

## REVIEW OF PRACTICES -BICE

Current practices for advisors and for compliance must be revised and written procedures prepared to satisfy the Best Interest Contract Exemption (“BICE”). Existing practices must be examined to determine which must be changed, eliminated and new practices adopted. In addition to BICE requirements, revised practices must meet the financial institution and advisor’s business goals:

BICE Requirements	Potential Business Goals
<ul style="list-style-type: none"> <li>▪ <b>Act in best interest of client</b> Procedures must include discovery of what the clients’ interests are, interpretation of those interests and resulting recommendation.</li> <li>▪ <b>Receive no compensation above a reasonable level</b> Procedures must determine what a reasonable level is for the services being rendered and compare to the compensation being paid.</li> <li>▪ <b>No misleading statements</b> Procedures must define method of review to determine if statements are misleading.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economically feasible</li> <li>▪ Usable in practice</li> <li>▪ Employ best practices</li> <li>▪ Competitive</li> <li>▪ No unnecessary business risks</li> <li>▪ Reliable, repeatable and scalable</li> <li>▪ Support for Advisors</li> <li>▪ Have controls and exception handling</li> <li>▪ Retain revenue</li> <li>▪ Enable growth</li> </ul>

## DALBAR EXPERTISE

With a decade of experience auditing fiduciary practices for regulatory compliance and business goals, DALBAR is highly qualified to examine current practices and develop a plan for revising these practices in the most effective way to meet both regulatory requirements and business goals.

The DALBAR review of current practices consist of four steps:

- **Determination.** This step identifies what specific aspects of BICE are applicable and the importance of the various business goals.
- **Data Gathering.** DALBAR interviews key stakeholders to fully understand the current practices, impacted by the DoL Fiduciary Rule.
- **Analysis.** Findings are reviewed and plausible scenarios created that meet the objectives of complying with the exemption and alignment with the business goals.
- **Report.** DALBAR prepares recommendations that are reviewed and amended if necessary and used to develop the course action.

The cost of the review depends on how extensive and well documented the practices are. Minimum cost is \$10,000.