

## DOL Officially Reinstates Original Fiduciary Rule and Proposes New Class Exemption for Investment Advice Fiduciaries

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On June 29, 2020, the U.S. Department of Labor (the DOL) issued a final regulation reinstating the original fiduciary rule under the Employee Retirement Income Security Act of 1974. The DOL also separately issued a new proposed prohibited transaction class exemption allowing financial services companies and their investment professionals to (i) receive compensation while acting as investment advice fiduciaries, including in connection with offering advice on individual retirement account rollovers, and (ii) execute certain principal trades for retirement assets to which they act as investment advisers.

This memo:

- Outlines the chronology of the DOL's fiduciary rule, including the revised rules adopted in 2016 and the subsequent decision by the Fifth Circuit Court of Appeals to vacate the revised rules;
- Summarizes the terms of the DOL's new proposed prohibited transaction class exemption and related commentary from the DOL; and
- Highlights the key takeaways from the DOL's June 29 actions.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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