As of: 7/15/15 9:40 PM
Received: July 15, 2015
Status: Pending_Post
Tracking No. 1jz-8jzu-sntn
Comments Due: July 21, 2015
Submission Type: Web

PUBLIC SUBMISSION

Docket: EBSA-2010-0050
Definition of the Term ‘‘Fiduciary’’; Conflict of Interest Rule—Retirement Investment Advice; Notice of proposed rulemaking and withdrawal of previous proposed rule.

Comment On: EBSA-2010-0050-0204
Definition of the Term Fiduciary; Conflict of Interest Rule-Retirement Investment Advice

Document: EBSA-2010-0050-DRAFT-2318
Comment on FR Doc # 2015-08831

Submitter Information

Name: Anonymous Anonymous

General Comment

The SEC, FINRA and the states all have rules and regulations to protect clients. Adding another layer of regulations on top of the existing regime will only create a more fractured and confusing environment for both advisors and clients which will not enhance client protection that the additional regulation intends.

As drafted, the rule prohibits variable compensation paid in retirement accounts, including IRAs. However, certain transactions allow for variable compensation, including commissions and 12b-1s under certain conditions. First, the client must agree to the terms outlined in the Best Interest Contract Exemption (BICE) contract. The contract must be executed before an advisor can offer any retirement advice. In other words, the client will need to sign an agreement before the client and advisor even decide to proceed on an engagement. It is the cart before the horse.

Second, the proposed BICE requires the advisor and the firm to adhere to numerous detailed, costly and impractical requirements while producing an unprecedented amount of very specific data on a point of sale and annual basis. Consequently, advisors will need to decide at what minimum investment level can they cost effectively deliver financial advice.

As a result, advisors and the firm may no longer be able to cost-effectively deliver financial advice to small and mid-size clients who need the most retirement help.