

Executive Compensation, Employee Benefits and ERISA Alert

February 7, 2017

President Issues Order Calling on the Department of Labor to Reconsider Fiduciary Rule

On February 3, 2017, President Donald J. Trump issued a memorandum directing the U.S. Department of Labor (DOL) to re-examine the DOL's final rule on who is a "fiduciary" of an employee benefit plan under the Internal Revenue Code and the Employee Retirement Income Security Act as a result of giving investment advice to a plan or its participants or beneficiaries. The order directed the DOL to prepare an updated economic and legal analysis concerning the likely impact of the rule, and rescind or revise the rule based on the results of this analysis.

The final rule treated persons who provide investment advice or recommendations for a fee with respect to assets of a plan or IRA as fiduciaries in a wider array of advice relationships. The bulk of the rule was to become effective on April 10, 2017. The order does not delay the effective date, however. As of now, unless the DOL issues guidance, the rule will still become effective on April 10, 2017. We do note that Acting U.S. Secretary of Labor Ed Hugler has announced that the DOL is considering its legal options to delay the effective date to comply with the order.

Contact Information

If you have any questions regarding this alert, please contact the Akin Gump lawyer with whom you usually work or

Bruce E. Simonetti

bsimonetti@akingump.com

+1 212.872.8023

New York

Michael Roebuck

mroebuck@akingump.com

+1 212.872.8102

New York