

**MEMO# 30361**

October 28, 2016

## **DOL Issues First Set of FAQs on Fiduciary Rule**

[30361]

October 28, 2016

TO:

PENSION MEMBERS No. 37-16

OPERATIONS MEMBERS No. 36-16

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SMALL FUNDS COMMITTEE No. 30-16

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TRANSFER AGENT ADVISORY COMMITTEE No. 57-16

BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 44-16

BROKER/DEALER ADVISORY COMMITTEE No. 41-16

RE:

DOL ISSUES FIRST SET OF FAQs ON FIDUCIARY RULE

On October 27, 2016, DOL released its first set of FAQs relating to the fiduciary rule, specifically the Best Interest Contract (“BIC”) Exemption.[\[1\]](#) In total, there are 34 questions and answers in this first set of FAQs. We understand that DOL plans to issue two more sets of FAQs, one focused on the fiduciary definition, and the other on general application. Although these FAQs focus primarily on compliance with the BIC Exemption, they also include questions regarding the Principal Transactions Exemption and PTE 84-24. The FAQs clarify issues as to coverage of the BIC Exemption, the use of permissible pay and bonus structures, the offering of discounts for services, qualifying as “level fee fiduciaries,” the application of the BIC Exemption’s grandfather provisions, as well as issues associated with Bank Networking Arrangements and annuities under the BIC Exemption.

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## endnotes

[1] The FAQs are available here:

<https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/faqs/c oi-rules-and-exemptions-part-1.pdf>

Assistant Secretary Borzi's blog post on the FAQs is available here:

<https://blog.dol.gov/2016/10/27/your-conflicts-of-interest-questions-answered/>.

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