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Asset Movement Self-Service Adds Convenience for Investors

NetXInvestor® supports paperless setup and scheduling of asset movements, serving the needs of investors. Investors can link a bank account to their brokerage account and move money between the brokerage and checking or savings accounts. They can also request a first-party check. These self-service options make it convenient for investors to expedite requests and eliminate the need to call in a request.

To help your clients take advantage of these self-service features, please see the information below.

Features

Asset movement in NetXInvestor provides the following key features:

- **Set up an Automated Clearing House (ACH) link to a bank instantly without a voided check:** The investor establishes standing instructions, or a confirmed connection to an outside bank account through Instant Account Verification¹. This is done by asking the investor to prove ownership of the checking or savings account by entering their login credentials for that account. A third-party¹ verifies the access and registration information. BNY Mellon's Pershing never sees the user ID and password for that account, and the third party does not retain that information.
 - **Move money through ACH:** Immediately after setting up the standing instructions, the investor can instruct BNY Mellon's Pershing to deposit cash from the checking to the linked brokerage account. Funds deposited are available immediately for investing. For retail accounts, the investor can also instruct Pershing to withdraw funds. Money movement can be either a one-time request or recurring (e.g., monthly).
 - **Request a first-party check:** For retail accounts, the investor may request a paper check to be mailed to either their mailing or legal address of record.
 - **New! Integrate funding with account open:** For firms that implement NetXInvestor Account Open, funding setup can be done by the investor as part of the account opening flow. They no longer have to log back on after the account is approved to make the request.
 - **Highly secure:** Investors will be required to identify themselves through a LexisNexis® VeriD process before we will set up standing instructions. Alerts are sent to the investor so they will know of these money movements.
 - **Fully Integrated:** If your firm sets up standing instructions through NetX360®, your investor can use them in NetXInvestor. If you allow the investor to set them up on NetXInvestor, your firm can use them on NetX360.
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How to Activate Self-Service for Investors

Follow these steps to allow your investors to take advantage self-service asset movement.

- Obtain approval by Pershing for ACH.
- Entitle the investor accounts (see [Entitlement section](#)).
- Set up a workflow to review and approve outgoing asset movements originated in NetXInvestor.

Advisors may receive alerts for money movements so they are aware if an investor moves money.

Investors receive alerts when an account is linked for ACH transfer, when an ACH transfer occurs and when a check is requested. Investors select to receive the alert via SMS, email or both.

¹ Instant Account Verification service provided by Yodlee, an Envestnet company.

How to Activate Self-Service for Investors (continued)

System test support is available, but limited through Pershing. If your firm wishes to test the application, special simulated bank codes can be provided to your firm to avoid actually moving money.

Requirements for Investor Self-Service Money Movement

Here are some guidelines for your firm to follow concerning investor asset movement:

- Workflow: Your firm is required to review and approve withdrawal requests that are initiated by the investor.
- Account types supported: Individual and Joint (retail), IRA and Roth IRA (retirement, for deposit only).
- Ownership limitations: Only accounts registered in the name of person are supported—no other entities (e.g., trusts).
- Banking account requirements:
 - The last name of the primary holder of the brokerage account must match the last name of the primary holder of the checking or savings account
 - Approximately 10,000 banks in the US are supported. Some smaller banks are not. This will be relatively rare.
- The following are not supported for investor asset movements at this time:
 - Withdrawals from retirement account and managed accounts
 - Recurring transfers are not supported for retirement accounts

Money Movement Operations Enabled for Investor Initiated Requests

	Traditional Brokerage				Managed Accounts			
	One-time		Recurring		One-time		Recurring	
	Retail	Retirement	Retail	Retirement	Retail	Retirement	Retail	Retirement
Deposits via ACH	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Withdrawals via ACH and first party check	Yes	No	Yes	No	No	No	No	No

Note: Money movement for retirement accounts is limited to the following types of retirement accounts:

Plan Type	Plan
IRA	1
ROTH IRA	R
ROTH Conversion IRA	T



Entitlements

Access to these features by the investor requires the following entitlements in the NetExchange Entitlement System be added to the profile used by the investor.

Entitlement Name	Description
Asset Transfer Master	Hidden entitlement. Only Pershing can enable this entitlement, We will do so after your firm is approved for online asset movement. Please contact your Account Manager to enable online asset movement for investors.
Funds Transfer	Allow ACH deposits into self-directed accounts and into retirement accounts (from a bank to Pershing), and withdrawals from retail accounts. Note: Pershing does not support investor-initiated withdrawals from retirement account at this time.
Add New Standing Instruction	Allow the investor to set up ACH standing instructions with a bank or other institution. We will use Instant Account Verification to validate that the investor is connecting to an account to which they have rights.
Request a Check	Allows the investor to withdraw funds by a first-party check.
Managed Accounts Deposits	Allow deposits into Pershing managed accounts.

Integrating the Funding Process

Firms that leverage self-direct account open or Pershing’s Digital Portfolios™, can further enhance their investors’ experience by integrating funding with the account open process. In this case, funding can be set up by the investor as part of the account opening flow. They no longer have to log back on after the account is approved to make the request.

This is done by asking the investor, “What would you like to do next?” and offering the funding options available, based on entitlements.

To enable this capability for first-time users, the above entitlements must be added to the ACCOPEN profile.

For additional information, the [Pershing Digital Portfolio fact sheet](#) includes more information about this digital advice feature.

The funding transactions will be held by Pershing and released only after the account approval process is complete.