Trump Directs Department of Labor to Review Fiduciary Rule

Skadden

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By a memorandum to the acting secretary of labor signed on Friday, February 3, 2017, President Trump formally directed the Department of Labor (Department) to review its conflict of interest regulations, the so-called "Fiduciary Rule." The memorandum directs the Department to examine the Fiduciary Rule's impact and prepare an updated economic and legal analysis of the rule. The memorandum further directs that if the Department determines that the Fiduciary Rule may have certain negative consequences or is otherwise inconsistent with the administration's priorities as stated in the memorandum — *i.e.*, to "empower Americans to make their own financial decisions, to facilitate their ability to save for retirement and build the individual wealth necessary to afford typical lifetime expenses, such as buying a home and paying for college, and to withstand unexpected financial emergencies" — the Department should propose rules either to revise or rescind the Fiduciary Rule.

The Memorandum did not delay the April 10 compliance date of the Fiduciary Rule, as many had expected. However, acting U.S. Secretary of Labor Ed Hugler issued a statement following the release of President Trump's Memorandum that said that the Department "will now consider its legal options to delay the applicability date [of the Fiduciary Rule] as we comply with the President's memorandum."

We note that the nomination of Andrew Puzder to be secretary of labor is under consideration in the U.S. Senate, but has been subject to multiple delays and is unlikely to result in confirmation until later this month.

We will continue to monitor developments regarding the Fiduciary Rule and will update you as matters progress.

For more on this topic, see our *2017 Insights* article "Change in Administration Presents Opportunity to Revisit DOL Fiduciary Rule."