

Chapman Client Alert

February 3, 2017

Current Issues Relevant to Our Clients

Trump Directs DOL to Review and Potentially Rescind or Revise Its Fiduciary Rule; No Specific Order to Delay Applicability Date

Today President Trump issued a presidential memorandum directing the Department of Labor (the “DOL”) to conduct an economic and legal analysis of the fiduciary rule’s potential impact. A copy of the memorandum is available [here](#). Depending on the results of its examination, the memorandum instructs the DOL to publish for notice and comment a proposed rule to rescind or revise the rule. The rule, which was finalized last year by the DOL, requires financial advisers to eliminate conflicts of interest when providing advice to retirement plans and IRAs and to act in the “best interest” of their retirement plan customers. While the rule became effective last year, it is not scheduled to become applicable to financial advisers until April 10 of this year.

Contrary to initial press reports, the presidential memorandum does not specifically delay the rule or direct the DOL to delay the rule’s April 10, 2017 applicability date. However, in a press release issued by the DOL following the release of the presidential memorandum, acting Secretary of Labor Ed Hugler stated that “The Department of Labor will now consider its legal options to delay the applicability date as we comply with the President’s memorandum.” Given the substance of the memorandum, the statement from the acting Secretary of Labor and other reports out of Washington, it is expected that action will be taken to delay the rule. According to published reports, an initial draft of the memorandum included a directive to the DOL to delay the applicability date of the rule for six months but this directive is *not* included in the final memorandum. Delay of the rule would not require compliance with the full regulatory issuance process. However, if the DOL decides to rescind or revise the rule, the Administrative Procedures Act would require the DOL to follow procedures similar to those required to adopt the rule, including complying with a formal notice and comment period.

We will continue to monitor any developments with respect to President Trump’s directive. In the meantime, if you have any questions, please contact the Chapman and Cutler LLP attorney with whom you regularly work. For more information about the Fiduciary Rule, see our prior Client Alerts available [here](#), [here](#), [here](#) and [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.

Chapman and Cutler LLP

Attorneys at Law · Focused on Finance®

This document has been prepared by Chapman and Cutler LLP attorneys for informational purposes only. It is general in nature and based on authorities that are subject to change. It is not intended as legal advice. Accordingly, readers should consult with, and seek the advice of, their own counsel with respect to any individual situation that involves the material contained in this document, the application of such material to their specific circumstances, or any questions relating to their own affairs that may be raised by such material.

To the extent that any part of this summary is interpreted to provide tax advice, (i) no taxpayer may rely upon this summary for the purposes of avoiding penalties, (ii) this summary may be interpreted for tax purposes as being prepared in connection with the promotion of the transactions described, and (iii) taxpayers should consult independent tax advisors.

© 2017 Chapman and Cutler LLP. All rights reserved. Attorney Advertising Material.