>>> FAIRVIEW FLASH REPORT <<<

Department of Labor Finalizes its Conflict of Interest Rule

WHAT HAPPENED?	Yesterday, the Department of Labor ("DOL") finalized its sweeping conflict of interest rule, which seeks to protect retirement investors. Compliance with the new, 208-page final rule, will be required in April 2017. However, advisers who meet the requirements of the Best Interest Contract Exemption or Principal Transactions Exemption will be permitted to take a "phased" implementation approach, extending the implementation date to January 1, 2018.
WHAT IS COVERED UNDER THE RULE?	The rule defines covered investment advice as providing securities recommendations to "a plan, plan fiduciary, plan participant and beneficiary and IRA owner" for direct or indirect compensation, "including recommendations as to the investment of securities or other property after the securities or other property are rolled over or distributed from a plan or IRA." When engaging in such activities, advisers must either avoid direct or indirect compensation that creates a conflict of interest or comply with the protective terms of the exemption issued by the DOL.
NEXT STEPS	Advisers can read more about the proposed rule on the DOL website. As always, Fairview is available to assist clients with revising their policies and procedures as necessary.

Source: DOL Fact Sheet