

MEMO# 28939

April 29, 2015

Department of Labor Re-Proposes Rule Defining Investment Advice Fiduciary

[28939]

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TO: PENSION MEMBERS No. 15-15
OPERATIONS MEMBERS No. 15-15
SMALL FUNDS MEMBERS No. 19-15
BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 11-15
BROKER/DEALER ADVISORY COMMITTEE No. 16-15
TRANSFER AGENT ADVISORY COMMITTEE No. 18-15 RE: DEPARTMENT OF LABOR RE-PROPOSES RULE DEFINING INVESTMENT ADVICE FIDUCIARY

On April 14, 2015, the Department of Labor (the “Department”) re-proposed a regulation (“2015 Proposed Rule”) defining who is a “fiduciary” under the Employee Retirement Income Security Act of 1974 (“ERISA”) as a result of giving investment advice to an employee benefit plan, plan fiduciary, plan participant or beneficiary, IRA or IRA holder. In addition to the 2015 Proposed Rule, the regulatory package of materials issued by the Department includes (1) two new proposed prohibited transaction class exemptions (“PTEs”): a “Best Interest Contract” exemption, and a “Principal Transactions” exemption, (2) amendments to several other existing PTEs, and (3) a separate Regulatory Impact Analysis.

The attached Memorandum provides a detailed overview of the 2015 Proposed Rule and the Best Interest Contract exemption, as well as a brief summary of the Principal Transactions exemption and amendments to existing PTEs.

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[Attachment](#)

should not be considered a substitute for, legal advice.