

Proposal Filed for Fiduciary Rule Delay

New bumps on the never-ending road to the Fiduciary Rule

On March 1st, the Employee Benefits Security Administration of the Department of Labor released a Proposed Rule for an extension of the finalized Fiduciary Rule's applicability date. The Proposal was published in the Federal Register on March 2, 2017.

Approval from the OMB

This proposal comes in response to a Presidential Memorandum to the Secretary of Labor dated February 3rd, asking the DOL to review the Rule and determine if, in its current finalized state, it will adversely affect investors' ability to receive financial advice. Following the Memorandum, the DOL sent proposal documents to the Office of Management and Budget (OMB) for approval. During its period of consideration, the OMB held several meetings with industry groups, many of which are proponents of fiduciary regulation in some form.

On February 27th, the OMB announced the conclusion of its review as consistent with the intended change. Additionally, the Office announced an upgrade to the designation of the delay to "economically significant" meaning that the regulatory action would likely have an annual economic impact of \$100 million or more. This is likely because firms have already spent time and money to meet the standards of the finalized Fiduciary Rule.

Complying with the President's Request

Less than 40 days from the current applicability date, the new DOL is proposing that the Rule be delayed for an additional 60 days. According to the Proposal, the DOL feels that it will take more time than the current applicability date allows to best comply with President Trump's request. Absent of a delay, the examination may conclude that the Rule should be rescinded or revised after the applicability date is reached, causing major disruption on the marketplace. The extension aims to mitigate this risk.

Comment Periods

The Proposal comes with a 15-day period, ending March 17th, to allow for comments on the extension of the Rule's applicability date, specifically how industry professionals will be affected by a delay. An additional 45-day period, ending April 17th, is in place to garner comments on the actual examination of the Rule as requested by the President.

The final text of the Department of Labor's proposal can be found in the [Federal Register](#).