

Obama Releases Plan for Regulatory Reform

The Obama Administration has released its much-anticipated white paper on regulatory reform- *Financial Regulatory Reform: A New Foundation* – outlining in conceptual terms the administration’s plans for restructuring financial services regulatory oversight

Over the coming weeks and months, the concepts outlined in the administration’s paper will be debated on Capitol Hill, along with other proposals. FPA’s government relations staff will be engaging policymakers on the issues most important to the financial planning profession. As we do, we will keep you informed and may call on you to contact your Congressman or Senators and share your views.

Below is a link to the Department of the Treasury website where you can read the administration’s full plan, an executive summary, and “fact sheets” on various elements of the plan.

Just some of the highlights of interest to planners:

- Broker-dealers providing investment advice should be subject to a fiduciary standard
- Advisers to hedge funds should be required to register with the SEC
- SEC should have power to:
 - examine and ban forms of compensation that encourage intermediaries to put investors into products that are profitable to the intermediary, but are not in the investors’ best interest
 - require simple and clear disclosure to investors regarding the scope of the terms of their relationships with investment professionals
 - prohibit certain conflict of interests and sales practices that are contrary to the interests of investors
- Establish a Consumer Financial Protection Agency (CFPA) to protect consumers in the financial products and services markets (except for investment products and services already regulated by the SEC or CFTC). CFPA would be a single primary federal consumer protection supervisor to protect consumers of credit, savings, payment, and other consumer financial products and services, and regulate providers of such products and services
- Automatic IRA’s

Link to the administration’s report and related documents:

<http://www.treas.gov/initiatives/regulatoryreform/>