From: FinancialPlanning
Sent: Thursday, August 06, 2015 3:19 PM
To: FinancialPlanning
Subject: RE: DOL Fiduciary Proposed Rulemaking

Dear Member,

The AICPA PFP Section and Congressional Affairs staff, along with input from members who serve on our PFP Executive Committee and Legislative and Regulatory task force, have reviewed the Department of Labor's (DOL) proposed rule to amend the definition of "fiduciary" advice under the Employee Retirement Income Security Act.

We recognize that confusion exists as to when and to whom the fiduciary standard applies, and we commend the DOL for its efforts to strengthen standards for individuals providing investment advice to retirement plans, their participants and beneficiaries, and to protect investors and their retirement goals. We are also aware of the heated discussion on the proposed rule, and we have monitored the debate around this highly controversial proposal.

As reflected in the Statement on Standards in Personal Financial Planning and the AICPA Code of Professional Conduct, the AICPA is committed to the best interest of the public, which is the foundation of the fiduciary standard. AICPA members are required to maintain objectivity in fulfilling professional responsibilities and act in the best interest of their clients at all times when providing personal financial planning services, including investment management. These principles have no exception, and disclosure does not provide a way to allow for impaired objectivity resulting from a known conflict of interest.

The complexity of investing and retirement savings does not lend itself to an environment in which investors can quickly and easily evaluate an adviser's competence and prudence. Also, studies have shown that investors place a high degree of trust in their adviser and are often unaware that not all advisers are required to always place the investor's interest first, regardless of the type of account.

The AICPA has a long-standing position of support for the principles-based regulatory approach of the Investment Advisers Act of 1940 and its related rules; and believes that investment advice to all accounts and investors be subject to an elevated standard of care so long as the standard is no less stringent than the standard currently applied to investment advisers under the Advisers Act. This long-standing position places the public's interest at the forefront, and should be applied across all accounts and advisers. The significant importance of competent, objective advice relating to retirement assets cannot be overstated.

We are monitoring the DOL rulemaking process, including upcoming hearings, and will keep you apprised of developments in this and other fiduciary rulemakings at the DOL and SEC via your weekly *PFP News* and aicpa.org/pfp/advocacy.

Sincerely,

Lyle K. Benson Jr.

Lyle Benson, CPA/PFS
Chairman, AICPA Personal Financial Planning Executive Committee