COMPLIANCE CONSIDERATIONS FOR POLICY NOTIFICATIONS AND DISCLAIMERS

THETA LAKE

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SUBJECT

This brief sets out the compliance considerations for financial services firms to consider when using technology platforms to manage the insertion of policy notifications and disclaimers into unified communications and collaboration (UCC) chat platforms.

We also outline the applicable regulations in the US, UK and Canada, and analyze a few use cases to demonstrate how regulatory compliance mandates for the use of policy notifications and disclaimers apply in specific scenarios.

HOW DISCLOSURES & DISCLAIMERS ARE USED

Financial services organizations include written policy notifications and disclaimers in their chat communications to help manage risk, provide transparency, and comply with regulatory requirements. For example, notifications are used to highlight important information to customers, ensuring they are aware of the potential risks or limitations associated with financial advice. By setting out the scope of services and the limitations of responsibility, disclaimers help protect firms from legal liability while giving clients the clarity needed to make informed decisions.

Notifications and disclaimers are also used by firms to support compliance with regulatory obligations and firm-wide policies. For example, they are used to remind employees of the firm's expectations about how information should be handled and shared, in order to prevent compliance issues relating to market abuse, data privacy, or conflicts of interest. By guiding participants on the rules governing a conversation, policy notifications reduce the risk of inappropriate communications.

When used in chat platforms, such as Microsoft Teams Chat, Zoom Chat, or Webex Messaging, notifications and disclaimers must be prominently displayed to participants so that they clearly understand their responsibilities and the context of the information being shared.

To illustrate, what follows are real-world examples of using notifications and disclaimers in financial services organizations. We will revisit these use cases in Section 5 and provide guidance about the relevant regulatory requirements.

EXAMPLE A:

General communications - reminder of firm's policies

A global organization includes a disclaimer in all Microsoft Chat messages stating that employees are bound by the firm's policies and Code of Ethics. The disclaimer is used to remind staff of their conduct, regulatory and other obligations when interacting on the organization's communication platform.

EXAMPLE B:

Investment banking - policy notification on sharing MNPI

A registered representative at a US broker-dealer holds a financial review meeting with an individual investor using Webex, to check that their investments are on track and make any changes needed. Slido Q&A and polling is used to assess the investor's risk tolerance and reaction to proposed strategies. Following the meetings, Webex AI Assistant creates a summary of the key points discussed and investment changes needed. The registered rep shares the summary in an email with the customer as a record of decisions made and follow up actions.

EXAMPLE C:

Client facing communications – scope of advice disclaimer

The client-facing chat communications of a US bank include a disclaimer stating that the content should not be treated as investment advice, and that any information shared is of a general nature and not tailored to individual circumstances. The disclaimer ensures that communications through chat channels are not misinterpreted by clients as investment recommendations.

THE KEY CAPABILITIES FOR NOTIFICATIONS IN DIGITAL COMMUNICATIONS

Organizations should consider the breadth of capabilities for including notifications and disclaimers in chat communications when assessing possible solutions. Multiple features factor into the successful deployment of an application to manage real time notifications.

Where available, Digital Communication Governance and Archiving (DCGA) tools enable the automatic, customizable, real-time insertion of policy notifications or disclaimers directly into chat conversations. This includes insertion of notifications and disclaimers into in-meeting chats, group chats, and one-to-one conversations for both internal and external participants.

The insertion of disclaimers can be driven by participant identity and group membership, which enables targeted notifications to be delivered to users based on their business unit, geography, or job role. Multiple and distinct notifications can be delivered in the same chat that may span different business units, organizations, or regions, ensuring that participants are notified of relevant guidance such as country-specific conduct policies.

Disclaimers can be customized to fit different contexts. They may be general, or tailored to user groups, such as providing regulated employees with reminders of specific rules. They can be included as a single meeting disclaimer at the start of a session, or as recurring reminders that appear when users type in the chat. They can also be customized to include links to training materials or policies.

Where there are changes in chat activity, such as participants joining, leaving, or rejoining chats, notifications can be inserted when activity resumes or starts. Firms can configure how often messages appear, whether triggered by new participants, leavers or long periods of inactivity.

Automated notification capabilities provide firms with evidence that can be provided to regulators, auditors or attorneys where requested, including setup logs, and searchable archived copies of conversations with notifications.

KEY REGULATIONS SUPPORTED BY POLICY NOTIFICATIONS AND DISCLAIMERS

While regulators across the US, UK, and Canada do not specifically mandate the inclusion or wording of notifications or disclaimers in chat communications, financial services firms use them as a practical way to demonstrate compliance with a wide range of regulatory obligations.

For example, market abuse rules require firms to maintain market integrity and prevent insider dealing by restricting the sharing of material non-public information (MNPI). Notifications reminding employees that confidential information must not be discussed or shared in chat conversations help firms comply with rules such as Article 14 of the UK Market Abuse Regulation, which prohibits the unlawful disclosure of inside information. In the US, the SEC enforces similar provisions under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, which prohibit fraudulent conduct in securities transactions. In Canada, the obligations are set out in the Canadian Investment Regulatory Rule 3508.

Policy notifications can also support compliance with data protection and privacy obligations such as the UK General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA) in the US, and the Personal Information Protection and Electronic Documents Act (PIPEDA) in Canada. By reminding participants not to include personal data in chat channels, notifications help firms ensure they are not collecting or sharing personal information inappropriately.

Disclaimers support compliance by clarifying the scope of advice and responsibilities in customer interactions. For example, FINRA's Communications with the Public Rule 2210 requires member communications to be fair and balanced, ensuring that investors do not receive misleading information. As outlined in FINRA Regulatory Notice 19-31, communications used in the sales process—such as promotional content discussing product or service benefits—must also provide a balanced view of risks or drawbacks. Disclaimers can remind customers that chat conversations should not be relied upon as part of the sales process. However, firms remain responsible for ensuring that communications are not false or misleading. The SEC's Interpretive release on the Use of Electronic Media emphasizes this point, noting that it does not "...view a disclaimer alone as sufficient to insulate an issuer from responsibility for information that it makes available to investors."

Similarly, in the UK, in accordance with the FCA's PRIN 2.1 (The Principles for Businesses), firms must ensure that communications are clear, fair, and not misleading, while taking reasonable care to ensure the suitability of advice. The FG24/1: Finalised guidance on financial promotions on social media highlights that any form of communication "is capable of being a financial promotion if it includes an invitation or inducement to engage in investment activity". As set out in PERG 8.3.1, a disclaimer may help a firm avoid inadvertently presenting investments as suitable for particular customers or implying that advice is based on a consideration of the customer's circumstances. However, as clarified in PERG 8.30B.21G, including a disclaimer is not, on its own, sufficient to prevent a communication from being considered a personal recommendation.

INTERPRETATIONS OF THE RULES AND APPLICATION TO THE USE CASES

To illustrate how the use of policy notifications and disclaimers applies to regulatory requirements in practice we can consider the use cases outlined in section 2.

EXAMPLE A:

General communications - reminder of firm's policies

In the first scenario, a global organization uses automated policy notifications in all Microsoft Chat messages to remind employees that they are bound by the firm's policies when interacting on the organization's communication platforms. As a regulated organization, many of the policies set out in the employee handbook, such as the Code of Ethics and Privacy Policy, are designed to ensure compliance with rules and regulations. By providing notifications with links to policies based on the user's jurisdiction, the reminders help the organization ensure that employees are aware of relevant global privacy laws ranging from GDPR in the UK to the CCPA in the US. In addition, the deployment of policy notifications as well as the records of communications, enables the organization to demonstrate how they reinforce compliance with privacy laws to auditors and regulators.

EXAMPLE B:

Investment banking - policy notification on sharing MNPI

In scenario B, the UK broker dealer's insertion of policy notifications into the Zoom Chat communications of its investment banking team reminds participants that they must not discuss or share material non-public information. By guiding traders, bankers, and advisors in real time, it reduces the risk of inappropriate information flows across desks, business units, or jurisdictions, supporting compliance with the firm's obligations under the Market Abuse Regulation. It also provides the bank with audit-ready evidence that can be provided to regulators to demonstrate how market abuse policies and controls are reinforced.

EXAMPLE C:

Client facing communications – scope of advice disclaimer

In example C, the US bank inserts a disclaimer in client-facing chat communications to remind customers that the content should not be treated as investment advice. It clarifies that any information shared is general in nature and not tailored to individual circumstances. By setting these expectations, the firm reduces the risk that clients misinterpret chat communications as investment recommendations or part of the sales process. This approach supports compliance with FINRA's Communications with the Public Rule 2210, which would otherwise require specific disclosures and risk warnings relating to products and services. However, the use of a disclaimer alone does not remove the firm's responsibility—advisors must still ensure that all information provided is fair and not misleading.

ABOUT THETA LAKE

Theta Lake's multi-award-winning product suite provides patented compliance and security for modern collaboration platforms, enabling limitless integrations to unify the capture of any UCC platform across all channels. Major integrations include Zoom, RingCentral, Microsoft Teams, Webex by Cisco, Slack, Asana, Movius, Mural, and more. Theta Lake can capture, act as a unified archive connector across modalities for pre-existing archives of record, and/or act as a completely unified archive for all eComms, aComms (voice), vComms (video and images), aiComms (AI tools), and more. In addition to comprehensive capture and archiving, Theta Lake enables unified search and full replay across all modalities and content types including full conversation views across meshed UCC tools and media types. With unified visibility, customers can more successfully implement proactive compliance using patented ML and AI to detect regulatory, privacy, and security risks in communications. Visit us at ThetaLake.com or LinkedIn.