



# THE DEFINITIVE GUIDE TO ELECTRONIC COMMUNICATIONS CAPTURE

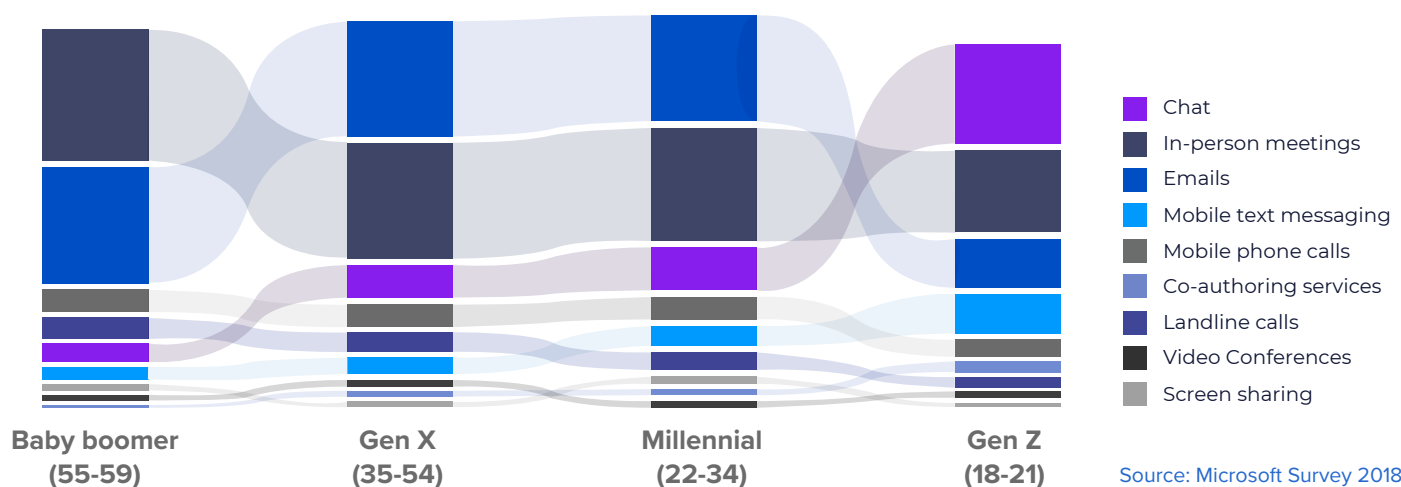
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## Voice

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## Voice

### The generational divide



Regardless of the generation, in-person meetings remain a constant preference in the way we communicate. With remote workforces becoming the new normal, people are filling the face-to-face gap by using video and voice chat internally and with clients.

In an unprecedented move, many banks (including Bank of America, Citigroup, Goldman Sachs and JPMorgan Chase) are allowing their traders to execute trades from home. However, regulatory obligations still apply. This can be a challenge considering the variety of communication methods that are available while working from home.

Historically, the ability to capture and govern voice data in tools like Skype for Business, Teams and now Zoom has been especially challenging. The answer has been merely to disable this functionality. This is no longer realistic.

For many years, Smarsh has witnessed the growing demand for voice to be included as an integrated channel of compliant communication. This enablement is not only to provide a more collaborative and productive work environment, but also to harness the additional insights that voice content can provide.



## Key regulations surrounding the capture of voice content:

On January 3rd, 2018, MiFID II went into effect in Europe. Some European countries, like the UK, had already mandated that voice content be captured. However, MiFID II solidified the requirement for all European Union states to capture voice communications.

**Article 16(7) states:** *“Records shall include the recording of telephone conversations or electronic communications relating to, at least, transactions concluded when dealing on own account and the provision of client order services that relate to the reception, transmission and execution of client orders.”*

*“Such telephone conversations and electronic communications shall also include those that are intended to result in transactions concluded when dealing on own account or in the provision of client order services that relate to the reception, transmission and execution of client orders, even if those conversations or communications do not result in the conclusion of such transactions or in the provision of client order services.”*

In the U.S., the requirements have a few more dimensions. Financial services compliance is a much broader topic than recordkeeping and supervisory practices related to communications. Firms are also focused on meeting mandates outlined by the SEC and FINRA, and within the Dodd-Frank Act. These mandates involve market transparency, anti-money laundering and anti-bribery, as well as a variety of other risk categories. Dodd-Frank requires that firms maintain voice records for monitoring programs for a 5-year period.

FINRA 4511 books and records rules do not explicitly refer to voice recordings. It is noted only that records obligations include “communications relating to their ‘business as such,’ and include ... customer account ledgers, securities records, order tickets and trade confirmations.” Voice is simply viewed in this context as another communications source.

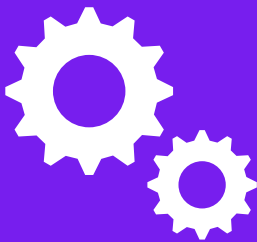
One notable exception with FINRA is Rule 3170, otherwise known as the “Taping Rule.” This requires firms to supervise voice recordings when the firm or specific individuals have had past disciplinary issues that warrant closer inspection.

Beyond these wide-reaching regulations, there are other areas where the capture of voice communications is necessary. For example, in the UK the Senior Managers Regime holds senior staff accountable for the actions of their employees. Being uninformed of staff activities could result in dire consequences.

## The benefits of enabling and capturing voice content

Monitoring voice calls for client satisfaction has been a longtime common practice in financial services. Organizations have typically administered this process through a traditional method: Calls are recorded on a standalone platform, and then randomly chosen calls are listened to as a way of ascertaining client satisfaction. The reason only a small, randomly picked sample of calls is listened to is because of the sheer amount of time and resources this process takes. But by using this non-comprehensive method, important information is likely being missed. Newer capture and archiving technologies are capable of collecting and analyzing a large amount of this data, if not all of it, with fewer resources.

Capturing and analyzing voice data from client calls and sales pitches also enables businesses to detect potentially missed buyer-intent signals. Comparing this data across hundreds of calls could provide insights that inform sales approaches and product development. In addition, analysis of internal voice communications can provide businesses with a clear picture of effective collaboration between teams and the efficiency of specific projects and functions.



### The unique challenges associated with capturing voice content

Voice technologies are well entrenched within financial services firms. These are most typically managed by telephony specialists that have dealt with multiple generations of PBX systems, trading turrets and early attempts at solutions for “unified communications.” For many firms, captured voice content has been managed within specialized platforms. While each of these voice-specific platforms offers rich feature sets, they also come with high licensing and support costs, complexity and dated, inflexible on-premise architectures. This lack of flexibility becomes a challenge as firms look to embrace voice features within today’s collaborative platforms.

## Capturing voice content: the alternatives

### Siloed communications capture

For too long, many regulated firms have captured and stored voice communications through single-purpose, siloed products. These products were designed at a time when telephony teams were consumed by codecs and had to wrestle with voice and audio data extraction from legacy PBX systems. Operating these systems has required highly specialized expertise, which only rarely intersects with other communications domains such as email and instant messaging. As a result, electronic communications and voice content have remained fragmented — despite the promise of today’s “unified” communications. There is a need for a single pane of glass solution.

However, bringing voice and e-communications into a single unified compliance operation has been hampered by three main challenges:

1. Voice has been dealt with separately for a reason. Despite the convergence in technology, “voice” represents a technically diverse spectrum of channels that must be captured
2. Most incumbent enterprise archives were built for email and not for voice
3. Firms have found it hard to find cost-effective and reliable methods to bring voice calls into their supervision workflows

Working with a siloed voice recorder and archive presents challenges for downstream compliance and e-discovery operations. The primary challenge is that many of the incumbent recorders can't record voice from modern sources like Microsoft Teams and Zoom. Even if they could, these voice calls are part of a larger ecosystem that includes collaboration through file sharing, group chats and meetings. Having separate archives would mean a disconnect between these channels of communication. Maintaining the context would be nearly impossible.



## Addressing voice recordings reactively

A key difficulty in dealing with the capture and playback of voice recordings is the massive volume of information that is typically contained within each record. It becomes an insurmountable task to spot potential infractions among such magnitude of recordings. Simply put, the signal/noise ratio is not cost effective for some firms to ingest large volumes of historical voice content into high-performing content platforms. This is particularly the case if that voice recording is needed only for a specific event, such as e-discovery. In order to meet this scenario, AI/ML approaches are gaining traction in allowing firms to construct light indices over voice repositories in order to surface potentially responsive content. Once uncovered, that voice content can either be delivered to a case managed within an archive or directly to a legal review platform.

### An integrated capture and archive solution

Considering the richness of collaboration offered by tools like Microsoft Teams, Zoom and Slack, voice is just one aspect of their functionality. However, when you combine multiple features/ modalities of communications from multiple vendors, then you really begin to see the complexities this can introduce for a compliance or investigations team. The ability to have all electronic communications, including voice, in a single, easy to search archive reduces effort while also increasing productivity. It allows for the consolidation of supervision and e-discovery workflows across all communications in use by the business.

Additionally, recent improvements in the accuracy of transcription technologies enable firms to use voice files indexed in conjunction with transcripts to improve review efficiency. For example, an indexed transcript can be used to identify a potential policy infraction. Once that infraction is surfaced, a compliance supervisor can listen to the accompanying recording for additional context into that potential issue. This coupling of the transcript and voice file also allows for the voice recording to be tagged at the spot in the recording that contains the infraction. This can greatly reduce the manual effort required to review voice files.

## Staying compliantly productive

It is key to select a voice capture and archiving vendor that understands the real challenges and burden placed on financial institutions when it comes to regulatory requirements. There is a balance between enabling the best of breed productivity tools and remaining compliant.

Given the complexity and data volume associated with new collaboration and conferencing technologies, the selection of the appropriate compliance technology platform is more important than ever. Firms need to have a unified view of their employees and the content sources they are using. This is in order to address the requirements outlined in MiFID II and elsewhere.

Voice and other electronic communications should be indexed, normalized and enabled for high-speed search — not only within the platform itself, but also in a manner that can feed other downstream applications. These applications include content surveillance and AI/ML tools that can help firms gain further visibility into risk and opportunities for service enhancement.

## Conclusion

The collaboration, chat and conferencing technology spaces are exploding, especially considering the increase in remote workstations. Vendors like Microsoft and Zoom are introducing new voice-centric features into their collaboration tools every day. Today we are already capable of seeing a live transcript during a Microsoft Teams voice call. The ability to capture all this rich content is now more essential than ever.

Firms have a choice between managing voice capture and playback with a mature, telephony-centric platform versus an integrated approach to voice. Where any one organization falls comes down to flexibility and innovation versus specialization and the familiarity of managing the voice legacy environment.

Flexibility will come by having the controls in place to embrace new voice-enabled features across all communications sources. This includes the growing use of voice assistants such as Alexa, Cortana and Google Assistant in the workplace. Innovation will come in the ability to unify voice alongside other messaging and collaborative data. This will enable firms to better understand the needs of their customers and respond to the dynamics of the markets they serve.



Smarsh is the recognized global leader in electronic communications archiving solutions for regulated organizations. The Smarsh Connected Suite provides innovative capture, archiving, e-discovery, and supervision solutions across the industry's widest breadth of communication channels.

Scalable for organizations of all sizes, the Smarsh platform provides customers with compliance built on confidence. It enables them to strategically future-proof as new communication channels are adopted, and to realize more insight and value from the data in their archive. Customers strengthen their compliance and e-discovery initiatives, and benefit from the productive use of email, social media, mobile/text messaging, instant messaging and collaboration, web, and voice channels.

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