

Reg BI Could Make It Easier for B/Ds to Compete With Retirement Plan Advisers, PlanAdvisor, ft. Brendan McGarry

KD partner, Brendan P. McGarry, was quoted in a recent article written by Lee Barney published in PlanAdvisor - June 2019.

Experts say the new SEC rules could allow brokers to encroach into the traditional territory of advisers without having to meet the same fiduciary standard of care.

Generally speaking, the new Regulation Best Interest (Reg BI) rulemaking package that the Securities and Exchange Commission voted to approve last week does not introduce new fiduciary responsibilities for those advisers controlling retirement plan assets. This is because the Employee Retirement Income Security Act (ERISA) already holds retirement plan advisers to high fiduciary standards, Amy Oullette, director of retirement services at Betterment for Business, tells PLANADVISER.

Additionally, the SEC is now requiring all advisers and broker/dealers to provide their retail clients with a Customer Relationship Summary (Form CRS), adds Brendan McGarry, a partner at Kaufman Dolowich & Voluck. “Such information may coincide with or, in some cases, duplicate the information provided in an adviser’s Form ADV,” McGarry says.

However, he says it will merely be additional paperwork for advisers. “Because plan advisers are already subject to a fiduciary standard under ERISA, this additional interpretation by the SEC of a fiduciary standard should not impact them when advising retirement plans.”