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Definition of the Term Fiduciary; Conflict of Interest Rule - Retirement Investment Advice; Best Interest Contract Exemption; etc.

Comment On: EBSA-2010-0050-3491

Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

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General Comment

See attached file(s)

Attachments

Comments

Comments

Delaying 60-days of applicability date on final fiduciary rules and Prohibited Transaction Exemptions (PTEs) is a good chance to modify and complete rules. Respect to the economic perspective, I considered, there are two viewpoints are worth to point out. Firstly, the Department predicts the final rules and PTEs would maximize benefits on both sides also diversify advisory services and financial products to clients, however, this action may produce negative impacts on small entities. Secondly, the Department of Labor's fiduciary rule may not fully resolve the advisory conflicts even though its intention is great and helpful.

To the first point, diversified investment services or financial products would unavoidable increase costs to either financial industries or small entities. It is harmful to middle and lower classes because saving is already a challenge to us. Furthermore, in common sense, our market needs to take long time to examine the new products, collect feedbacks and modified service in the end. But here the 60-days delayed looks like limited to complete this job. Moreover, the Department of Labor should consider about possible controversy such as customer complaints and deficient financial products.

To the second point, the Department's fiduciary rule tends to build up an impartial relationship between advisors and investors, for example, investment consultants put their clients' interest at the first position and provide suitable choices to them. However, the fiduciary rule does not clearly defined ethical code to financial consultants and clients. The Department does not count probability of loses of commercial crimes happened on small entities or individuals, he rather focus on regulating inner structure of financial industries. As a result, the safety considerations for clients are not generalized and complete.