

ASX Release
15 November 2016

Decimal to set standard in digital advice compliance

Decimal Software Limited (ASX: DSX; “Decimal” or “the Company”) has appointed global regulatory compliance firm Promontory Australasia (Sydney) Pty Ltd (“Promontory”) to conduct a review of its enterprise digital advice platform.

Promontory will review relevant features of Decimal’s platform, focusing exclusively on the Australian Securities and Investments Commission’s (ASIC) Regulatory Guide 255, released in August 2016, which is the first set of guidelines governing the digital advice sector.

Decimal has sought the review of its platform’s features as a proactive measure. Decimal’s platform has been designed to assist its clients in satisfying their regulatory obligations. The review will help Decimal and its clients understand how the platform supports Australian Financial Services License (AFSL) holders align with the guidance provided in Regulatory Guide 255.

Decimal CEO Nic Pollock said transparency of compliance was now integral for market confidence in digital advice to grow. “It doesn’t matter how pretty or engaging the customer’s digital experience is, if it’s not compliant, nothing else matters, it’s fundamental,” Mr Pollock said.

“Australia’s financial services sector is one of the most regulated in the world, however we continue to see compliance related problems. For digital advice companies to enter this market, and succeed in their objectives, they must raise the bar by demonstrating rock solid compliance processes 100 per cent of the time.

“At Decimal, we built compliance into the core of our digital advice platform from the outset. We see it as a fundamental differentiator. Commissioning this independent review is part of an ongoing process to highlight the robustness of our system when it comes to assisting our clients in meeting their compliance responsibilities.

“Our proactive engagement of Promontory is slightly unusual as financial services firms typically investigate compliance issues after an incident, not before.”

Promontory is a global market leading risk management and regulatory compliance consulting firm widely engaged by large financial institutions for guidance after the 2008 Global Financial Crisis. Promontory’s Australasian CEO is Dr Jeffrey Carmichael, former inaugural Chairman of APRA.

“The firm’s expertise and offerings directly address the standards for compliance to ensure the integrity of the financial system, protect consumers and build trust through transparency,” Mr Pollock said. “We believe that incorporating its findings into our operations will improve our service and assist our clients in addressing compliance matters.

Decimal currently offers an omni-channel digital advice service to some of Australia’s leading superannuation funds and fund administrators, with clients and distributors including Mercer, QSuper, Statewide Super and Energy Super. In November it released its inaugural Digital Data Insights report which confirmed it now manages close to A\$5 billion in Funds Under Advice (FUA).

The review by Promontory will commence immediately and is expected to be completed by the end of the year.

**DECIMAL SOFTWARE
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About Decimal

Decimal is an Australian based company, which has developed the world's first omni-channel, cloud based automated digital advice platform designed to operate with any existing product. The platform, which includes embedded compliance features, enables enterprises to provide consumer-driven automated financial advice and execution to the mass consumer market with global application.

Prior to now this has not been viable or technically possible, providing Decimal with a first mover advantage. Decimal partners with Financial Institutions of all sizes including banks, superfunds, credit unions, insurers, mortgage brokers and dealer groups to enable the execution of Financial Service advice via a seamless omni-channel solution – www.decimal.com.au.

About Promontory

Promontory is a leading strategy, risk management, and regulatory compliance consulting firm focusing primarily on the financial services industry. Led by Founder and CEO, Eugene A. Ludwig, former U.S. Comptroller of the Currency, its professionals have deep and varied expertise gained through decades of experience as senior leaders of regulatory bodies, financial institutions and Fortune 100 corporations.

In Australasia Promontory is led by Dr Jeffrey Carmichael. His expertise is in regulatory structure, design and effectiveness. He also advises clients on regulatory relations, risk management and governance. Dr Carmichael was the inaugural Chairman of the Australian Prudential Regulation Authority (APRA), with responsibility for regulating and supervising banks, insurance companies, and pension funds.

Promontory's reputation for excellence has fuelled its growth since its launch in 2001.

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