

It's Back! The SEC Seeking Data on Potential Fiduciary Rule

by Bettina Eckerle

On March 1, the SEC issued a long-awaited request for data from the public and other interested parties about whether to align the standards of conduct for broker-dealers and investment advisers. The agency's data request focuses largely on the benefits and costs of the current standards, as well as alternative approaches.

“Studies have shown that few investors realize that the standard of care they receive depends on the type of investment professional they use. And often investors do not know which type of financial professional they are relying on,” said SEC Chairman Elisse B. Walter. “This request for information will help us in our ongoing consideration of alternative [standards of conduct for certain broker-dealers and investment advisers](#), as well as potential harmonization of other aspects of regulation in this area.”

The more than 70-page [SEC data request](#) addresses a potential uniform fiduciary standard of conduct as well as regulatory harmonization for advisers and broker-dealers more generally. The fiduciary debate has been going on since January 2011 when the SEC first discussed subjecting broker-dealers to the same standard that applies to advisers. It argued that most investors are unaware that while advisers are obligated to act in their clients' best interest, brokers do not have the same requirements.

In her recent confirmation hearing before the Senate Banking Committee, SEC nominee Mary Jo White acknowledged that she would “commit” to reviewing the comments before releasing a rulemaking proposal. She also stated that regulating the conduct of broker-dealers and investment advisers when giving retail investment advice would be a primary area of focus once she takes the helm at the SEC.

The SEC will accept comments from the public for 120 days after the notice is published in the Federal Register.

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