Appeals Court and Department of Labor Support SEC's Best Interest Rule

On Friday, June 26, the U.S. Court of Appeals for the 2nd Circuit upheld the SEC's Best Interest Rule. The U.S. Chamber submitted a brief in support of the SEC's arguments that it has statutory authority under the Dodd-Frank Act and federal securities laws to promulgate Regulation BI, and that the SEC did not act arbitrarily or capriciously in promulgating the regulation. The U.S. Chamber's Center for Capital Markets Competitiveness (CCMC) applauds the ruling.

We are also pleased the Department of Labor (DOL) released a proposed rule on Monday, June 29, that aligns with the SEC rule. You can view the U.S. Chamber's full statement on DOL's Rule here.

CCMC has long advocated for and been on the record in supporting Reg BI, which would enhance the standards of conduct for financial professionals that advise retail investors. In particular, the Chamber filed an amicus brief on March 10, 2020 in support of the SEC in the lawsuit of seven states, the District of Columbia, and XY Financial Planning Network against the SEC over Reg BI. In September of 2019, CCMC provided House Financial Services Committee members with a "myth vs. fact" document to push back against anti-Reg BI arguments at a hearing with all five SEC Commissioners. Additionally, I recently authored an op-ed in Investment News titled, "How a New Regulation for Brokers Will Protect Investors", explaining how the SEC got Reg BI right because it carefully balances consumer protection with investor choice.

—Tom Quaadman, Executive Vice President, Center for Capital Markets Competitiveness