

# The Financial Industry Regulatory Authority: Frequently Asked Questions

May 2024

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### **How does RingCentral help its customers meet the relevant requirements?**

The Financial Industry Regulatory Authority (FINRA) is a government-authorized organization that issues rules and guidelines for U.S. broker-dealers. Several of the rules and guidelines issued by FINRA create recording, storage, retention, and security requirements that broker-dealers must follow when they communicate with their clients. This document provides information to help Customers understand the requirements, and how they fit with RingCentral's services, and in particular, communications made over the phone, via app-based messaging services, and with a collaboration platform.

Customers that are subject to FINRA regulations are ultimately responsible for using our services in compliance with the applicable legal requirements and they should consult their own legal advisors to understand the applicable laws.

### **What are the relevant rules?**

The rules and guidelines relating to the storage and retention requirements are called the "Books and Records Rule" and the "Taping Rule." The Books and Record Rule requires broker-dealers to capture and retain communications sent and received by a firm relating to its business, including any communications sent via an app-based messaging service or collaboration platform. The Taping Rule applies to a smaller group of firms and requires those firms to record all telephone conversations between their brokers and clients. FINRA rules also set forth various data retention periods for the different types of records that firms archive.

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<p>FINRA Rule 3170 (Taping Rule)</p>	<ul style="list-style-type: none"> <li>• Certain firms must record all telephone conversations between their brokers and existing and potential customers, review those recordings and file reports with FINRA</li> <li>• Requires taped recordings to be retained for three (3) years</li> <li>• Applies to calls made over landlines and cell phones</li> </ul>
<p>FINRA Rules 3110, 4510, 4511 (Books)</p>	<ul style="list-style-type: none"> <li>• Requires a firm to create and preserve originals of all communications received and sent relating to its business</li> <li>• Applies to app-based messaging services and collaboration platforms<sup>1</sup></li> <li>• Includes both external and internal communications<sup>2</sup></li> <li>• Chats, instant messages, slides, and other communications exchanged</li> </ul>
<p>Recording communications by phone</p>	<p>Customers can meet their compliance requirements by leveraging the features and tools that RingCentral offers to record calls.</p> <p>RingEX Customers have two options for recording calls: (1) On-Demand Call Recording; and (2) Automatic Call Recording. More details about these options can be found on our support pages. The RingCentral support article <a href="#">Intro to call recording methods</a> explains how On-Demand Call Recording can be initiated on a phone dial pad or the RingCentral Phone app while Automatic Call Recording is enabled by an Account Admin.</p> <p>Once calls have been recorded, they can be accessed from within an app, from Service Web or downloaded and exported for further archiving or processing. Customers can limit who can access the recordings of employees (e.g., a firm’s Compliance Officer that needs to review and supervise an employee’s call with a client) through a setting in Admin Web<sup>3</sup> that restricts who can access the recordings. In this way, only those employees with a legitimate need to review call recordings (e.g., a Compliance Officer) will be granted access. Similar functionality is available for Contact Center.</p>
<p>Other types of communications (e.g., sms text messages, team messages, or in-meeting chats)</p>	<p>RingCentral provides several tools for downloading and exporting other content that is generated on the platform. Customers can then import that content into other tools for further processing, archiving and retention. The RingCentral support article, <a href="#">Exporting message data in the RingCentral app</a> explains how messages can be exported from the RC desktop and web apps. Additionally, RingCentral’s API allows Customers and developers to specifically define what data to export.</p> <p>In-meeting chats exchanged during an RCV audio/video conference can be disabled at an account level. This allows Customers to</p>

<sup>1</sup> [FINRA 2019 Report on Digital Communications](#)

<sup>2</sup> [FINRA Rule 3110](#)

<sup>3</sup> At the time of this FAQ, this setting was referred to as the “FINRA Flag.” The name of this setting will likely change in the future.

	prevent any communications from being exchanged that would otherwise be subject to the recording, storage and retention requirements.
Security	RingCentral implements several security measures that align with the security controls applicable to FINRA cybersecurity regulations. An attestation from RingCentral's independent auditors regarding the design and operating effectiveness of these controls is available to Customers in our SOC2 audit report.
Contact us	<a href="mailto:privacy@ringcentral.com">privacy@ringcentral.com</a>
More resources	<a href="#">Privacy Trust Center</a>

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693725169 05/2024