



# Best Practices for Messaging, SMS and Chat Record-keeping and Supervision

Improve archiving, search, surveillance and regulatory response, while improving employee productivity by using Unified Communications (UC) tools including RingCentral, Zoom, Movius, Symphony, and more

## The compliance challenge of modern communications

Hybrid work environments are driving mass adoption and maturity in the usage of modern communication tools for messaging, chat, SMS, and more. Everyone knows it, including the regulators who are showing little forgiveness for financial services firms that have not modernized their record-keeping and surveillance of those tools.

Regulatory record-keeping and supervision obligations are critical for oversight and often stretch across geographic and product boundaries encompassing the key global regulatory bodies including the FCA, ESMA, FINRA, NFA, ASIC, and others. The SEC and CFTC are hyper-focused on the risks of non-compliant use of electronic messaging systems and have doled out billions of dollars in fines for routine failures to capture, retain, and supervise communications on UC platforms.

As SEC Chairman Gensler observed “[a]s technology changes, it’s even more important that registrants ensure that their communications are appropriately recorded and are not conducted outside of official channels in order to avoid market oversight.” ESMA also weighed in on the need for complete capture of communications stating in a recent set of FAQs that it “will not produce an exhaustive list of electronic communications because of the continuing innovation and advancement in technology which would mean the list frequently becomes out of date.” Firms must take a proactive, common sense, technologically savvy approach to compliance or risk severe consequences.

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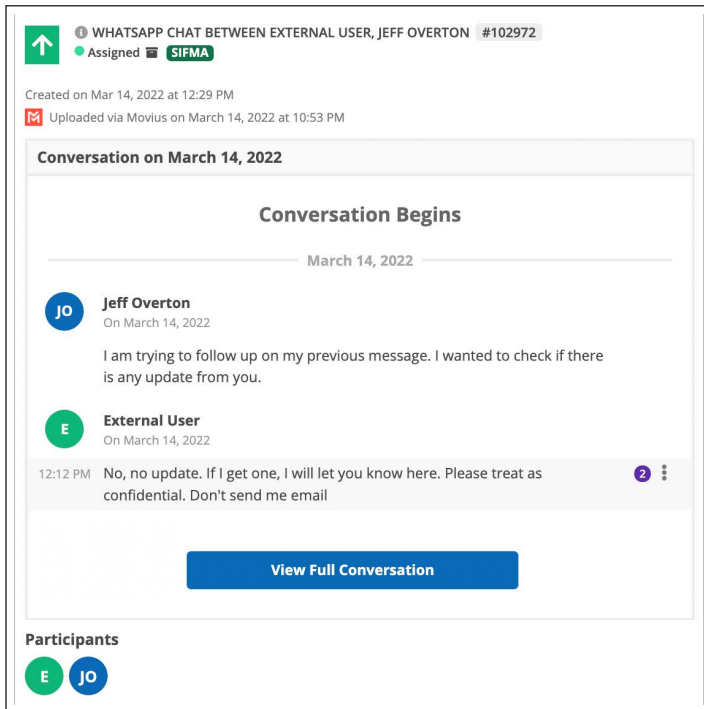
—SEC Chair Gary Gensler

Clearly, the shift in regulatory expectations took a while to sink in, and firms relying on a backstop of “paper policies” know that it is no longer satisfactory. Simply put, end-users circumvent firm policies because they want to use the best communication tools that their customers and partners use. Organizations that “say no” and missed adopting the new tools over the last three years find themselves at a significant disadvantage from both an IT and compliance perspective. Firms’ failure to deploy the most useful UC tools, coupled with the hybrid work world where in-person communications have moved to hybrid digital spaces created a “work-around” culture, which results in serious record-keeping and supervision lapses. However, this problem can be fixed, and the fix can be rapid and executed with significant supplemental benefits.

### REGULATORY CRACKDOWN

**“Regulators are poised to extract about \$1 billion in fines from the five biggest US investment banks for failing to monitor employees using unauthorized messaging apps.” Bloomberg**

- *An SEC investigation is probing how banks are preserving work related communications driven by the use of mobile communications, SEC*
- *Bank fined \$200 million for ‘letting employees use WhatsApp to evade regulators’ reach’ CNBC*
- *Trader fired after personal mobile phone scrutinized. Bloomberg*
- *Bank’s management board takes pay cut over widespread use of private communication channels. Reuters*
- *SEC is reportedly checking banker cell phones in a Wall Street messaging probe. Marketwatch*



Review messages in a full conversation view, preserving context and fidelity, that provides access to historical messages and related content.

## Modern approaches to mitigate the risks

Managing employee productivity and compliance obligations requires thinking carefully about both the UC tools being deployed and related oversight technologies. And, given that 91% of financial services firms are using multiple messaging applications according to [Theta Lake's 2021 Modern Communications Survey](#), a comprehensive and flexible approach to compliance with support across the UC platform spectrum is key. To put a fine point on the extent of the rapid growth of these UC platforms, [Microsoft Teams](#) now has 270 million monthly active users, [Slack](#) has 12 million daily active users, and [Zoom](#) has roughly 300 million daily meeting participants. Those are staggering numbers that evidence user enthusiasm for these new modes of communication and should spur a sense of urgency for firms who have not yet fully opened up these applications for use.

Deploying these tools in conjunction with a thoughtful and comprehensive communications compliance strategy that can be executed iteratively over time will provide meaningful business value across the organization.

**STEP 1:** First, firms should choose modern UC tools that employees want to use and enable all the rich interactive capabilities like SMS, chat, integrated calling features, and more to support the needs of the hybrid workforce. For example, firms can deploy a diverse set of UC tools to support SMS and mobile calling through Zoom Phone, RingCentral, or Movius while enabling dynamic chat through Microsoft Teams, RingCentral, Slack, Symphony Webex Messaging, or Zoom Chat. An approach that utilizes multiple platforms also provides the ability to open up consumer applications like WhatsApp and social media sites through Movius or Symphony.

The upside of choosing dynamic UC applications is that they offer superior user experience as well as seamless integrations with compliance platforms to solve for the regulatory and operational issues confronting firms.

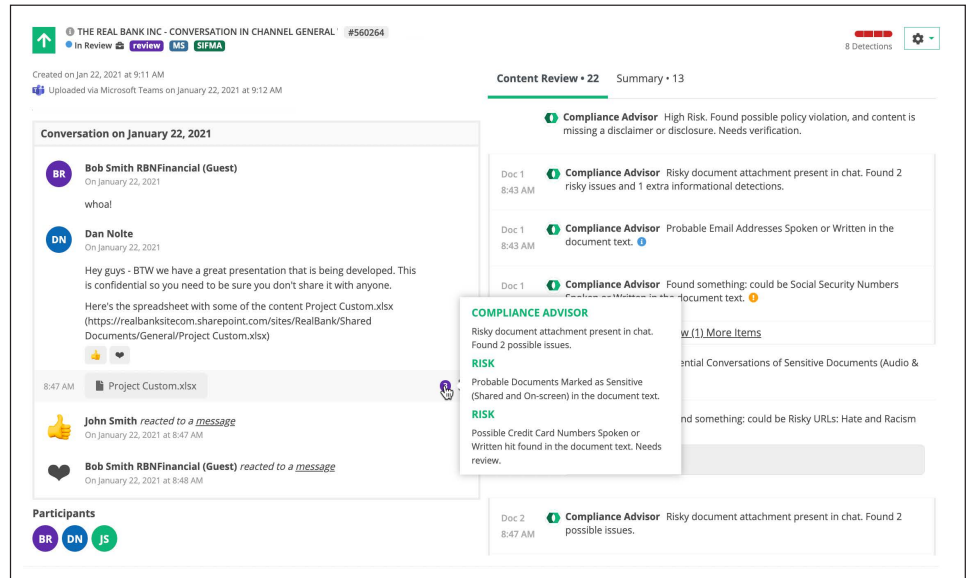
**STEP 2:** After alignment on the right UC tools for your organization, choosing supporting compliance technologies that capture, retain, and supervise every aspect of these conversations while providing the flexibility to incrementally handle change is important.

This process should be initiated by utilizing compliance tools that can fill in the gaps for UC features that legacy systems do not support, such as chat reactions, emojis, and GIFs that are used in SMS, Zoom Phone, or RingCentral Phone communications. Theta Lake supports all of these features and its Chat Connector captures this information and routes it to existing archives to enable investigations, e-Discovery, and regulatory response processes. Theta Lake's Chat Connector allows compliance officers and IT to claim quick wins with minimal effort, opening up the UC platforms and features employees are clamoring for and enabling compliance without disrupting ingrained operational protocols.

Firms can build upon this foundation by gradually incorporating new channels. Organizations may expand messaging offerings by adding Movius or Symphony to support audio calling, SMS, social media, and WhatsApp integrations, or expanding deployments of Zoom, Microsoft Teams, or Webex Meetings. Theta Lake can analyze these new e-comms to facilitate advanced search across content types and the application of AI-based risk detections to identify regulatory, privacy, or security issues. The Chat Connector generates enriched archive messages with SMS, audio, chat, emojis, and reactions, routing them to existing archives to minimize disruption.



**STEP 3:** The final step in this process is the full transition to Theta Lake for proactive compliance and oversight to capture, retain, and supervise all conversation channels and data. Theta Lake’s platform situates all content in context—ingesting complex conversations and presenting them to reviewers in a native format that reproduces the look and feel of the source system. Theta Lake’s platform also includes the ability to redact and remediate chat and collaboration content. For example, muting audio or obfuscating video containing personally identifiable information like email addresses or account numbers. In addition, remediation allows for the removal of sensitive or inappropriate content like Social Security Numbers or profanity in persistent, permanently accessible, conversations. Remediation ensures that problematic content is removed from the UC communications so that it is not continuously exposed to conversation participants. Finally, Theta Lake can be used to inject disclaimers into chat conversations to meet global legal and privacy obligations, facilitating cross-border interactions that are critical to complex, global financial institutions.

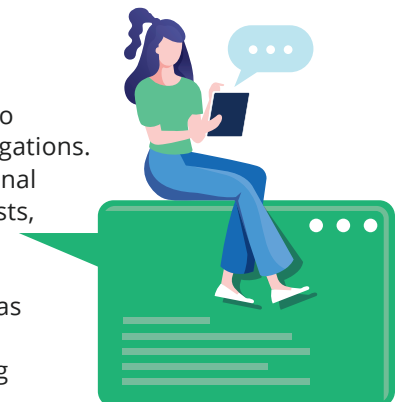


*Review mobile messaging content for compliance and data loss risks using 90+ pre-built policies and any customer-created custom rules.*

## Key Productivity and Compliance Benefits

The benefits of this strategic approach to employee productivity and compliance are clear.

- Employees can use the tools they prefer to interact with customers, colleagues and others within the organization making them more productive. Ease of use means the option to switch channels freely, for example from a Slack chat to a Zoom meeting to a Teams group channel to interact with the right people to get things done.
- Providing employees with platforms of choice also reduces the need to seek out unmonitored channels as unlocked UC applications can be used without restriction. The availability of dynamic UC features contributes to higher messaging compliance rates and prevents problematic conversations on non-approved platforms that have raised the ire of regulators.
- Similarly, supervision processes can be drastically simplified and made more efficient by leveraging purpose-built AI-based technologies. Presenting UC conversations in native format with each risk pinpointed in the timeline supports more efficient and effective supervisory processes. Compliance officers can quickly jump from risk to risk in the timeline, assessing the issues in a days-long chat or hour-long meeting in a few minutes.
- Additionally, smart workflows can sample and route content based on its risk score, source platform, or geography, ensuring that relevant conversations are surfaced to the appropriate compliance team for supervision.
- More consistent use of feature-rich, firm-approved messaging systems contributes to increased compliance with the added effect of less effort expended on costly investigations. Investigations teams must manually search messaging archives, business and personal devices, and external mail and messaging accounts in response to regulatory requests, so firms must be focused on reducing the incidence of these burdensome engagements. In the event that searches are required, Theta Lake’s ability to search and apply legal hold to content using concepts like ‘change of venue’ conversations as well as across images, text, emojis, and audio improves accuracy and efficiency of investigations saving time and ensuring that productions to regulators and opposing counsel are accurate and complete.



## Best Practices and Recommendations

### ■ Focus on increased productivity and reduced cost of compliance

Embracing modern UC and compliance tools will improve employee productivity and reduce the costs of compliance across the board from routine reviews to sanction avoidance. Employees will be happier using all the tools and features they desire. Compliance teams will examine relevant conversations, realize efficiencies in the review process, all without interfering with existing practices.

### ■ Ensure easy adoption

All-in-one applications that provide voice, chat, SMS, and other collaboration features like Zoom, Slack, Webex, RingCentral, and Teams will make for easy adoption and enthusiastic employees who enjoy working with these tools. And, as discussed above, firms are using multiple UC tools to address business-specific needs, so selectively deploying applications and specific features to meet demands can be an iterative process.

### ■ Take a risk-based approach

As you deploy new compliance tools, starting with areas where the risk is highest, such as the SMS and other consumer messaging apps currently under intense regulatory scrutiny, is recommended. Firms can leverage solutions like Movius or Symphony to expand compliance coverage for consumer applications like WhatsApp, WeChat, Twitter, and LinkedIn and quickly archive content using the Chat Connector, or within Theta Lake's SEC Rule 17a-4-compliant storage.

### ■ Don't disrupt existing processes

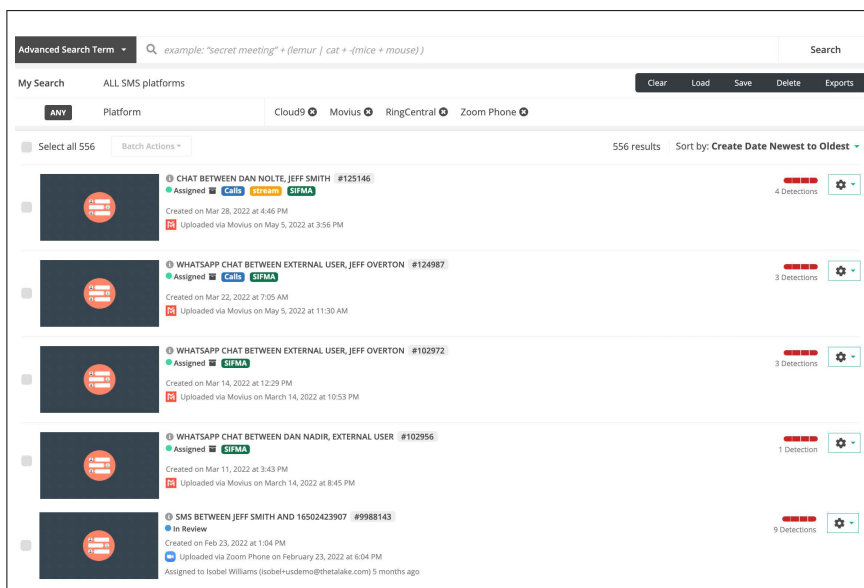
Adding compliance coverage without upending firm processes is essential. The Chat Connector is an excellent starting point in a UC compliance journey, allowing compliance to open up access to previously disabled platforms and allowing employees to use the tools popular with their customers and prospects.

### ■ Use compliance platforms with meaningful UC relationships and investment

Scrutinizing vendor claims about the depth of integrations is an important step in the assessment process. At Theta Lake, all of our UC integrations are part of broader partnerships that provide benefits like early access to new features and advance API availability. As a testament to Theta Lake's modern approach to communications compliance and supervision, our strategic investors include the leading UC platform providers: Cisco, RingCentral, Salesforce/Slack, and Zoom. Theta Lake is also a Microsoft-certified compliance recording platform for Teams and our application has been vetted by, and appears in, the apps stores of Microsoft, Slack, Zoom, and others. These partnership relationships allow Theta Lake to rapidly implement the newest, most popular UC platform features and keep customers in the loop about upcoming changes.

### ■ Anomaly detection and monitoring controls

Since recent fines have encompassed scenarios where connections to existing messaging platforms faltered, anomaly detection and reconciliation must be top of mind as well. Theta Lake continuously monitors platform integrations and reports on potential issues. Integration status reporting identifies issues early to allow firms to take appropriate remedial action. The reports themselves can be provided to regulators in the event of an outage or interruption to demonstrate proactive



*Instantly search Messaging, SMS, and Chat across RingCentral, Zoom, Movius, Symphony, and more using robust eDiscovery tools*

awareness of problems, related workarounds, and resolution outcomes.

## Closing thoughts

With the global shift to remote work, choosing the right UC and compliance tools is more important than ever. Firms must prioritize productivity and compliance—both are equally essential to employee and firm success. The symbiosis between the leading UC tools and Theta Lake minimizes the friction of adoption and reduces the cost and effort associated with compliance and supervision. As collaboration platforms continue to mature, it's essential to have compliance tools like Theta Lake that are flexible and innovative – providing organizations with a reliable and adaptable set of compliance controls.



**Interested in learning more about Theta Lake?**

Contact us for a demo [here](#)

**ABOUT THETA LAKE.** Theta Lake's multi-award winning product suite provides patented compliance and security for modern collaboration platforms, utilizing over 100 frictionless partner integrations that include RingCentral, Webex by Cisco, Microsoft Teams, Slack, Zoom, Moviis and more. Theta Lake can capture, compliantly archive, and act as an archive connector for existing archives of record for video, voice, and chat collaboration systems. In addition to comprehensive capture and archiving, Theta Lake uses patented AI to detect and surface regulatory, privacy, and security risks in an AI assisted review workflow across what is shared, shown, spoken, and typed. Theta Lake enables organizations to safely, compliantly, and cost-effectively expand their use of communication platforms. Visit us at [ThetaLake.com](https://thetalake.com); [LinkedIn](#); or [Twitter](#) at [@thetalake](#).