

Chapman Client Alert

April 5, 2017

Current Issues Relevant to Our Clients

DOL Fiduciary Rule Delayed to June 9, 2017

Yesterday the Department of Labor (“DOL”) released the final rule delaying the applicability of the DOL fiduciary rule and the related prohibited transaction exemptions to June 9, 2017. A copy of the final rule is available [here](#). The delay will be effective immediately upon publication in the Federal Register which is expected to occur on April 7, 2017. The rule was originally set to become applicable on April 10, 2017.

In the final delay rule, the DOL provided that the fiduciary rule and the exemptions’ “impartial conduct standards” will begin on June 9, 2017. This generally means that advisors to retirement investors will be treated as fiduciaries and will have to (1) act in the best interest of the retirement investor, (2) adhere to the duties of prudence and loyalty, (3) not make any misleading statements regarding the investment and (4) charge no more than “reasonable compensation.” The exemptions’ other requirements, including the contract, warranty and class action requirements will not apply until January 1, 2018.

The examination of the fiduciary rule pursuant to President Trump’s presidential memorandum is still ongoing. As part of that examination process, the DOL is still accepting comments on the fiduciary rule through April 17, 2017. Comments can be submitted through the Federal eRulemaking Portal at <http://www.regulations.gov> or by email to EBSA.FiduciaryRuleExamination@dol.gov. Comments should be submitted with RIN 1210-AB79 as the subject. The DOL indicated in the final delay rule that it will review the comments and following such review, some or all of the fiduciary rule and the exemptions may be revised or rescinded, including the provisions scheduled to become applicable on June 9, 2017 and the delay of the applicability dates should not be viewed as prejudging the outcome of its review.

For more information about the delay of the fiduciary rule’s applicability date and the ongoing re-examination of the rule itself see our prior Client Alert available [here](#).

[For More Information](#)

To discuss any topic covered in this Client Alert, please contact a member of the Investment Management Group or visit us online at chapman.com.

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