

**MEMO# 30485**

December 16, 2016

# **SEC Division of Investment Management Publishes Guidance on Disclosure Issues Related to DOL Fiduciary Rule Implementation**

[30485]

December 16, 2016 TO: ICI Members

Investment Company Directors

ICI Global Members

Operations Committee

SEC Rules Committee

Small Funds Committee SUBJECTS: Disclosure

Distribution

Fees and Expenses

Intermediary Oversight

Operations RE: SEC Division of Investment Management Publishes Guidance on Disclosure Issues Related to DOL Fiduciary Rule Implementation

The SEC's Division of Investment Management has published a Guidance Update ("Guidance") on disclosure issues related to the implementation of the rule and related exemptions the Department of Labor adopted to address conflicts of interest in retirement advice.[\[1\]](#) The staff recognizes that the DOL Rule's implementation raises a variety of issues, including potential changes to fund fee structures to facilitate financial intermediaries' compliance with the rule.[\[2\]](#) The Guidance addresses these issues and certain procedural requirements with offering variations in fund sales loads and new fund share classes.

In the Guidance, the staff confirms its view that a fund may sell shares at prices that reflect scheduled variations in, or elimination of, sales loads under Rule 22d-1 under the Investment Company Act of 1940, as long as each sales load variation is disclosed in the prospectus. The staff provides guidance on appropriate registration statement disclosure for these variations in sales loads and indicates that the staff would not object if lengthy sales load variation disclosure for multiple intermediaries is included in an appendix to the statutory prospectus.

In filing new or updated share class disclosure related to implementation of the DOL Rule, the staff encourages registrants to request selective review and "Template Filing Relief" under Rule 485(b)(1)(vii) under the Securities Act of 1933. The staff describes specifically

the process for requesting selective review and “Template Filing Relief,” with the aim of improving the efficiency of the review process for both the staff and registrants.

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#### **endnotes**

[1] See Mutual Fund Fee Structures, IM Guidance Update No. 2016-06 (December 2016), available at <https://www.sec.gov/investment/im-guidance-2016-06.pdf>.

[2] The general applicability date of the DOL Rule is April 10, 2017. See ICI Memorandum No. 29837 (April 13, 2016), available at [https://www.ici.org/my\\_ici/memorandum/memo29837](https://www.ici.org/my_ici/memorandum/memo29837).

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