

# DOL Finalizes Delay of Conflict of Interest Rule

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04/07/17

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On April 4, 2017, the Department of Labor (DOL) released its final rule providing a 60-day delay of the April 10, 2017, applicability date of its conflict of interest regulation (the so-called fiduciary rule) and related prohibited transaction exemptions and exemption amendments, including the “best interest contract exemption.” The final rule is expected to be published in the Federal Register today.

The delay to June 9, 2017, was proposed by the DOL on March 1, 2017 (see our March 1, 2017, client alert “[DOL Proposes Delay of Fiduciary Rule Applicability Date](#)”), as a result of a February 3, 2017, memorandum from President Donald Trump directing the acting secretary of labor to review the fiduciary rule and, should the DOL find that the rule could have certain negative consequences, propose changes or repeal. (See our February 6, 2017, client alert “[Trump Directs Department of Labor to Review Fiduciary Rule](#).”) The DOL received thousands of comment letters regarding the proposed delay.

Although the 60-day delay ends on June 9, 2017, and the expanded definition of “fiduciary” under the rule will then apply, the DOL also has determined that after June 9, 2017, and through the end of 2017 (the transition period already established under the rule and exemptions), the best interest contract exemption, principal transactions exemption and amendments to Prohibited Transaction Exemption 84-24 (regarding certain insurance and annuity contracts) will require only that the fiduciary comply with the impartial conduct standards set out in the exemptions. They will not require compliance with other disclosure and administrative requirements.

The DOL will continue to undertake its review of the fiduciary rule and its impact, including consideration of comments it receives regarding issues raised in the president’s memorandum and on other related law and policy matters. The 45-day period for public comments on such matters following publication of the DOL’s March 1, 2017, proposal ends on April 17, 2017. The DOL indicated that it did not expect to complete its analysis of the fiduciary rule by June 9, 2017, but anticipated doing so before the end of the year. Whether additional delays will occur or other relief will be provided will only become evident over time, as the DOL continues its review.

As always, we will continue to monitor developments regarding the fiduciary rule and will provide further updates as matters progress.