

## US Corporate Law News: Fifth Circuit Court of Appeals vacates DOL fiduciary rule

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Flora Tsui

ASSOCIATE | US

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On March 15, 2018, the U.S. Court of Appeals for the Fifth Circuit, based in New Orleans, ruled that the U.S. Department of Labor ( DOL) abused its authority in implementing the DOL's fiduciary rule in a manner that constitutes “an arbitrary and capricious exercise of administrative power.” The 2016 fiduciary rule expanded the “investment advice fiduciary” definition under The Employee Retirement Income Security Act (1974) (ERISA), elevating all financial professionals who work with retirement plans or provide retirement planning advice to a level of a fiduciary (a much higher level of accountability than the previous “suitability” standard required of financial salespersons). While the DOL has indicated that it will not continue to enforce the fiduciary rule following the recent decision, the DOL may choose to appeal the decision to the U.S. Supreme Court. For more information on the Chamber of Commerce of the United States v. United States Dep't of Labor case, see <http://www.ca5.uscourts.gov/opinions/pub/17/17-10238-CV0.pdf>.

# Authors

Flora Tsui

ASSOCIATE | NEW YORK

Corporate

 +1 212 848 9860

 [flora.tsui@withersworldwide.com](mailto:flora.tsui@withersworldwide.com)