

SIFMA DOL Fiduciary Government Representatives Working Group

Committee Overview

2017

Overview

In April 2015, the Department of Labor (DOL) issued a proposed rule that would more broadly define the circumstances under which a person is considered to be a “fiduciary” by reason of giving investment advice under the Employee Retirement Income Security Act (ERISA).

The proposal greatly expands the scope of service providers subject to the fiduciary requirements and prohibited transactions of ERISA and the Code, while creating very limited, inflexible, and prescriptive exceptions and exemptions that do not work and will not be in the best interest of American retirement investors. The net effect is that this proposal, if enacted, would limit the ability of Americans to continue to receive personalized investment guidance for retirement plan accounts, which would result in a less secure retirement for many Americans already seeking to save and invest for their financial futures.

A large part of the proposal focuses on a “best interest standard” for financial advisors providing guidance to IRA holders and employees who participate in 401(k) plans. SIFMA and the broader financial services industry have long advocated for such a best interest standard when providing personalized investment advice. However, the DOL has added hundreds of pages of extraneous conditions, restrictions, and prescriptions on top of its proposed best interest standard. The regulation is extremely complex and, absent major modifications, will continue to harm retirement savers by negatively impacting their access to education and affordable advice.

Committee Remit

The DOL Fiduciary Government Representatives Working Group serves as a forum for broker-dealer firms to discuss the impacts of the proposed regulation and legislative developments and opportunities.

Structure

Frequency of Meetings

- Weekly meetings held every Wednesday

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