

# Bond Case Briefs

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## SEC Accelerates Work on a 'Fiduciary' Standard.

The Securities and Exchange Commission is accelerating work on its own version of the “fiduciary rule,” a regulation issued by the Labor Department that put restraints on brokers handling retirement accounts.

The SEC hopes to vote to propose its own rule by the second quarter of 2018. That would be a first step toward creating consistent standards across brokerage accounts since the Labor Department’s rules only covered 401(k)s and individual retirement accounts.

The SEC has struggled for years to harmonize the rules brokers and investment advisers face when they serve retail clients. Consumer groups that backed the fiduciary rule are likely to oppose the SEC proposal if they believe it would give Wall Street an end-run around Labor’s stricter approach.

SEC staff has held meetings in recent weeks with brokerage firms and trade groups regarding work on a “fiduciary” standard. **BDA members will meet next week with SEC Chairman Jay Clayton and Commissioners Piwowar and Stein.**

The SEC proposal could emerge later than the spring of 2018 because the agency will add two new commissioners in the coming weeks. Both new commissioners, Robert Jackson and Hester Peirce, could want time to study the proposal.

Any SEC measure could affect future revisions to the Labor Department’s rule affecting retirement accounts. Some want the Labor Department to exempt firms that comply with a new SEC standard from Labor’s fiduciary rule. That would allow the SEC to again regulate all brokerage activity and wouldn’t require the Labor Department to go through the cumbersome process of revising its regulation.

Already, under President Trump, the Labor Department has delayed parts of its fiduciary rule until July 2019, saying the rule has reduced choices for investors and imposed huge compliance problems for firms.

### **Bond Dealers of America**

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