KD Law Alert: DOL Fiduciary Rule Released

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On Wednesday, April 06, 2016, the U.S. Department of Labor released the final version of its much-anticipated Rule requiring financial advisors imparting investment advice to ERISA qualified plans and holders of IRAs to act in the best interests of their customers. While the crux of the final Rule remains the same as the version proposed in April 2015, the DOL attempted to "streamline" the rule to make it "workable" for industry participants. Some of the key changes to the final Rule include:

- **The initial implementation period for the rule has been extended from eight months to one year. Full compliance is "phased in" and won't be required until January 1, 2018;**
- **The final rule clarifies that the best interest contract exemption does not have to be signed until an account is opened;**
- **The disclosures required under the contract have been reduced, including the elimination of the 1, 5 and 10-year projections of returns and fees at the point of sale;**
- **The exemption has been clarified to ensure there is no bias against the sale of proprietary products; and,**
- **The list of approved investment products for retirement accounts has been removed.**

The attorneys in the Financial Services Practice of Kaufman Dolowich & Voluck, LLP have been closely following the progression of the Rule from proposal to this final version, which is scheduled to be published in the Federal Register on April 8, 2016. You can find our prior analysis of the Rule (*here) and (here). We will be reviewing and releasing our continued in-depth analysis of the Rule in the coming days.*

Please contact Stefan Dandelles or Brendan McGarry with any questions.