

Digital Account Open

Frequently asked
questions

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Introduction to the tool

1. What is the new digital account open tool on Schwab Advisor Center®, and how is it different from existing account tools like Online Account Open and LaserApp?

The new digital account open tool offers an entirely redesigned process for opening accounts online. Instead of starting with paper forms and processes, and then digitizing them, this tool has been designed from the ground up to offer a fully digital experience, letting your clients approve account forms more quickly and securely than ever before.

2. What are the benefits of using digital account open tool?

When you use the new tool, you'll find:

- A more intuitive, guided workflow for both you and your clients
- The ability to include advisor documents in the same envelope with Schwab forms
- Integrations with popular third-party advisor software programs that minimize data entry and help reduce "not in good order" (NIGO) errors
- A better experience for your clients, who can approve account documents with a few taps, similar to the eAuthorization experience for Move Money transactions

3. What account types are compatible with the digital account open tool?

Currently, the tool can be used to open the following account types:

- Schwab One® individual
- Schwab One joint tenant
- Schwab One tenants in common
- Schwab One community property
- Schwab One revocable living trust
- Contributory IRA
- Rollover IRA
- Roth contributory IRA
- Schwab Charitable Donor-Advised Fund
- Institutional Intelligent Portfolios® accounts (brokerage, IRA, and trust)



4. Are there plans to expand the number of account types available with the digital account open tool?

Yes. Over the coming months, we plan to increase the number of popular account types that are compatible with these tools. Check the What's New page on Schwab Advisor Center regularly for updates.

Using the digital account open tool

5. Can I open multiple accounts at one time through the digital account open process?

Currently, the system allows you to open only one account at a time using the tool. To create a number of accounts for the same client, you would repeat the digital account open process for each new account envelope.

6. When is an account that has been opened using the digital account open tool ready for funding and trading?

The account will be ready for these activities once all of the following are completed:

- The client fully approves the envelope
- The advisor submits the envelope to Schwab
- The account application is successfully processed¹

7. How do I fund an account created by using the new digital account opening process?

There are many different ways to fund the account. Since the client has authorized the account online, using our Wire or Journal eAuthorization process might be a good option, as those processes follow a similar digital workflow to the digital account opening process. You can also use the advisor check deposit feature to submit a check digitally to fund the account. To fund via TOA or MoneyLink, use the appropriate forms. Note, the MoneyLink form requires a verified signature, so ensure your client submits a signature card, which can be obtained via the [Schwab Alliance website](#) prior to creating a new MoneyLink instruction.

8. Where can I see the status of my envelopes?

You can review the status of submitted and in-progress envelopes using the "Digital Envelopes in Progress" link on the Forms and Applications tab on Schwab Advisor Center.

9. How will I know when my client has approved the documents, and what are my next steps?

Once the client approves the application, you'll receive a message in Schwab Advisor Center. You can then review and submit the application to Schwab via Digital Envelopes in **Process** > **Next Step** > **Submit to Schwab**

10. Does the digital account open tool support advisor and firm documents?

Yes.² During the digital account open workflow, you will be asked if you want to add any of the following documents:

- Advisory agreement
- ADV brochure
- Investment policy statement
- Privacy policy

These forms will be accessed in the same digital envelope as the Schwab forms, and signed by your clients during the same process.

¹For Schwab Charitable accounts, the funding process takes place immediately after the account opens.

²Please note that you cannot add these firm documents when opening a charitable account.



11. Can I add Schwab MoneyLink® or transfer of asset (TOA) forms as part of my digital envelope?

Currently, the tool does not support these forms, but they will be supported in a future release.

12. Can I review the data I've entered before sending the envelope for my client's approval?

Yes. The digital account open tool lets you review the information in the envelope before you submit it for client approval.

13. As part of the digital account open process, can I pre-select paperless document delivery for my client?

For Schwab Charitable and Institutional Intelligent Portfolios accounts, only the donor or account holder can choose paperless document delivery. For other account types, you can make the choice on your client's behalf. Your client will have the option of opting out of paperless delivery during the approval process.

14. When there are multiple signers on the application, does Schwab keep each signer's non-public information (NPI) confidential?

Yes. During the approval process, each approver sees only his or her own personal information.

15. If my client rejects the account application, what are my options?

If a client rejects an application, Schwab voids the envelope. If your client still wishes to open an account, you should restart the digital account open process.

16. How do I report any technical issues I encounter with digital account open tool?

If you have issues with the digital account open process, or any Schwab Advisor Center tools, please contact Advisor Platform Services at 800 647 5465.

Your clients' approval experience

17. Does my client need a Schwab login ID and password to authorize the digital envelope?

Yes. To complete the digital approval process, your client is verified using his or her Schwab Alliance credentials. Clients who don't already have these credentials will be prompted to create them after initially authenticating via a secure PIN received through a text or an automated phone call.

18. What information will my client be asked to provide during the approval process?

The system requires the client to provide only his or her date of birth and Social Security number. Currently, all other required information must be completed by the advisor.

19. Can a client make changes to the account application?

As a general rule, clients cannot edit data entered by the advisor. However, before approving the digital envelope, clients can add their social security number or date of birth if the advisor does not have that information during the initial account application process. The only exception to this rule are questions related to being an employee of a member firm or key stock holder. For Schwab Charitable accounts, the approver can provide succession-planning information if it has not already been entered. Future releases may allow the client to edit more data.

20. How much time does my client have to approve the digital envelope?

Each approver automatically has 15 days to review and approve the digital envelope. You can send a reminder to a client who has not yet signed that will reset this time limit to Day 1, giving the client additional time for review and approval. If any client who is required to approve within the time limit does not do so, the envelope will expire. At that point, if the client still needs the new account, you should restart the digital account open process.



Schwab Charitable accounts

21. Can I open a Donor-Advised Fund (PMA) via the digital account open tool?

We are not yet able to support opening a Donor-Advised Fund Professionally Managed Account through the digital account open tool, but we are working to expand capabilities that will allow us to offer this account option in the future.

Legal and recordkeeping issues

22. How does the client agree to the terms and conditions, including the advisor documents, presented to them during account opening?

When opening an account online, the client goes through a guided process that presents the applicable legal agreements and documents for review and signature.

If you have enabled Advisor's Docs, those legal documents will include the advisor's documents, such as the disclosure brochure, advisory agreement, investment policy statement, and privacy policy.

Agreements, forms, and disclosures of Charles Schwab & Co., Inc., include but are not limited to, the Agreement to Use Electronic Records and Signatures, Brokerage Account Agreement, Schwab Cash Features Program disclosure, a certification of the IRS Taxpayer Identification Number and tax withholding status, and an authorization allowing the advisor to take certain actions on the account.

The signing process begins with the client agreeing to the Use Electronic Records and Signatures document. After reviewing each subsequent legal agreement or document, and before the process can proceed to the next step, the client must check a box for that agreement or document. These checked boxes are electronic signatures and provide a record of the client's agreement, consent, or acknowledgement or receipt, as applicable.

23. Is the check mark considered a legally enforceable electronic signature?

Yes, the act of checking the box has the same legal effect as signing an agreement or other document by hand with an ink pen.

24. Are electronic signatures enforceable?

Yes. Federal legislation enacted in 2000, known as the Electronic Signatures in Global and National Commerce Act (ESIGN), states that a contract or signature "may not be denied legal effect, validity, or enforceability solely because it is in electronic form." This law provides that electronic signatures and records are just as good as their paper equivalents, and therefore subject to the same legal enforceability and validity as paper documents.

25. What about record retention requirements?

ESIGN also provides that if a law requires a business to retain a record of a transaction, the business satisfies the requirement by retaining an electronic record, as long as the record is 1) in an unalterable format and "accurately reflects" the substance of the original record at the time it was signed or delivered; 2) "accessible" to people who are entitled to access it; 3) "in a form that is capable of being accurately reproduced for later reference, whether by transmission, printing, or otherwise"; and 4) retained for the legally required period of time. FINRA and the SEC have also provided guidance permitting the use of electronic records and signatures in the securities industry.



26. How does my firm obtain a hard copy of the new account application – the equivalent of my firm making a photocopy of a paper account application form – for my books and records requirements when I use the digital account open tool?

For each account that is opened using these tool, Schwab publishes a soft copy artifact (receipt) within the Digital Envelopes in Progress page that has all of the data that either your firm or the client filled in, along with evidence of their electronic signature. Schwab captures and archives all check marks the client makes, the date and time in which the agreement was checked, and the document version that was agreed to for the mandated period of time. These artifacts are labeled "View Schwab Documents," and can be printed out or downloaded to your firm's systems.

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