

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

July 8, 2020 | Client Update

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.

Jeffrey P. Crandall

+1 212 450 4880
jeffrey.crandall@davispolk.com

Edmond T. FitzGerald

+1 212 450 4644
edmond.fitzgerald@davispolk.com

Adam Kaminsky

+1 202 962 7180
adam.kaminsky@davispolk.com

Kyoko Takahashi Lin

+1 212 450 4706
kyoko.lin@davispolk.com

Chaoyuan (Charles) Shi

+1 212 450 3346
charles.shi@davispolk.com

Veronica M. Wissel

+1 212 450 4794
veronica.wissel@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.

Related materials

[Read the full update](#)