

REVIEW OF WRITTEN PROCEDURES -BICE

The written procedures required to satisfy the Best Interest Contract Exemption (“BICE”) must also be effective when implemented. In addition to BICE requirements, these procedures must meet the financial institution and advisor’s business goals:

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

New and changed procedures should be examined before being implemented to determine if all required standards are met.

DALBAR EXPERTISE

With a decade of experience reviewing fiduciary procedures for regulatory compliance and business goals, DALBAR is highly qualified to examine written procedures developed for BICE, identify opportunities for improvement and to render an opinion.

The DALBAR review of BICE procedures consist of three steps:

- **Determination.** This step identifies what specific aspects of BICE are applicable and the importance of the various business goals.
- **Assessment.** After receiving the written procedures, DALBAR will compare them to applicable regulatory requirements, known practices in the market and the specific goals determined earlier.
- **Report.** DALBAR prepares a report of findings that are reviewed and amended if necessary and used to plan any required action.

The cost of the review depends on the length and complexity of the procedures, agreements and other associated documents and systems. Minimum cost is \$7,500.