KD Law Alert: "Finally, It's Final . . . For Now"

An Update on the U.S. Department of Labor's Final Rule Setting a Uniform Fiduciary Standard for Advisers to Retail Retirement Investors

By **Stefan R. Dandelles, Esq. and Brendan P. McGarry, Esq.**

On April 6th, 2016, the US Department of Labor ("DOL") issued its final fiduciary rule (the "Rule"). The highly anticipated, and debated, Rule will render much of the advice from broker dealers, banks and other financial organizations to individual retirement accounts ("IRAs") and other Retirement Investors subject to ERISA's fiduciary standards. The impact of the Rule in the near term, and the debates surrounding it, will largely be focused on the compensation practices at broker-dealers and other Financial Institutions, including the fee and revenue sharing arrangements among funds, fund sponsors and the Financial Institutions that offer investment advice to Retirement Investors, via the Best Interest Contract Exemption (the "BICE").

The Rule will require new client contracts, new internal best interest policies and procedures, new websites and additional disclosures to investors and the DOL. The Rule may also increase the risk of litigation for Financial Institutions in providing investment and other services to Retirement Investors, and has already prompted multiple lawsuits challenging the DOL's authority to enact the Rule. This update to our White Paper series will focus on the most relevant provisions of the Rule and its potential effects on the investment industry.

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. You can find our prior analysis of the Rule (*here) and (here). We are ready to assist in the understanding and implementation of the requirements under the Rule.*

Please contact Stefan Dandelles or Brendan McGarry with any questions.

Click below to read the Final White Paper: