

Senate Confirms Boston Mayor Marty Walsh as Secretary of Labor

The United States Senate has confirmed Boston Mayor Marty Walsh as the next U.S. Department of Labor Secretary by a 68-29 margin on Monday evening.

Prior to being elected Mayor of Boston in 2014, Walsh served as a member of the Massachusetts House of Representatives, and previously, as a member of Laborers Local 223 and head of the Building and Construction Trades Council.

In a statement, Dale Brown, president and chief executive officer of the Financial Services Institute, said that the industry trade group encourages Secretary Walsh “to preserve the independent contractor status for advisors who choose the independent model to better serve their clients and operate their own business.”

“In addition, we look forward to engaging with the Department to ensure the success of its recent prohibited transaction exemption (PTE) for investment advice fiduciaries,” Brown added. “This PTE is an example of how collaboration across regulatory agencies and the industry can lead to effective rulemaking that provides consistent regulatory standards and reduces confusion.”

The Department of Labor’s exemption for investment advice fiduciaries, dubbed *Improving Investment Advice for Worker & Retirees*, went into effect last month. However, the temporary enforcement policy (Field Assistance Bulletin 2018-02) will remain in place until December 20, 2021.

The Trump-era regulation replaced the previous iteration of the rule that was vacated by the Fifth Circuit Court of

Appeals in 2018 for regulatory overreach and reinstates the Labor Department 1975 five-part test to determine who is a fiduciary.

The rule claims that the best interest standard in the exemption is “broadly aligned” with the Securities and Exchange Commission’s Regulation Best Interest, which went into effect on June 30, 2020.

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