

Achieving FINRA & SEC 17a-4 Compliance with Cyera

Reducing Regulatory Exposure and Ensuring Data Integrity Across Financial Operations

The Problem

Financial institutions face unprecedented difficulty achieving and sustaining compliance with **FINRA** and **SEC** rules, especially **SEC Rule 17a-4**, which mandates the **retention of electronic communications and records for up to seven years in immutable, accessible form**.

These challenges span technology, process, and human factors, creating systemic risk across compliance, cybersecurity, and operations.



a. Fragmented Data Environments

Modern financial enterprises rely on hybrid clouds, multiple SaaS platforms, and a growing mix of communication tools — from email and Slack to encrypted messaging and video conferencing.

Firms must capture, preserve, and supervise these communications under 17a-4 requirements for **completeness, immutability, and searchability**, yet frvA Global 2023; ACA Global 2025; FINRA 2025 Budget Summary; IQ-EQ 2025).



b. Expanding Regulatory Scrutiny and Evolving Standards

The **SEC** and **FINRA** continuously update guidance around recordkeeping, off-channel communications, and supervision.

Firms must interpret and implement ambiguous rules on personal device usage, hybrid work, and automated surveillance — all while maintaining continuous compliance.

This regulatory velocity strains compliance, legal, and IT teams that lack automated tools for **adaptive retention and supervision** (SEC Exam Priorities 2025; ACA Global 2025).



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c. Rising Cost and Talent Pressure

Sustaining 17a-4 compliance demands **specialized technology, experienced staff, and recurring audits**, all of which are increasingly expensive.

Firms cite persistent **skills shortages** in both compliance operations and cybersecurity, leading to delays, over-reliance on consultants, and gaps in oversight.

According to FINRA's 2025 Budget Summary, staffing and technology now account for **over 70 %** of total compliance expenditure, while Smart RIA (2025) notes that most firms still struggle to maintain appropriate documentation and audit readiness (FINRA 2025 Budget Summary; Smart RIA 2025).



d. Disjointed Accountability Across Business Units

Compliance responsibility is distributed across:

- **Legal & Compliance:** oversight and audit readiness
- **Cybersecurity & IT:** data retention and immutability enforcement
- **Risk & Audit:** assurance and reporting
- **Trading & Advisory Teams:** daily generation of regulated data

The absence of unified visibility across these functions leads to duplicated effort, incomplete retention, and inconsistent supervision — a key finding across 2025 FINRA oversight and ACA Global compliance reviews.



e. Consequences of Non-Compliance

Between 2023 and 2025, the **average cost of enforcement actions** for communication and recordkeeping failures exceeded **\$127 million per institution**, with fines reaching as high as **\$500 million**.

These penalties, combined with reputational damage and operational disruption, underscore how the lack of integrated data governance directly threatens profitability and brand trust.



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How Cyera Helps

Cyera delivers a **modern, AI-driven compliance architecture** aligned to 17a-4's retention and immutability mandates.

a. Rapid Activation & Comprehensive Discovery

Deploys in < 5 minutes to map all data across cloud, SaaS, and on-prem systems — critical for retention verification.

b. AI-Powered Classification

Unsupervised LLMs and ML models achieve ≈ 95 % precision in identifying regulated data within 24–48 hours.

c. Continuous Compliance Monitoring

Automated policy checks surface violations in real time, ensuring proactive supervision.

d. Retention Policy Enforcement

Integrates with Microsoft Purview, Smarsh, and similar tools to enforce immutable retention under 17a-4 (a)(2).

e. Quantifiable Risk Reduction

Customers typically realize:

- 30 – 70 % reduction in non-compliance incidents
- \$1.5 – 7 M avoided fines (mid-tier firms)
- \$15 – 35 M avoided impact (large institutions)

Challenge

- Fragmented visibility
- Manual classification
- Compliance
- Monitoring
- Regulatory risk
- Deployment time

Traditional Approach

- Disjointed tools
- Error-prone
- Periodic audits
- High / reactive
- Months – years

Cyera's Advantage

- Unified data discovery
- AI semantic precision (95 %)
- Continuous real-time detection
- 30–70 % risk reduction
- < 5 min activation ; ROI in days

In a landscape of accelerating regulatory scrutiny, **Cyera** equips financial institutions to maintain immutable, searchable, and fully supervised records — achieving compliance excellence while lowering cost and risk.

See how Cyera can transform your compliance efforts from a reactive expense into a strategic advantage. Request a demo today at Cyera.com.

