

# From Paper to Pixels:

## HOW SIGNATURES WENT DIGITAL IN FINANCE

Everyone who's done business in recent years—whether hiring a contractor or signing on with a new bank—can see that technological advancements have revolutionized the way professionals interact with clients and manage tasks. One such innovation is the adoption of electronic signatures (e-signatures), which has dramatically transformed the traditional paper-based document signing process.

In this whitepaper, we cover the evolution of e-signatures within the financial advisory industry, exploring their profound impact, regulatory compliance, and the role of PreciseFP in facilitating a seamless transition to digital workflows.

# Evolution of E-Signatures in Financial Advisory

Gone are the days of cumbersome paperwork and manual signatures. The financial advisory sector has embraced e-signatures as a tool, enabling advisors and clients to sign and exchange documents efficiently and securely. The transition from physical to electronic signatures has streamlined document workflows and enhanced overall operational efficiency as well as the client experience.

## Regulatory Compliance: Meeting Industry Standards

PreciseFP not only complies with AES requirements under the U.S. E-SIGN Act and eIDAS, but also adheres to the stringent regulations set forth by the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA).

These regulatory bodies play a pivotal role in overseeing the financial advisor industry, affirming adherence to federal securities laws and regulations.

Rule 17a-4(f) delineates precise requirements for electronic document storage, including measures to prevent alterations, erasures, or the overwriting of document contents. This ensures that electronic records maintain the same level of integrity and that they can be accessed and reviewed as needed for compliance purposes.

Additionally, FINRA has established guidelines, such as Rule 4512(c), permitting broker-dealers to utilize electronic signatures for specific purposes like account opening and customer agreements, provided certain criteria are met. The criteria includes verifying the signatory's identity and storing documents in accordance with FINRA and SEC regulations.

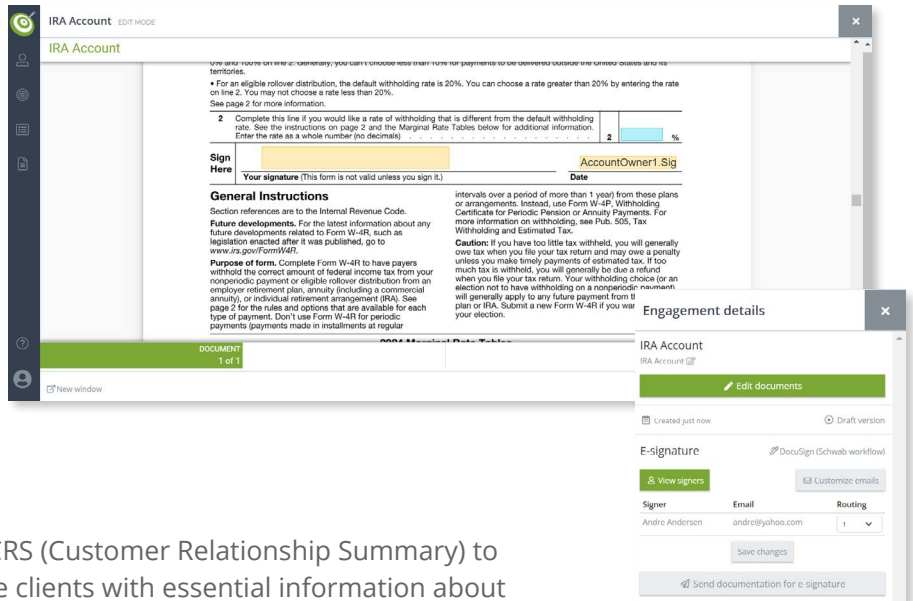
By complying with these stringent SEC and FINRA requirements, PreciseFP empowers financial advisors to easily achieve full compliance with federal securities laws and regulations while leveraging the efficiencies and benefits of electronic document storage and streamlined processes.

Regulation	Purpose	Requirements
SEC Rule 17a-4(f)	Validate compliance with federal securities laws	<ul style="list-style-type: none"><li>• Maintain specific records</li><li>• Ensure accuracy, accessibility, and compliance of electronic records</li><li>• Prevent alterations, erasures, or overwriting of document contents</li></ul>
FINRA Rule 4512(c)	Permit use of electronic signatures for specific purposes	<ul style="list-style-type: none"><li>• Verify signatory's identity</li><li>• Store documents as per FINRA and SEC regulations</li></ul>

Here are some common uses of electronic signatures (e-signatures) in the financial advisory industry:

### ACCOUNT OPENING FORMS

Allow clients to electronically sign account opening forms, reducing paperwork and speeding up the onboarding process.



### FORM CRS

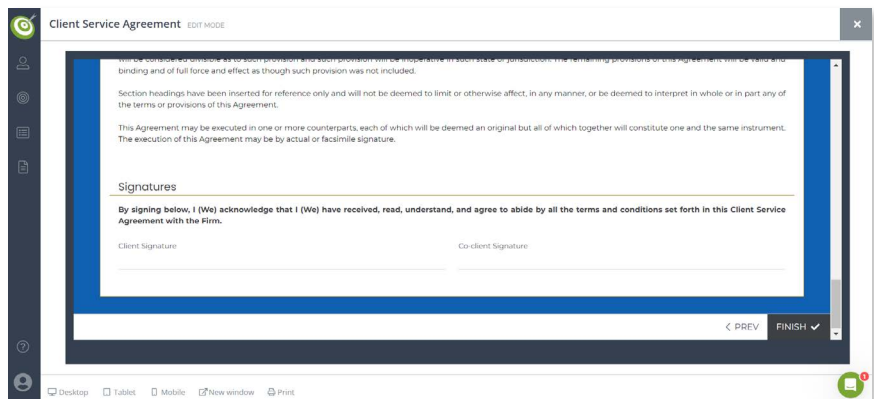
Capture electronic signatures on Form CRS (Customer Relationship Summary) to comply with SEC regulations and provide clients with essential information about your firm's services and fees.

### DISCLOSURES

Obtain e-signatures on disclosures related to investments, risks, and legal obligations, ensuring clients acknowledge and understand important information.

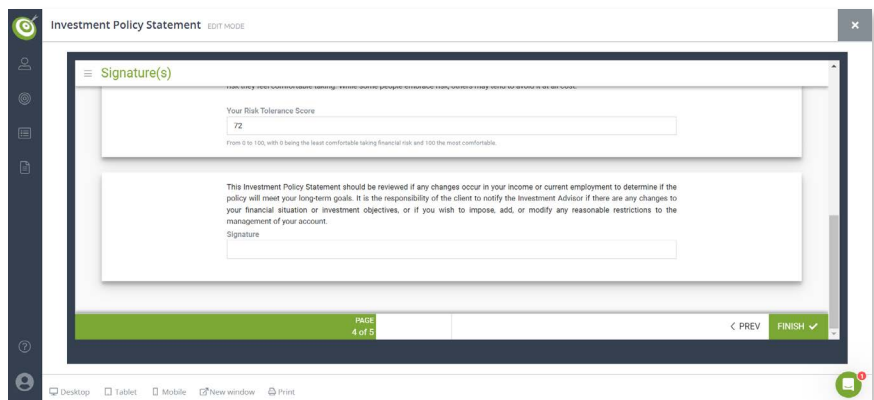
### SERVICE AGREEMENTS

Enable clients to electronically sign service agreements, including terms of service, fees, and responsibilities, streamlining agreement processes.



### INVESTMENT POLICY STATEMENTS

Collect e-signatures on investment policy statements outlining clients' investment objectives, strategies, and guidelines for managing their portfolios.



By leveraging electronic signatures for these documents, you can enhance efficiency, reduce administrative burdens, and improve client experiences.

## The Inner Workings of PreciseFP: A Closer Look

Understanding how PreciseFP operates sheds light on its efficacy and reliability.

Before initiating the signing process, the signer enters essential details including their name and email address. This info gets securely stored within PreciseFP's encrypted system.

Authentication protocols ensure that only authorized individuals can access and sign documents, maintaining the integrity and authenticity of each signature.

**And finally, during the online signing session, PreciseFP captures and records crucial metadata, including signature timestamps, IP addresses, and other relevant information, thus creating a comprehensive audit trail for legal and compliance purposes.**

## The Benefits of PreciseFP's E-Signature Solution

The integration of PreciseFP's e-signature feature into financial advisory practices unlocks a myriad of benefits.

Advisors and clients alike experience heightened efficiency, reduced administrative burdens, and faster document turnaround times. Moreover, PreciseFP's user-friendly interface and intuitive design make the signing process seamless and accessible for all parties involved.

**See for yourself.**

**Start a 14-day trial of PreciseFP.**

## Embracing the Future of Financial Advisory

E-signatures represent a pivotal advancement in the modernization of financial advisory services.

PreciseFP's commitment to regulatory compliance, data security, and user experience positions it as a trusted partner for advisors seeking to transition to digital workflows seamlessly.