



Designated Third Party (D3P) Compliance Service

**FACE YOUR NEXT SEC and FINRA
AUDIT WITH CONFIDENCE**

Business Challenge

The Securities and Exchange Commission (SEC) requires broker-dealers to adhere to numerous regulations, including SEC Rule 17a-4(f)(3)(vii), which details stringent requirements on how electronic data is stored. Broker-dealers are required by this rule to retain a designated third party who can access electronically stored information for the SEC's review.

How Globanet Can Help

Globanet's Designated Third Party service offers a safe, secure and compliant solution. Through its Designated Third Party (D3P) Service, Globanet assists financial institutions in meeting the SEC's and FINRA's requirements. Users who have D3P have their data continuously available which helps achieve compliance. Our comprehensive environmental plans not only satisfy the independent third-party requirement, but also help uncover system and configuration issues in advance of an audit.

Globanet's detailed methodology involves analyzing your compliance status with record archiving and retrieval procedures to the SEC, FINRA and/or other regulatory authorities. The result is peace of mind and assurance that your firm has satisfied these requirements in a secure and reliable manner.

What if Your D3P Service Provider Could...

- Have documented procedures for accessing data in your system, including the types of data that are subject to regulations?
- Create a System Configuration Plan (SCP) for each system?
- Have a qualified and experienced systems analyst review and validate your System Configuration Plan?
- Enjoy the credibility of partnering with a Fortune 500 provider of designated third-party services?
- Have the security of a provider with the longevity and stability you need to ensure that the designated third-party services are there when needed?

What Requirement Does Globanet Fulfill?

Our D3P service supports the requirement of SEC 17a-4(f)(3)(vii) known as the Designated Third Party. Globanet's D3P service works with any WORM compliant (write once, read many) storage application, regardless of whether it is on-premises or in the cloud. Globanet will work with your technical team to guide us through your network and access the systems and records we have been asked to cover.

Globanet offers two forms of testing based on which one would be the best fit for the needs of the client:



Online

Client provides remote access for Globanet to access the system online.



Onsite

Globanet's analyst visits the client's facility to perform testing.

What is included with the service?

- All the necessary documents to file with the Securities and Exchange Commission (SEC) and self-regulatory organizations.
- A Letter of Intent that can be used as proof we are working towards the Letter of Undertaking.
- A Letter of Undertaking for repository.
- A yearly update that goes through a full cycle of the download procedure to cover any infrastructure changes.
- An annual test and test report to show compliance and validate our ability to perform and access on behalf of the regulators.

How This Affects You

- You don't want your company to be front-page news for the wrong reasons.
- Your customers only want to work with broker-dealers they can trust.
- You need to show compliance with SEC Rule 17a-4.
- FINRA auditors are asking for proof that broker-dealers have established this important designated third-party relationship.

SEC Rule 17a-4

SEC Rule 17a-4 is part of the U.S. Securities Exchange Act of 1934 which outlines requirements for data retention, indexing, and accessibility for companies that deal in the trade or brokering of financial securities such as stocks, bonds, and futures.

According to the rule, records of numerous types of transactions must be retained and indexed on indelible media with immediate accessibility for a period of six months, and with non-immediate access for a period of up to seven years. Duplicate records must also be kept within the same time frame in a separate location.

Globanet is a leading provider of email archive migration, compliance and eDiscovery solutions. Our Designated Third Party (D3P) compliance solution gives you a simple and trusted way to create, test, and maintain a System Configuration Plan that demonstrates compliance with SEC and FINRA regulations.

