



Renaissance Regulatory Services

## Broker-Dealer Fact Sheet

## Compliance Through Reliance

# Supervisory Controls

RRS can assist your firm with its compliance with FINRA's Supervisory Controls requirements. Whether you are developing and drafting supervisory control procedures, or seeking an independent party to test existing controls procedures, RRS' staff has the necessary regulatory and compliance experience and expertise to help ensure that your supervisory controls are adequately designed for your firm's business.

**RRS Supervisory Controls Procedures** – RRS will help develop your supervisory controls through a comprehensive process that includes a Gap analysis of your business model, products, services and processing methods to develop a system of supervisory controls uniquely tailored to your firm's business and operations. RRS consultants will work closely with your supervisory staff to ensure that the final product meets regulators' and your firm's needs and expectations. This close involvement with key supervisory staff helps to enlist buy-in by supervisory personnel and avoids having the final product wind-up sitting on the shelf.

**Supervisory Controls Testing** – Our consultants will review your supervisory control procedures to test and verify that they are sufficient and address the requirements of FINRA Rule 3120, including the controls your firm uses to monitor producing managers' customer trading activity. Where deficiencies are noted, RRS can recommend and draft additional supervisory control procedures. RRS will determine the need for heightened supervisory procedures and verify that supervisory controls are effective and compliant.

RRS will also review branch office examination procedures to assess compliance with the mandatory inspection cycles for supervisory branch offices, non-supervisory branch offices and unregistered locations. The resulting examination records will be reviewed for compliance with FINRA Rule 3120's inspection report content and retention requirements. Included within the review is testing of the firm's order memoranda for compliance with amended FINRA Rules 3110(d) and 2510(d)(1) and any mail holding service provided to the firm's customers.

**Renaissance Regulatory Services, Inc.**  
[www.RRSCompliance.com](http://www.RRSCompliance.com)

# About Us

Renaissance Regulatory Services, Inc. was built on the premise that the financial services industry is constantly changing, so our clients need the most contemporary tools and insights in order to adapt to the unique compliance and operational challenges that arise in this ever-evolving environment.

Our purpose today is the same as it was on the day we were founded in February 2006: to empower our clients to Manage Through Change, with comprehensive and proactive solutions and audits designed by Real, Reliable consultants, and tailored to our clients' Strategic needs.

## Contact Us

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## *Compliance Through Reliance*

# Supervisory Controls

**CEO Certification** - FINRA Rule 3130 requires Chief Executive Officers (CEOs) of member firms to annually certify that the broker-dealer has processes in place to achieve compliance with FINRA rules, MSRB rules and federal securities laws and regulations.

RRS can assist FINRA member broker-dealers with the annual certification by reviewing the firm's procedures to determine whether they meet Rule 3130 requirements, namely processes to:

- 1) Establish, maintain, and review policies and procedures
- 2) Modify such policies and procedures as changes and events dictate
- 3) Test the effectiveness of such policies and procedures on a periodic basis

This includes verification of one or more meetings annually between the CEO and CCO to address the issues outlined in the Rule. RRS provides a report (the "annual compliance report") that evidences the compliance procedures, along with the certification language of FINRA Rule 3130, which the CEO can review, certify, and submit to the member's Board of Directors and Audit Committee. The annual compliance report will include the manner and frequency in which the processes are administered and those officers and supervisors responsible for their administration. The annual compliance report is not required to contain conclusions drawn from the testing of the compliance processes. RRS can simultaneously conduct a general compliance review as required under amended FINRA Rule 3110 while onsite and provide a separate report documenting the review and describing any findings and recommendations.

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