KILPATRICK TOWNSEND

August 31, 2017

DOL's Proposed Rule Would Extend the Transition Period for Certain Fiduciary Rule Exemptions to July 2019

By John I. Sanders

Today, the text of a Department of Labor (the "DOL") Proposed Rule we have been anticipating for several weeks was made available to the public.[i] The Proposed Rule would "extend the special transition period" for certain components of the Best Interest Contract Exemption (the "BIC Exemption") and certain other exemptions to the Fiduciary Rule.[ii] Perhaps the most important aspect of the Proposed Rule is that it would maintain the current version of the BIC Exemption, which requires fiduciaries relying on it to merely "give prudent advice that is in retirement investors' best interest, charge no more than reasonable compensation, and avoid misleading statements."[iii] In making the proposal, the DOL stated that its purpose was to give the DOL "time to consider possible changes and alternatives" to the exemptions. [iv] If finalized, the Proposed Rule would extend the transition period of the effected exemptions to July 1, 2019.[v] Please contact us if you have any questions about this article or the DOL Fiduciary Rule generally. ***John I. Sanders*** *is an associate based in the firm's Winston-Salem office.* [i] DOL, Notice of proposed amendments to PTE 2016-01, PTE 2016-02, and PTE 84-24, 82 Fed. Reg. 41365, available at https://www.federalregister.gov/documents/2017/08/31/2017-18520/extension-of-transition-period-and-delay-of-applicability-dates-best-interest-contract-exemption-pte. [ii] *Id*. [iii] *Id*. at 41367. [iv] *Id*. at 41365. [v] *Id*.