

Call Recording Requirements for Financial Services Authority (FSA)

New Legislation for financial services institutions

- Call recording for financial services will soon be mandatory.
- The UK Financial Services Authority (FSA) published new rules in March 2008 - effective as of March 6, 2009.
- Any organisation regulated by the FSA and involved in trading activities (equities, bonds, derivatives, etc.) are required to record their telephone calls.
- Other regulated organisations involved in retail activities such as banking, insurance, loans or mortgages will still have the option to record calls or keep alternative records however recording is likely to become mandatory in the near future.
- Insurance companies complying with directives such as the Insurers Conduct of Business (ICOB) are already advised to introduce call recording.
- Companies will also find in 99% of cases the Financial Ombudsman Service will favour the client's word if the organisation cannot provide a transcript of relevant telephone calls.
- New rules are in accordance with MiFID general record keeping standards.

FSA requirements

- Recording of voice and electronic communications, including e-mail and instant messages
- Archiving of recordings for six months; expected to be longer in future regulations (initial recommendation was three years)
- FSA must be able to access calls readily
- Mobile phone recording will not be required but will be reviewed in 18 months at which time it is likely to become a mandatory requirement

What ASC offers

- Enhanced recording solutions for traditional telephony, Voice over IP and hybrid systems
- Integrated solutions for all leading trading turrets and PBX systems
- Scalable and highly resilient architecture with N+N capability
- Rapid retrieval of calls and data from any workstation, telephone, turret or PC
- Ability to store calls on a wide variety of media including DVD or network attached storage
- Bulk recording with rules-based archiving capability - retention period can be configured by trader, agent or department with calls automatically deleted when retention period expires
- Enhanced reliability, security and performance using Linux operating system
- Multiple recording configurations for single sites, branch offices or the entire enterprise
- Future proof technology providing the ability to migrate to IP and support for new requirements such as mobile phone recording

FSA Call Recording Rules

Reasons for legislation

To prevent market abuse - high quality recording of voice and electronic communications (taping) helps firms and the FSA prevent inappropriate actions.

Firms currently use different approaches for recording telephones and electronic communications - the amount of time they keep records varies widely.

Introducing a taping requirement may also raise standards and increase efficiency for first-time participants.

Economic benefit of recordings

- Recorded communications increase the probability of successful enforcement;
- The possibility of getting caught reduces the value of attempting market abuse;
- The reduced likelihood of market abuse increases confidence and leads to greater price efficiency.
- Documentary evidence that protects both clients and firms.

Communications to be recorded

FSA will require recording of the following types of calls:

- Receiving client orders;
- Executing client orders;
- Arranging for client orders;
- Carrying out transactions and trading activities;
- Executing orders by the firm on behalf of its clients;
- Placing orders with other parties on behalf of clients; and
- The execution of transactions in the equity, bond and derivative markets

What to do now

To prepare for the 2009 regulations, you need a reliable communications recording system that is user-oriented, technologically advanced, and geared to meet strict regulatory requirements -- today and tomorrow.

ASC offers a wide range of solutions:

- **EVOip:** Entirely software-based VoIP recording, for Windows or Linux operating systems, no proprietary hardware required, may be integrated for hybrid recording
- **MARATHON EVOLite:** Up to 60 channels communications recording for small-to-medium sized businesses in a cost-effective package
- **MARATHON EVOLUTION:** Linux-based communications recording for single and multi-site environments, universal solution, high scalability and modular architecture
- **MARATHON EVOLUTION XXL:** High-end communications recording solution for demanding requirements

About ASC

ASC is a leading global provider of innovative solutions to record, analyze and evaluate multimedia-based communications. ASC's solutions reveal vital information, enabling companies and organizations to considerably improve their value creation: contact centers enhance customer service, efficiently deploy staff and increase productivity. Financial institutions fulfill documentation requirements, achieve a higher level of legal security and reduce costs. First responders and public safety organizations enhance reactivity in emergency situations; therefore, ASC provides an important contribution to public safety.

ASC is continuously improving the functionality, usability and interoperability of its solutions. Every year, about one-fifth of revenues are re-invested in research and development. The company, founded in 1964, with headquarters in Hoesbach, Germany, provides a global partner and service network. With subsidiaries in Great Britain, France, Switzerland, the United States, Japan and Singapore as well as certified distribution partners, ASC is represented in more than 60 countries worldwide. Global strategic partnerships with industry leading telecommunications vendors assure interoperability of ASC's solutions in virtually every IT infrastructure.



Subject to change without notice. Please note that the maximum channel capacity is only valid under standard conditions. Depending on the usage, the complexity of a specific configuration, and the number and types of software applications installed, certain restrictions may apply. Please contact ASC for further information.

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