

The New Era of Financial and Fiduciary Regulation

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Outline

- Introduction
- Dodd-Frank Act
- SEC Rulemaking
- DOL Rulemaking
- Litigation Update
- Practical Considerations

Introduction

- A new era of financial regulation focused on accountability and transparency
- The role of disclosure in sharper focus
- Fiduciary principles more widely visible and debated

Dodd-Frank Wall Street Reform and Consumer Protection Act

- Signed into law July 21, 2010
- Professional Accountability and Transparency
 - Sec. 913 – study and rulemaking regarding broker-dealer and investment adviser obligations
 - Sec. 917 – study regarding investor financial literacy
 - Sec. 919B – improved investor access to information on investment advisers and broker-dealers

Dodd-Frank Wall Street Reform and Consumer Protection Act

- Professional Oversight
 - Sec. 410 – raises the asset threshold for federal registration of investment advisers
 - Sec. 914 – study on enhancing investment adviser examinations
 - Sec. 919C – study on financial planners
- SEC Accountability and Transparency
 - Sec. 964 – report on oversight of national securities associations
 - Sec. 967 – SEC organizational study
 - Sec. 991 – SEC match funding

New and Proposed SEC Rules

- Final Rules
 - Pay to play rules
 - Form ADV, Part II
- Proposed Rules
 - Mutual fund distribution fees
 - Target date fund marketing
- Open Comment Period on Dodd-Frank Act Issues

Upcoming SEC Rulemakings

- Fiduciary rules for brokers and advisers
 - Scope of fiduciary duty
 - Proprietary products
 - Principal trading
 - Dual-hatters
 - Other sales practices
- Disclosure rules
 - Disclosures regarding relationship between investor and broker or adviser
 - Broker point of sale disclosures

New and Proposed DOL Rules

- Final Rules
 - 408(b)(2) fee disclosure to plans (interim rule)
- Proposed Rules
 - Participant investment advice
- Guidance
 - Target date funds

Upcoming DOL Rulemakings

- Definition of fiduciary
- Fee disclosure to participants
- QDIA amendments

Litigation Update

- Investment Company Act
 - Jones v. Harris
- ERISA
 - Hecker v. Deere
 - Braden v. Walmart
 - Martin v. Caterpillar
 - Tibble v. Edison

Practical Considerations

- Stronger regulatory oversight
 - SEC
 - FINRA
 - States
- Role of professional organizations
- Harmonization vs. homogenization
- Fiduciary services and excellence
 - Objectivity
 - Transparency and simplicity
 - Reasonableness
 - Consistency

Thank you

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- A recording of this and previous webinars will be available in the archive:
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- Email resources@fi360.com for any follow up questions

Announcements

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