



Insights

DOL to Propose Extension to DOL Fiduciary Rule Transition Period to July 1, 2019

Client Alert
August 9, 2017

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In a court filing on August 9, 2017, the Department of Labor (“DOL”) notified the court that it recently submitted proposed amendments to the three exemptions to its fiduciary rule to the Office of Management and Budget (“OMB”). The title of the amendment shown in the court filing is:

“Extension of Transition Period and Delay of Applicability Dates From January 1, 2018, to July 1, 2019; Best Interest Contract Exemption (PTE 2016-01); Class Exemption for Principal Transactions in Certain Assets Between Investment Advice Fiduciaries and Employee Benefit Plans and IRAs (PTE 2016-02); Prohibited Transaction Exemption 84-24 for Certain Transactions Involving Insurance Agents and Brokers, Pension Consultants, Insurance Companies, and Investment Company Principal Underwriters (PTE 84-24)”

Notice on the OMB’s website and publication in the Federal Register will follow, but this suggests that the DOL is preparing to extend the fiduciary rule’s transition period for an additional 18 months through June 30, 2019. As a result, the more onerous requirements of the Best Interest Contract (“BIC”) Exemption would not become effective until July 1, 2019. This includes the requirements to execute a contract with IRA investors that includes certain enforceable promises, make specified disclosures, and implement specified policies and procedures to protect retirement investors from advice that is not in their best interest. Additionally, the DOL previously issued Field Assistance Bulletin 2017-02 which provided that during the transition period, the DOL “will not pursue claims against

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fiduciaries who are working diligently and in good faith to comply with the fiduciary duty rule and the related exemptions, or treat those fiduciaries as being in violation of the fiduciary duty rule and exemptions.” It is not clear whether this position will continue through the longer transition period.

More information about the DOL’s fiduciary rule, exemptions and the transition period is available in our previous Client Alerts available [here](#) and [here](#).