

MEMO# 30371

November 1, 2016

White Paper: Examples of Share Class Structures Members Are Considering in Connection with Implementation of the DOL Fiduciary Rule

[30371]

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TO: Bank, Trust and Retirement Advisory Committee
Broker/Dealer Advisory Committee
CCO Advisory Issues Subcommittee
Chief Compliance Officer Committee
Operations Committee
Pension Operations Advisory Committee
Principal Underwriters Working Group
Small Funds Committee
Transfer Agent Advisory Committee RE: White Paper: Examples of Share Class Structures Members Are Considering in Connection with Implementation of the DOL Fiduciary Rule

We are pleased to announce the publication of a new white paper, *Examples of Share Class Structures Members Are Considering in Connection with Implementation of the DOL Fiduciary Rule*.

As you are aware, on April 6, 2016, the Department of Labor (DOL) issued a final regulation (final rule) defining who is a “fiduciary” under Section 3(21) of the Employee Retirement Income Security Act of 1974 and Section 4975(e)(3) of the Internal Revenue Code as a result of giving investment advice to an employee benefit plan, plan fiduciary, plan participant or beneficiary, individual retirement account (IRA), or IRA owner.

As the DOL notes, the final rule treats persons who provide investment advice or recommendations for a fee or other compensation with respect to assets of a plan or IRA as fiduciaries in a wider array of advice relationships. As funds prepare for the applicability date^[1] of the rule, they are undertaking an evaluation of future share class structures that could eliminate potential conflicts or concerns related to the final rule. An Investment Company Institute (ICI) industry working group developed this document to illustrate examples of new share class structures our members are considering in connection with implementation of the rule.

The white paper, published on ICI's website, is available [here](#).

This white paper is intended to serve as a tool to assist fund product and operations staff in their independent evaluation of their mutual fund products as they consider their options for facilitating effective compliance with the final rule.

We hope you find this paper beneficial as you discuss and evaluate possible mutual fund products in connection with the rule.

Questions or comments on the paper may be directed to Joanne Kane at the ICI (joanne.kane@ici.org, 202-326-5850).

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endnotes

[1] The final rule was effective June 7, 2016, but the general applicability date is April 10, 2017.

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