



Meeting the fiduciary standards of the Department of Labor (DOL)

Financial services

Changes to the definition of fiduciary

On April 8, 2016, the United States Department of Labor (the DOL) released its final rule expanding the definition of “investment advice” and increasing the level fiduciary care advisers must demonstrate as applied to retirement plans, IRAs, pensions, and other types of retirement accounts. Under the new rule package, a person (or financial institution) will be considered a “fiduciary” when they provide “investment advice” to ERISA or Individual Retirement Account (IRA) plans. Upon becoming a fiduciary, advisers are subjected to far-reaching duties of conduct and restrictions on the types of compensation that can be received.

How can KPMG assist you?

KPMG LLP (KPMG) has the scale, industry insight and multidisciplinary range of services to help your organization make informed business decisions and more efficiently define and implement the necessary business and operating model changes.





KPMG assists financial institutions in conducting the analysis required to understand where their business practices may trigger fiduciary status under the new rule, and in managing the complexity associated with the potential impacts and challenges. KPMG is also well positioned to assist with implementation and compliance efforts.

KPMG services may include assistance with:

Program Management	Impact Analysis	Exemption Implementation (BIC/BIC Lite)	Marketing, Communications & Training	Compliance Program
				
<ul style="list-style-type: none"> – Establish a centralized PMO to facilitate DOL workstreams – Develop project milestones, progress tracking, and project reporting protocol – Develop a road map for implementation based upon impact analysis 	<ul style="list-style-type: none"> – Conduct a thorough analysis of the DOL’s impact on business and product lines – Inventory and analyze accounts, products, and services subject to DOL rules – Assess availability of applicable DOL exceptions and exemptions to understand compliance requirements 	<ul style="list-style-type: none"> – Develop and maintain a material conflicts inventory – Revise compensation arrangements with third parties and advisers as needed – Update contract and transaction disclosures – Design and implement anti-conflict policies and procedures – Manage client experience 	<ul style="list-style-type: none"> – Review and update marketing materials – Design and deliver a training program for advisers and other key employees – Develop and deliver client and adviser communications – Address Web site requirements related to disclosures 	<ul style="list-style-type: none"> – Establish a DOL compliance program tailored toward specific exception(s) or exemption(s) – Develop and implement new and updated policies and procedures – Update the monitoring and surveillance program for advisers – Identify and document account treatments

KPMG tools

KPMG brings proprietary tools to help you make the right decisions and accelerate analysis and implementation.

Traceability Matrix	Customer Data Analytics	Digital (ROBO)	PMO Tools
<i>Traceability through design to address, business, compliance, and sustainability requirements</i>	Lighthouse advanced data and analytics capability	Market intelligence, vendor selection methodology, third-party risk management	Stakeholder status reporting, risks/issues/decisions logs, interdependency tracking
			

Why KPMG?

The global strength of KPMG's Financial Services practice:

- KPMG is a recognized leader in regulatory transformation, delivering value from strategy through execution. We have the cross-functional and industry-specific experience and capabilities to execute large regulatory change initiatives spanning multiple businesses and locations.
- KPMG has the framework, methods, and tools to accelerate analysis, plan for compliance, and identify revenue opportunities (including capabilities in customer data & analytics, digital/robo advice, and cost optimization).



For more information on how KPMG can help you manage the changes arising out of the DOL fiduciary rules, please contact:

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