiFID or the UCITS Directive to monitor the firm's compliance with the requirements under the regulatory system, and in particular to ascertain that the firm has complied with all obligations with respect to clients.	<p><a href="#">SYSC 9.1.1</a> imposes a broad recordkeeping obligation on financial firms. Electronic messages such as email, IM and social media are a principal method of communication both with clients and counterparties. These communications therefore contain critical information relating to a firm's business, potentially including advice, recommendations and product information provided to clients, execution of client orders, or other information or disclosures subject to regulatory requirements. Note also that <a href="#">Principles 5 and 7</a> of <a href="#">PRIN 2.1</a> require firms to observe proper standards of market conduct and communicate information to clients in a way which is clear, fair and not misleading. A firm's electronic communications can provide valuable evidence of compliance with these principles.</p> <p>To meet this recordkeeping obligation, Global Relay Archive supports the capture and preservation of all major electronic message types used in finance (see <a href="#">Global Relay Archive, Section 1</a> for a complete list) – allowing firms to leverage email, IM social media, and other electronic communications by retaining orderly and accessible records of such communications.</p>
<a href="#">9.1.2 Retention</a>	A common platform firm must retain all records kept by it under this chapter in relation to its MiFID business for a period of at least five years.	Retention terms within Global Relay Archive are determined by each firm's own policies and retention schedules and can accommodate the 5 year retention term. See <a href="#">Global Relay Archive, Section 2(e)</a> for complete details on retention terms within Global Relay Archive.
<a href="#">9.1.3 (1) Availability</a>	<p>In relation to its MiFID business, a common platform firm must retain records in a medium that allows the storage of information in a way accessible for future reference by the appropriate regulator or any other competent authority under MiFID, and so that the following conditions are met:</p> <p>(1) the appropriate regulator or any other relevant competent authority under MiFID must be able to access them readily and to reconstitute each key stage of the processing of each transaction;</p>	<p><a href="#">Readily Accessible</a> - All messages preserved in Global Relay Archive are full-text indexed with complete metadata and can be produced immediately online for the entire length of a firm's specified retention term. See <a href="#">Compliance Reviewer, Section 3(a)(iii)</a> for details on Global Relay Archive's search functionality and features.</p> <p><a href="#">Online Access</a> – Global Relay Archive has a special user role for audit purposes called the "Ghost Reviewer." Upon the direction of a firm, Global Relay can set up an account for a third party auditor or regulator which gives that party access to a defined subset of messages (e.g. a folder set up for the audit). The auditor or regulator can then review all of the messages online without his or her actions showing up in the audit trail. Use of the Ghost Reviewer is dependent on the discretion of the individual regulator or examiner.</p> <p><a href="#">Message Export</a> –Firms may request an export of archived data to a standards-based format (e.g. PST, EML). Exported data can be made available via secure FTP, DVD or hard drive. Global Relay assists customers with approximately 20 ongoing data demands on a daily basis and 15-20 regulatory audits per week. We have a 24-hour turnaround time for data exported for audits and litigation. Messages can be extracted by type, custodian and/or date and all exports include complete metadata, including Bcc and Distribution List data.</p>
<a href="#">9.1.3 (2) Corrections and Amendments</a>	(2) it must be possible for any corrections or other amendments, and the contents of the records prior to such corrections and amendments, to be easily ascertained;	Global Relay Archive captures electronic messages automatically, without user intervention. All messages are preserved on tamperproof storage with write-verification. See <a href="#">Global Relay Archive, Section 2</a> for details on the archiving process and controls. Archived data cannot be modified or altered. Authorized users may add tags/labels or icon-based review codes as necessary for eDiscovery or review (see <a href="#">Compliance Reviewer, Section 1(c)</a> ). These actions do not alter the original message and are logged in an unalterable audit trail appended to each message.

SYSC 9.1	Compliance Requirement	Global Relay's Compliance Solutions
9.1.3 (3) Manipulation and Alteration	(3) it must not be possible for the records otherwise to be manipulated or altered	See SYSC 9.1.3(2).
9.1.4 Hard Copies and Language	<p>Subject to any other record-keeping rule in the Handbook, the records required under the Handbook should be capable of being reproduced in the English language on paper. Where a firm is required to retain a record of a communication that was not made in the English language, it may retain it in that language. However, it should be able to provide a translation on request. If a firm's records relate to business carried on from an establishment in a country or territory outside the United Kingdom, an official language of that country or territory may be used instead of the English language.</p>	<p><b>Hard-Copies</b> – All archived messages can be printed and/or exported to standards-based formats (see SYSC 9.1.3(1) for details on data export).</p> <p><b>Languages</b> - Global Relay Archive uses Unicode indexing to support localization for search and retrieval in all languages, including Asian double byte character sets. Additionally, Global Relay Archive's User Interface is available in eight languages: English, Spanish, French, German, Portuguese, Japanese, Chinese (Simplified) and Chinese (traditional).</p>
9.1.5 Non-MiFID Business	<p>In relation to the retention of records for non-MiFID business, a firm should have appropriate systems and controls in place with respect to the adequacy of, access to, and the security of its records so that the firm may fulfil its regulatory and statutory obligations. With respect to retention periods, the general principle is that records should be retained for as long as is relevant for the purposes for which they are made</p>	<p><b>Access</b> – See SYSC 9.1.3(1).</p> <p><b>Security</b> - Global Relay uniformly classifies all customer data as “Highly Sensitive &amp; Confidential” and has supporting policies that ensure data is kept secure at all times. In order to protect customer data, Global Relay has developed and implemented internal safeguards, including:</p> <ul style="list-style-type: none"> <li>i. <b>Physical Measures</b> - All customer data is stored in two mirrored SSAE16 SOC I/ Type II certified data centers that are equipped with dedicated cages and secured with both 24x7x365 uniformed guard service and CCTV surveillance. Global Relay owns and operates all hardware and software in the infrastructure.</li> <li>ii. <b>Organizational Measures</b> - Global Relay has strict internal controls regarding access to customer data. As well, all employees are subject to background checks and must sign confidentiality and non-disclosure agreements upon hire. Global Relay does not use contractors or other third parties in the delivery of Global Relay Archive.</li> <li>iii. <b>Technological Measures</b> – Global Relay's network is protected by firewalls and monitored 24x7x365 by Global Relay system administrators. All customer data is preserved on tamperproof storage with write-verification. All data is encrypted end-to-end. Messages are only decrypted when an authorized user conducts a search. All user actions within Global Relay Archive are logged in an unalterable audit trail, which documents the full lifecycle of every message (e.g. when it was imported, the retention term set, by whom it was viewed and when, etc.).</li> </ul> <p><b>Retention</b> – See SYSC 9.1.2.</p>

# COBS 11.8 Solution

Global Relay Archive meets the requirements for the retention of electronic communications set out in **COBS 11.8**. This rule requires firm to keep a copy of electronic communications relating to receiving, negotiating, arranging and executing client orders. The requirements are met as follows:

COBS 11.8	Compliance Requirement	Global Relay's Compliance Solutions
11.8.5 Required Records	<p>A firm must take reasonable steps to record relevant telephone conversations, and keep a copy of relevant electronic communications, made with, sent from or received on equipment:</p> <p>(1) provided by the firm to an employee or contractor; or</p> <p>(2) the use of which by an employee or contractor has been sanctioned or permitted by the firm;</p> <p>to enable that employee or contractor to carry out any of the activities referred to in COBS 11.8.1 R.</p>	<p>Global Relay captures email via envelope journaling, social media via API, and other message types via proprietary converters and SMTP, IMAP or HTTPS. This direct, automatic capture ensures that all messages are archived, regardless of the device or equipment used to transmit them or the location of the individual sending the message. Firms can therefore allow employees to use personal devices for business communications when permitted by internal policies. See <a href="#">Global Relay Archive, Section 2</a> for a complete description of the archiving process and quality controls. Global Relay Archive also supports voice archiving. Please contact us for details.</p>
11.8.5A Personal Devices	<p>A firm must take reasonable steps to prevent an employee or contractor from making, sending or receiving relevant telephone conversations and electronic communications on privately-owned equipment which the firm is unable to record or copy.</p>	<p>See <a href="#">COBS 11.8.5</a>.</p>
11.8.7 Message Types	<p>Electronic communications includes communications made by way of facsimile, email and instant messaging devices.</p>	<p>Global Relay Archive supports the capture and archiving of over 30 message types (see <a href="#">Global Relay Archive, Section 1</a> for a complete list), ensuring firms can retain all required electronic communications across all platforms and messaging systems used by employees. Supported message types include:</p> <ul style="list-style-type: none"> <li>○ Email</li> <li>○ Public Instant Messaging</li> <li>○ Social Media (LinkedIn, Twitter, Facebook) BlackBerry and Android Messaging (Text/SMS, PIN, Call logs)</li> <li>○ Bloomberg Messaging (Instant Bloomberg, Bloomberg Mail)</li> <li>○ Thomson Reuters Messaging (Eikon, Thomson Reuters Messenger)</li> <li>○ CME (Pivot)</li> <li>○ ICE (YellowJacket)</li> <li>○ FactSet</li> <li>○ Jabber/XMPP</li> <li>○ Cisco WebEx</li> <li>○ Microsoft OCS/LYNC</li> <li>○ LivePerson</li> <li>○ OpenFire</li> <li>○ Web</li> <li>○ Chatter (Salesforce)</li> <li>○ Yammer</li> <li>○ Global Relay Message</li> </ul> <p>Global Relay Archive may support message types not listed here. Please contact us to determine whether a specific message type is supported.</p>

COBS 11.8	Compliance Requirement	Global Relay's Compliance Solutions
11.8.8 Relevant Communications	<p>(For the purposes of COBS 11.8.5 R and COBS 11.8.5A R a relevant conversation or communication is any one of the following:</p> <p>(1) a conversation or communication between an employee or contractor of the firm with a client, or when acting on behalf of a client, with another person, which concludes an agreement by the firm to carry out the activities referred to in COBS 11.8.1 R as principal or agent;</p> <p>(2) a conversation of communication between an employee or contractor of the firm with a professional client or an eligible counterparty, or when acting on behalf of a professional client of an eligible counterparty, with another person, which is carried on with a view to the conclusion of an agreement referred to in (1) above, and whether or not it is part of the same conversation or communication as in (1).</p>	<p>Relying on individuals or technological solutions to selectively preserve only those communications which constitute "relevant conversations" under COBS 11.8.8 can create unnecessary risk for and may not meet the broad recordkeeping obligations mandated by SYSC 9.1. To ensure compliance with all recordkeeping requirements, Global Relay Archive automatically captures a complete set of a firm's incoming, outgoing and internal communications and provides advanced search tools that allow firms to immediately locate and produce communications related to client orders or other regulated activities. See <a href="#">Compliance Reviewer, Section 3(a)(iii)</a> for details on Global Relay Archive's search functionality and features.</p>
11.8.9 Relevant Communications (Continued)	<p>(1) COBS 11.8.8 R (2) includes conversations and communications relating to specific transactions which are intended to lead to the conclusion of an agreement by the firm to deal with or on behalf of the client as principal or agent, even if those conversations or communications do not lead to the conclusion of such an agreement. It does not include conversations or communications which are not intended to lead to the conclusion of such an agreement, such as general conversations or communications about market conditions.</p> <p>(2) The FCA would not usually expect the obligation in COBS 11.8.5 R to include conversations or communications made by investment analysts, retail financial advisers, and persons carrying on back office functions, as such persons will not normally make relevant conversations or communications when acting in those capacities.</p>	<p>See COBS 11.8.8.</p>
11.8.10 (1) Retention	<p>A firm must take reasonable steps to retain all records made by it under COBS 11.8.5 R:</p> <p>(1) for a period of at least 6 months from the date the record was created;</p>	<p>Retention terms within Global Relay Archive are determined by each firm's own policies and retention schedules and can accommodate the six month retention term required under COBS 11.8.10(1). See <a href="#">Global Relay Archive, Section 2(e)</a> for complete details on retention terms within Global Relay Archive.</p>

COBS 11.8	Compliance Requirement	Global Relay's Compliance Solutions
<p>11.8.10 (2)</p> <p>Medium and Availability</p>	<p>(2) in a medium that allows the storage of the information in a way accessible for future reference by the FCA, and so that the following conditions are met:</p> <p>(a) the FCA must be able to access the records readily;</p> <p>(b) it must be possible for any corrections or other amendments, and the contents of the records prior to such corrections and amendments, to be easily ascertained;</p> <p>(c) it must not be possible for the records to be otherwise manipulated or altered.</p>	<p>Readily Accessible – See SYSC 9.1.3(1).</p> <p>Amendments and Corrections – See SYSC 9.1.3(2).</p> <p>Manipulation and Alteration – See SYSC 9.1.3(3).</p>

# SYSTEMS AND CONTROLS

## SYSC 3 Solution

The Compliance Reviewer, Global Relay Archive's monitoring and supervision system, provides firms with a flexible, turn-key system that can be used to meet the requirements of SYSC 3.1 and 3.2. Specifically, the requirements are met as follows:

SYSC 3.1	Compliance Requirement	Global Relay's Compliance Solutions
3.1.1 Systems and Controls	A firm must take reasonable care to establish and maintain such systems and controls as are appropriate to its business.	<p><b>Compliance Reviewer</b> - Global Relay Archive's Compliance Reviewer is seamlessly incorporated into Global Relay Archive and offers extremely robust supervision and review tools that include lexicon and random sampling flagging rules, case management, annotation in audit trails, time-date stamps, serialization, single-click or bulk review and the ability to mark messages as privileged, confidential, restricted or personal. It allows firms to supervise and manage all electronic communications within one intuitive interface and is highly customizable to fit any firm's specific supervisory policies and hierarchy.</p> <p><b>Training</b> - Global Relay's Training team provides unlimited training and guidance as part of the base service and is available to assist firms with developing and implementing surveillance policies within Global Relay Archive, including building flagging rules, review groups, supervisory hierarchies, and workflows.</p>
3.1.2 (1) Nature and Extent of Controls	<p>1) The nature and extent of the systems and controls which a firm will need to maintain under SYSC 3.1.1 R will depend upon a variety of factors including:</p> <ul style="list-style-type: none"><li>(a) the nature, scale and complexity of its business;</li><li>(b) the diversity of its operations, including geographical diversity;</li><li>(c) the volume and size of its transactions;</li><li>(d) the degree of risk associated with each area of its operation.</li></ul>	<p><b>Supervisory Structure &amp; Policies</b> - Global Relay Archive is a scalable solution that can meet the needs of both 5-person firms and multinational organizations with many lines of business. Small firms can implement simple supervisory policies and workflows while larger organizations can establish multi-tier surveillance and monitoring structures with separate policies for each department, office or line of business, allowing areas of operation representing increased risk to be more closely supervised.</p> <p><b>Message Types</b> - Many large financial organizations are managing complex technology environments in which multiple message types are in use (e.g. email, public IM, Bloomberg, Thomson Reuters, etc.). Global Relay Archive is designed to unify all of a firm's electronic message types in one repository with federated search capabilities. We have built an integration layer that transforms all message types into a common message format (EML), preserving all messages in a single repository and allowing users to search, retrieve, view, review and manage all messages from a single inbox. This greatly reduces the complexity involved in supervising multiple message types across a firm.</p>
3.1.2 (2) Review of Controls	(2) To enable it to comply with its obligation to maintain appropriate systems and controls, a firm should carry out a regular review of them.	Global Relay's Compliance Reviewer provides reporting features that allow firms to monitor and track the surveillance of electronic communications in order to periodically review and evaluate their supervisory policies and ensure compliance with all relevant regulations. As well, a firm may conduct an annual review with the assistance of Global Relay's in-house legal counsel to ensure that the firm maintains best practices compliance in connection with FCA/PRA regulations. Moreover, Global Relay's technology is updated as required to ensure that compliance requirements are met for new and amended rules as they are introduced.



SYSC 3.2	Compliance Requirement	Global Relay's Compliance Solutions
<p>3.2.4 Outsourcing</p>	<p>(1) ...A firm cannot contract out its regulatory obligations. So, for example, under Principle 3 a firm should take reasonable care to supervise the discharge of outsourced functions by its contractor.</p> <p>(2) A firm should take steps to obtain sufficient information from its contractor to enable it to assess the impact of outsourcing on its systems and controls.</p>	<p>Each year, Global Relay engages KPMG to perform independent testing and validation upon its security, business and operational controls and report upon findings. This report provides assurances of and transparency into the high standards of Global Relay's internal controls. This comprehensive third party validation is unique in the hosted messaging industry. Specifically, the KPMG Report provides extensive validation of Global Relay's security, business and operational controls related to:</p> <ul style="list-style-type: none"> <li>i. <b>Physical Security</b> - and safeguards governing data protection and data center controls.</li> <li>ii. <b>Change Management</b> - Frameworks for guiding software development releases, operations and change control.</li> <li>iii. <b>Network Security &amp; Availability</b> - System architecture, redundancy, access and security.</li> <li>iv. <b>Message Processing</b> - Inbound message processing, secure storage, data center replication and end-user access.</li> <li>v. <b>Data Import, Export &amp; Deletion</b> - Policies, procedures and methodologies for securely handling customer data.</li> <li>vi. <b>Security Policies &amp; Standards</b> - Policies &amp; standards governing privacy and confidentiality.</li> <li>vii. <b>Personnel Policies &amp; Procedures</b> - Employee life-cycle management.</li> </ul>
<p>3.2.19 Business Continuity</p>	<p>A firm should have in place appropriate arrangements, having regard to the nature, scale and complexity of its business, to ensure that it can continue to function and meet its regulatory obligations in the event of an unforeseen interruption. These arrangements should be regularly updated and tested to ensure their effectiveness.</p>	<p><b>Business Continuity &amp; Disaster Recovery</b> - Global Relay's systems operate out of two mirrored east/west coast SSAE16/SOC I Type II certified data centers. All archived data is replicated in near real time between these data centers such that there are always at least four copies of every message preserved in Global Relay Archive. In the event the primary data center is lost, the flow of data will failover to the secondary data center to ensure against loss of data. Individual components of the service can also be failed over to the secondary data center. As well, our systems are fully redundant within each data center and can take failures on every component without interruption. We perform annual reviews of our Business Continuity/Disaster Recovery Plan and test individual services for failover.</p> <p><b>Anytime, Anywhere Access</b> - Global Relay Archive allows all employees to access their messages online 24x7x365 from anywhere in the world - even when a firm's mail server is down. As well, Global Relay offers an email continuity solution through an "always on" secondary mail system in the event a firm's primary mail server(s) suffer an outage.</p>
<p>3.2.20 Records</p>	<p>(1) A firm must take reasonable care to make and retain adequate records of matters and dealings (including accounting records) which are the subject of requirements and standards under the regulatory system.</p> <p>(2) Subject to (3) and to any other record-keeping rule in the Handbook, the records required by (1) or by such other rule must be capable of being reproduced in the English language on paper.</p> <p>(3) If a firm's records relate to business carried on from an establishment in a country or territory outside the United Kingdom, an official language of that country or territory may be used instead of the English language as required by (2).</p>	<p>(1) <b>Adequate Records</b> - To ensure compliance with all recordkeeping requirements, Global Relay Archive automatically captures a complete set of a firm's incoming, outgoing and internal communications and provides advanced search tools that allow firms to immediately locate and produce communications related to regulated activities. See <b>Compliance Reviewer, Section 3(a)(iii)</b> for details on Global Relay Archive's search functionality and features.</p> <p>(2-3) <b>Hard Copies &amp; Language</b> – See SYSC 9.1.4.</p>

SYSC 3.2	Compliance Requirement	Global Relay's Compliance Solutions
3.2.21 Adequacy, Access, Retention and Security	A firm should have appropriate systems and controls in place to fulfil the firm's regulatory and statutory obligations with respect to adequacy, access, periods of retention and security of records. The general principle is that records should be retained for as long as is relevant for the purposes for which they are made.	See SYSC 9.1.5
3.2.22 Recordkeeping Requirements	Detailed record-keeping requirements for different types of firm are to be found elsewhere in the Handbook. Schedule 1 to the Handbook is a consolidated schedule of these requirements.	SYSC Schedule 1 requires firms to retain adequate records of matters and dealings which are the subject of requirements and standards of the regulatory system. This imposes a broad recordkeeping obligation. See SYSC 9.1.1 for details on how Global Relay Archive can help firms meet this obligation

# Global Relay Archive

Global Relay Archive is an enterprise-class cloud-hosted electronic message archiving, supervision and eDiscovery solution that addresses the demands of regulatory compliance, litigation, internal and external audits, business continuity, data management, storage and security. Global Relay Archive is developed, owned and operated in-house by Global Relay. It securely captures and archives all major types of electronic messages and stores them in a unified archive with federated search capabilities, allowing firms to search, view, review and manage all messages from a single inbox.

## 1. Message Types

Global Relay Archive securely captures and archives all of a firm's incoming, internal and outgoing electronic communications, including all major message types used in finance:

- Email
- Public Instant Messaging
- Social Media (LinkedIn, Twitter, Facebook)
- BlackBerry and Android Messaging (Text/SMS, PIN, Call logs)
- Bloomberg Messaging (Instant Bloomberg, Bloomberg Mail)
- Thomson Reuters Messaging (Eikon, Thomson Reuters Messenger)
- CME (Pivot)
- ICE (YellowJacket)
- FactSet
- Jabber/XMPP
- Cisco WebEx
- Microsoft OCS/Lync
- LivePerson
- OpenFire
- Web
- Chatter (Salesforce)
- Yammer
- Global Relay Message

Global Relay Archive may support message types not listed here. Please contact Global Relay to determine whether a specific message type is supported.

**a. Global Relay Archive for Email** – captures email and attachments from virtually all email platforms, including Exchange, Lotus Notes/Domino, Office 365, Google Apps, and more. Email is envelope journaled and delivered to Global Relay Archive via IMAP or SMTP with complete metadata, including Bcc and Distribution List data.

**b. Global Relay Archive for Instant Messaging (IM)** – supports major public instant messaging platforms such as AIM, as well as enterprise platforms such as ICE, CME/Pivot, FactSet, and more. Global Relay also offers Global Relay Messenger - a secure, closed network instant messaging system.

**c. Global Relay Archive for Social Media** – supports LinkedIn, Twitter and Facebook, automatically capturing and archiving social media communications in long-term tamperproof storage. Features of note include:

- i. **Rich interface display** – When viewing social media communications inside Global Relay Archive, messages appear in their original format – preserving all metadata, photos, formatting and links (as opposed to plain text without context).
- ii. **Redline view** – Compliance Officers love this: When changes are made to a social media page, such as changes in Profile information, Global Relay Archive shows a unique “redline” view that pinpoints exactly what text was altered, added or removed on social media pages (not static screenshots without tracked changes).

Note that Global Relay also offers plug-ins for archiving of enterprise social media platforms such as Yammer and Salesforce Chatter.

d. **Global Relay Mobile Device Management for Compliance** – captures SMS, PIN, call logs, and location information directly from the mobile phone. The solution currently supports Blackberry (BES and non-BES) and Android. It is ready to support iOS when Apple publishes the necessary API access.

e. **Global Relay Archive for Bloomberg** – enables Bloomberg® Messages to be automatically downloaded from the Bloomberg® FTP site and consolidated in Global Relay Archive.

f. **Global Relay Archive for Thomson Reuters** – enables the compliant use of Eikon and Thomson Reuters Messenger by logging user-generated content such as instant messages, chat room conversations and more. Global Relay is the exclusive integrated archive partner for Thomson Reuters worldwide.

g. **Global Relay Archive for Web** – preserves websites, social media and forums while accurately replicating complex interactive elements like Flash, Javascript/AJAX, video and audio, ensuring that firms can capture these important elements of their business.

## 2. Archiving Process and Controls

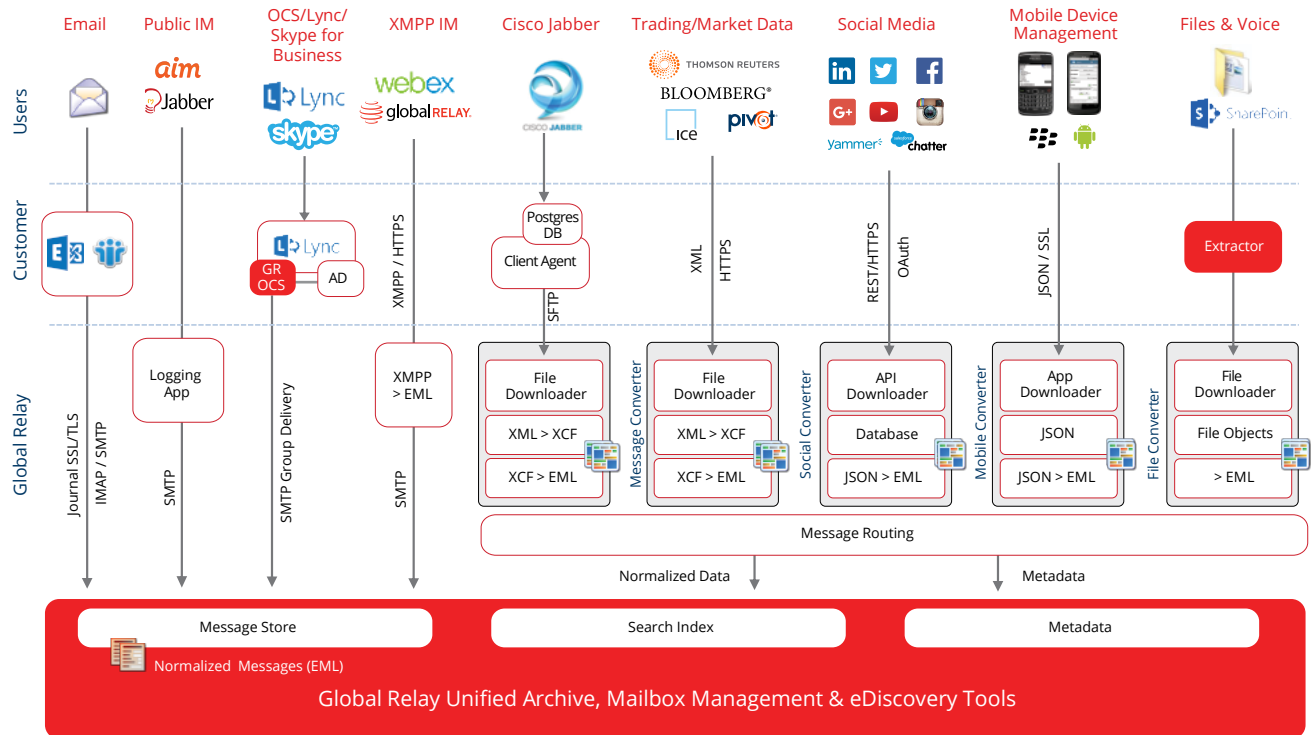
a. **Preservation & Access** – Global Relay Archive is a message archiving system for the long-term preservation, access and retrieval of electronic communications. It employs retention scheduling to manage the lifecycle of messages, ensuring compliance preservation periods are met. Following best practice standards, Global Relay Archive is able to provide “readily available” real-time access to messages through Global Relay’s two mirrored east/west coast SSAE 16/Type II certified data centres for the entire length of a firm’s required retention term. Messages are preserved on tamperproof storage with write-verification.

b. **Write-Verification** – All messages stored within Global Relay Archive are forwarded directly from a firm’s email server, messaging platform or social media site with no user intervention and preserved in their original format. Global Relay Archive automatically verifies the quality and accuracy of the storage media recording process through data comparison. As messages are processed, Global Relay Archive automatically compares the post-processed message with the original message before the original message is deleted. Global Relay Archive also has a 30 day buffer as an added level of redundancy in the write-verification process.

c. **Message Capture** – Global Relay Archive uses envelope journaling to capture and archive all incoming, internal, outgoing email, including attachments, on a domain-wide basis. Firms may also set up selective journaling rules if necessary. Global Relay uses proprietary converters, APIs, SMTP, IMAP and HTTPS to capture other message types, including IM, social media, and more.

d. **Message Unification** – Global Relay Archive securely and automatically captures a wide variety of message types (See [Section 1](#) for a complete list), converts them into EML using Global Relay developed proprietary converters, and integrates them into a unified, searchable Archive. An overview of the technologies used to process specific message types is shown below:

### A Unified Archive for any Message Type



e. **Message Indexing** – All messages are full-text indexed with complete metadata, including Subject, From, To, Cc, Bcc, Distribution Lists, and more. There are also some unique but useful metadata fields such as X-headers and IP address. Global Relay supports full-text indexing for the majority of captured attachments; specifically, all attachments which can be converted to text can be full-text indexed. We also index metadata from image files.

f. **Message Retention** – Global Relay Archive employs retention scheduling to manage the lifecycle of electronic messages, audit trails and indices, ensuring compliance requirements are met. Retention terms in Global Relay Archive are defined by each firm's Records Retention Schedules, typically ranging from 3, 5, 7, or 10+ years. Data can also be retained indefinitely for as long as a firm remains a paying customer. Note that retention terms can be extended for data that is part of one or more Legal Holds.

g. **Message Availability** – All messages in Global Relay Archive are full text indexed and preserved with complete metadata. We have a particular strength in capturing and preserving the complete and unique metadata associated with each message type used in finance. We leverage this extensive metadata to provide advanced search capabilities including Boolean, wildcarding and proximity searching. Authorized users (including reviewers, regulators and lawyers) can access archived data 24x7x365 via web browser, Outlook and proprietary mobile apps for iPhone, iPad, BlackBerry and Android. Messages can be printed, forwarded, downloaded as EML and recovered to a user's inbox. Features of note include:

- i. **Message Export** – Firms may request to have existing data exported to a standards-based formats (e.g. PST, EML). All data held can be made available via FTP transfer, DVD and/or hard drive. Global Relay assists with approximately 20 ongoing data demands on a daily basis and 15-20 regulatory audits per week. We have a 24-hour turnaround time for data exported for audits or litigation. Messages can be extracted by type, custodian and/or date. All exports include complete metadata such as Bcc and Distribution Lists.
- ii. **Online Access** – Global Relay Archive has a special user role for audit purposes called the “Ghost Reviewer.” Upon the direction of a firm, Global Relay can set up an account for a third party auditor or regulator which gives that party access to a defined subset of messages (e.g. a folder set up for the audit). The auditor or regulator can then review all of the messages online without his or her actions showing up in the audit trail. Use of the Ghost Reviewer is dependent on the discretion of the individual regulator or examiner.
- iii. **Personal Archive** – Global Relay Search provides anytime, anywhere access to archived messages via web browser, Outlook plug-in, and mobile apps for iPhone, iPad, BlackBerry and Android. All users in a firm can have real-time access to a personal Archive of their own historical messages that includes every message type in the firm’s Archive. Powerful search functionality (described above) enables users to retrieve and restore any message in seconds.

### 3. eDiscovery

Global Relay Archive captures messages for proactive ‘litigation readiness’ and provides tools for internal and external counsel and other stakeholders to conduct eDiscovery across a firm’s electronic messages.

a. **Categorization, Evaluation & Case Management** – Search results can be iteratively calculated, conducted, refined and saved to achieve relevant subsets, then placed in online “case folders” to segregate and label data relating to an audit or legal action. Reviewers involved in eDiscovery can access the case folders in order to participate in review workflows and evaluate information for relevance. Items can be tagged as responsive, non-responsive, etc. using priorities, reviewer-defined labels, and wizards.

b. **Collaboration** – Global Relay Archive provides collaborative tools for legal in-house and external counsel to conduct reviews. External counsel can be given online access to specific data related to a case in order to participate in review workflows. This external access can be disabled quickly and easily when it is no longer required.

c. **Privileged & Confidential Information** – Authorized users can mark messages as attorney/client privileged, personal, or restricted. Once marked, these messages are easily identifiable and can be excluded from any production of data. Firms can also set up customized rules to automatically scan and flag data as privileged, personal or restricted on ingestion.

d. **Legal Holds** – Firms can enforce Legal Holds by users, groups of users, cases and/or across their entire Archive independent of corporate retention policies.

e. **Complete Metadata** – Global Relay Archive is designed for electronic messaging. All data is preserved in its original format with complete and extensive metadata that is dropped by many other systems. For example, Global Relay preserves all Bcc and Distribution List data for archived emails.

## 4. Security Controls

a. **Encryption** – Global Relay Archive has end-to-end encryption to protect the privacy and confidentiality of customer data. TLS/SSL encryption is employed to ensure the privacy and security of data in transit. Data at rest is protected using a dual AES and RSA encryption system. The encryption (and decryption) process is transparent to Users.

b. **Audit trails** – All user actions within Global Relay Archive are logged in an unalterable audit trail, which documents the full lifecycle of every message (e.g. when it was imported, the retention term set, by whom it was viewed and when, etc.). Audit trails are retained for the life the message to which they relate. They are appended to each message and can be viewed by authorized users

c. **Back-Up and Disaster Recovery** – Global Relay mirrors all data between two SOC audited data centres. There are always at least four copies of every message preserved within Global Relay Archive. In the case of a catastrophic event, Global Relay systems are designed specifically to ensure the preservation and security of customer data. KPMG has conducted systems and controls testing on Global Relay's core systems, networks and internal controls to demonstrate the redundancy and security of the systems.

# Compliance Reviewer

All electronic messages deemed to be official business records should be subject to the provisions of an FCA registered firm's electronic records management and supervisory review policies and procedures. Global Relay Archive's integrated Compliance Reviewer offers extremely robust supervision and review tools that can be customized to meet any firm's unique supervisory requirements.

### 1. Overview of Compliance System Controls and Features

Once a firm's written supervisory compliance policies and procedures for electronic messaging have been established, Global Relay Archive and Compliance Reviewer can simplify enforcement by enabling the firm to:

- a. **Implement Procedures** – cost effectively implement procedures to detect and prevent compliance violations through a rules-based system in accordance with the firm's written supervisory policies. This may include multi-tier Reviewers and Super Reviewers, if applicable, and customized surveillance and monitoring privileges and capabilities to match each firm's policies regarding review and use of electronic messaging.
- b. **Electronically Supervise** – enable Reviewers, Super Reviewers and Administrators to supervise employees by using various review configurations to review any user's messages via any secure web browser. For details, refer to [Section 2 - Compliance Monitoring System](#).
- c. **Review & Document** – A simple icon based system allows reviewers to assign tags to messages to document reviewer (e.g. Reviewed, Non-compliant, Escalated, Closed, etc.). A comment field allows reviewers to add a predefined or issue specific comment. As well, the date of the reviewer's action and their username are recorded. If monitoring large numbers of users, a first level reviewer may escalate any non-compliant message to a senior compliance officer for further evaluation.
- d. **Schedule Review Time Frames** – For review purposes, a rules-based schedule for automatic message flagging and review may be implemented and customized to enforce policy time deadlines for review. If a reviewer fails to review within the set time frame, an icon indicator will automatically mark the flagged message accordingly. Reviewers also have the ability to flag and review on demand.
- e. **Review Workflow Tools** - Global Relay provides a variety of workflow tools for reviewers, including:
  - i. **Review Button** - A "Review" button on the home screen takes reviewers directly to a list of all messages they are required to review.
  - ii. **Compliance Dashboard** – The Compliance Dashboard is an intuitive interface that facilitates management of the compliance workflow, providing statistics and calculations on all messages that must be reviewed, have been reviewed and have been flagged with "action needed" as well as which messages a Reviewer has viewed but not taken action on, escalated messages, and more.
- f. **Document Activity** – During the lifecycle of a message, all actions (viewing, replying, forwarding, downloading, flagging, notation, review) by any user or the system itself associated with a message are logged in an unalterable audit trail that is available online with the associated message. The Compliance Reviewer also includes advanced on-demand and scheduled reporting features - allowing compliance officers to gain clear insight into message compliance within the firm and provide reports to the regulators, where required.



**g. Train Employees** – Firms' compliance programs include training of registered and approved persons on the firm's policies and procedures governing the compliance procedures and reviews, as well as followups to ensure that such procedures are implemented and adhered to. Global Relay will assist in this process by providing support for employee education and training with respect to Global Relay Archive and the Compliance Reviewer. The intuitive user interface is simple, virtually eliminating any learning curve. An audit trail of all reviewer actions, whether the employee is having a training session or is carrying out an actual review, is automatically logged and available, if required for proof of training.

## 2. Compliance Monitoring System

A firm may establish a highly scalable, multi-tier surveillance and monitoring structure for one or more domains, which may include one or more administrators, Reviewers and Super Reviewers, each with defined access privileges depending on review level. The Administrator has the ability to set up the firm's users and assign them to Groups or Folders. A Group may be set up for each separate business unit or division. The Administrator can then appoint Reviewers to monitor specific User Groups, and one or more partners, directors or officers may be appointed as Super Reviewers to assist Reviewers and be charged with overall responsibility for ensuring compliance. The names of persons who wrote, reviewed and approved correspondence are readily ascertainable from message metadata and audit trails. A Reviewer has access to the electronic messages of his/her assigned User Group(s) in order to carry out the first level review. Reviewer actions include the ability to annotate and escalate a reviewed message to a superior or Super Reviewer.

## 3. Preventing and Detecting Compliance Violations

Once the firm's written supervisory compliance policies and procedures have been established, the Compliance Reviewer's rule-based system can be employed to monitor message activity to enforce adherence to such policies and procedures. The Compliance Reviewer enables the review, monitoring and retrieval of a firm's electronic messages stored in Global Relay Archive, and therefore has the ability to monitor, detect and flag for review messages that may contain prohibitions set forth in the firm's policies.

**a. Flagging for review** – Messages of any User may be flagged for review by any combination of the following methods:

- i. General Flagging Rules** – General Flagging Rules are a list of keywords and phrases that flag messages across a firm's Archive. Specific phrases can be excluded from flagging (e.g. "guarantee" might be included in a flagging lexicon but the phrase "does not guarantee" can be excluded). Messages can also be excluded by Sender, Recipient, Subject, Message Direction, Group, Folder and Header Line. Global Relay Archive can calculate the number of hits by each keyword/phrase to ensure effective lexicon use.
- ii. Advanced Flagging Rules** – Advanced Flagging Rules allow firms to create multiple specialized flagging rules tailored to meet the unique supervision requirements of different groups or departments. Firms can apply different flagging rules to each review group (e.g. traders vs. research analysts), create very specialized keyword matching conditions that include Boolean logic as well as proximity, phrase and wildcard operators, prioritize each rule to ensure messages are flagged for the right reason, and more.
- iii. Manual Real-Time Search** – Proprietary search technology allows authorized users to conduct searches using structured queries based on any combination of various search parameters (all, date, date range, To, From, Cc, Bcc, Distribution List, Subject, keywords contained within a message or attachment, X-Header, alias, attachment file name, events, etc.). As well, Global Relay Archive supports Boolean (AND, OR, NOT), wildcard, word stemming, relational/proximity searching, events and exclusion filtering, tags, labels, priorities, and compound queries. Searching can be done across the entire Archive or across specific folders, groups and/or users as well as across all message types or a specified subset of types.
- iv. Random Sampling** – Random sampling percentages can be set by group or message direction. A random sampling percentage can be added to any Advanced Flagging Rule to reduce the number of messages flagged for review.

**b. Supervisory Review & Evaluation** – A firm may establish a multi-tier surveillance and monitoring structure for one or more domains, which may include one or more Administrators, Reviewers and Super Reviewers, each with defined access privileges depending on review level. Reviewer actions include the ability to annotate and escalate a reviewed email to a superior or Super Reviewer. Each Reviewer will be assigned specific Users to monitor in order to ensure confidentiality within the firm, by preventing inappropriate viewing of messages. Global Relay Archive’s supervision and review functionality is incorporated into an icon-based review system and Compliance Dashboard to provide a summary of the status of all messages. Reviewers and Super Reviewers, via an intuitive user interface, can instantaneously retrieve any flagged message for review.

**c. Explanatory Evaluation Comments** – In addition to marking the message status, a predefined or issue specific comment may accompany all non-compliant, escalated or reviewed messages. A firm is able to create a predefined comment list that may include tags such as: “False or Misleading Information”; “Unjustified Promise of Results”; “Unwarranted Conclusions”; “Future Forecast”; “Inadequate Description of Risks”; “Abusive Content”; or “Detrimental to Public Interest”).

**d. Transparency** – Note that a firm’s supervisory policies and procedures should maintain transparency and disclose to its employees and representatives that all electronic messages are being archived. Proper notice and updates should be given to employees to ensure that such employees are fully informed of electronic message retention, monitoring, supervisory review, usage and archive policies being undertaken and upheld within the firm.



# Contact Global Relay

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