

Focus on Funds: Responding to the Department of Labor's New Fiduciary Rule

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The Department of Labor's new fiduciary rule will change how funds interact and communicate with their investors. In the April 15, 2016, edition of *Focus on Funds*, ICI General Counsel David Blass talks about ICI's initial analysis and how a conference in early May will help members better understand and implement the rule.

Transcript

Stephanie Ortvals-Tibbs, ICI Director, Media Relations: ICI is responding to the Department of Labor's fiduciary rule, newly released and running to more than 1,000 pages. The general counsel for ICI, David Blass, shared with me some of the initial findings the legal team is seeing and also information about a new forum that ICI is organizing in Washington.

David Blass, ICI General Counsel: It's a very dense rule, there's a lot there, and we're in the process of analyzing it. It came out last week. A few things that did jump out to us—one, the department gave more of a "grandfathering" provision than we had anticipated would be the case. They gave a little bit more time on implementation—not a sufficient amount of time, but some additional months to get ready for implementation of the rule. And we're looking at how the department defined who is a fiduciary. They generally trigger fiduciary status off of making a recommendation about an investment option or a rollover to an IRA.

A number of other issues we're looking at include especially the so called best-interest contract exemption and whether the department made sufficient changes to that exemption really to make it workable. We're not there yet; we're still looking through it. We do know that the department retained some form of liability, though, so we could see more state claims against the ERISA fiduciaries under this rule.

Ortvals-Tibbs: So as the industry assesses the impact of the rule, ICI is convening a forum on this in Washington and inviting some pretty important people into that dialogue.

Blass: Yeah, we're very excited about the event. It's an important opportunity for us to come together with stakeholders—distribution partners as well, hopefully—to talk over the implications of this rule. We do hope to have a key member of the Department of Labor staff who was instrumental in writing this rule also come to address interpretive questions and other questions about how the rule is meant to work.

Ortbals-Tibbs: So for our members, for other industry stakeholders, and for the press, this is time to make plans to attend.

Blass: That's right. It's going to be on May 10—Tuesday, May 10, here in Washington, DC, at the JW Marriott, and registration will be open on our website.

Additional Resources

- [Statement: ICI Responds to the Fiduciary Rule](#)
- [Resource Center on the DOL Fiduciary Rule](#)
- [Assessing the New DOL Fiduciary Rule: Policy and Practical Challenges](#) (conference registration)

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