KEY DATES IN DEVELOPMENT OF SEC REGULATION BEST INTEREST

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April 10, 1995 – A report for the SEC highlights broker-dealer conflict of interest concerns.

April 19, 2005 – The SEC adopts Rule 202(a)(11)-1, under the Investment Advisers Act of 1940 to provide guidance on when a broker-dealer is giving advice that is not ‘solely incidental’ to the conduct of its business.


January 3, 2008 – SEC unveils RAND report, “Investor and Industry Perspectives on Investment Advisers and Broker Dealers,” which examines the “blurred traditional distinctions between broker-dealers and investment advisers” that made it difficult to design appropriate regulatory schemes for their professional services.

ACLI submission on RAND study


January 7, 2009 – Mary Shapiro, former head of FINRA, the Financial Industry Regulatory Authority, succeeds Christopher Cox as SEC chair. She recuses herself from voting on a proposed self-regulatory organization, creating a stalemate – with a 2-to-2 SEC commissioner split -- on fiduciary issues at the independent agency that continues through the term of her successor, Mary Jo White, who also recused herself on this issue.

July 21, 2010 – Congress passes the Dodd-Frank Wall Street Reform and Consumer Protection Act, which includes Section 913 that directed the SEC to conduct a study and authorizes the SEC to adopt a “fiduciary duty” for broker-dealers.

August 2010 – As part of Dodd-Frank Act Section 913 rulemaking, the SEC requests information on “Responsibilities of Brokers, Dealers, and Investment Advisers in fulfillment of Section 913 of the Dodd-Frank Act.”

ACLI Submission

January 2011 -- SEC staff issues reports on Sections 913. It finds:

“The staff therefore recommends establishing a uniform fiduciary standard for investment advisers and broker-dealers when providing investment advice about securities to retail customers that is consistent with the standard that currently applies to investment advisers.”
August 30, 2012 – SEC issues Financial Literacy Study under Section 917 of the Dodd-Frank Act concluding that retail investors lack basic financial literacy, which parallels conclusions in the SEC’s Section 913 study.

March 7, 2013 – As part of Section 913 rulemaking, the SEC issues a Request for Data and Information on Brokers, Dealers and Investment Advisers.

ACLI Submission

April 10, 2013 -- Mary Jo White succeeds Mary Shapiro as SEC chair. Stalemate on fiduciary issues continue on 5-member commission as White recuses herself from various issues before the SEC.


June 1, 2017 -- SEC Chair Jay Clayton issues request for public comments on standards of conduct for investment advisers and broker-dealers.

ACLI Submission

April 18, 2018 -- SEC proposes Regulation Best Interest

ACLI Submission on proposed regulation