

NEWS RELEASE

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## Why 2016 Will be Vital for Fiduciary Advice Investors

Washington, D.C., January 28<sup>th</sup> – The Institute for the Fiduciary Standard released a white paper today examining on why 2016 will be important for the fiduciary duties. The paper states:

*2016 will become historic in the annals of financial planning and investment advice. The DOL will finalize rulemaking. The SEC will initiate rulemaking. The CFP Board will review its standards. The Institute for the Fiduciary Standard will advance Best Practices for Financial Advisors. The debate over if fiduciary duties should prevail is over. The battle over what fiduciary duties prevail rages on.*

A blog written on the 27<sup>th</sup> of January highlights the 2016 fiduciary battle to define fiduciary duties and the meaning of “Best Interest.” The blog can be seen here: <http://www.thinkadvisor.com/2016/01/27/debate-on-fiduciary-is-over-battle-for-best-intere?ref=hp-blogs>

The Institute white paper discusses these issues in detail. The paper may be found here, <http://www.thefiduciaryinstitute.org/wp-content/uploads/2016/02/Fidcuiary-Duties-in-2016-Jan-28.pdf>,

Key points of the paper are:

- (1) The battle is not between brokers and advisors; the battle is between opposing principles of trusted advice and sales rules.
- (2) The strength of the case for trusted advice over sales rules is so strong that industry advocates who oppose fiduciary duties don’t try to refute it. They do not refute the compelling rationale for true fiduciary duties. Yet, this important point is often overlooked.
- (3) The battle is different from battles past because market forces and new attitudes of investors will be influential. The Institute’s Best Practices are crafted to address these new investor attitudes.

The bottom line is that the case for trusted advice over sales rules is overwhelming. While the debate is over, the battle to define “Best Interest” rages on.

For further information, contact:

Knut A. Rostad

301-509-6468

[knut@thefiduciaryinstitute.org](mailto:knut@thefiduciaryinstitute.org)