### Structured Products

<table>
<thead>
<tr>
<th></th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. STRUCTURED PRODUCTS (NO ETNs)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year to Date:</td>
<td>$12.834 billion in 3189 deals</td>
<td>$10.356 billion in 1964 deals</td>
</tr>
<tr>
<td>Quarter to Date:</td>
<td>$0.127 billion in 25 deals</td>
<td>$0.105 billion in 46 deals</td>
</tr>
<tr>
<td>Month to Date:</td>
<td>$0.127 billion in 25 deals</td>
<td>$0.105 billion in 46 deals</td>
</tr>
</tbody>
</table>

**BREAKDOWN OF YEAR TO DATE DEALS**

**EXCHANGE-TRADED NOTES**

- $0.777 billion in 10 deals
- $3.600 billion in 257 deals

**ALL U.S. STOCK AND EQUITY INDEX DEALS**

- $11.635 billion in 2739 deals
- $9.944 billion in 1710 deals

**SINGLE STOCK U.S. STRUCTURED PRODUCTS**

- $1.595 billion in 1192 deals
- $0.697 billion in 373 deals

**STOCK INDEX U.S. STRUCTURED PRODUCTS**

- $9.363 billion in 1466 deals
- $8.919 billion in 1289 deals

**FX U.S. STRUCTURED PRODUCTS**

- $0.027 billion in 15 deals
- $0.036 billion in 7 deals

**COMMODITY U.S. STRUCTURED PRODUCTS**

- $0.169 billion in 17 deals
- $2.664 billion in 220 deals

**INTEREST RATE STRUCTURED PRODUCTS**

- $0.039 billion in 10 deals
- $0.081 billion in 9 deals

**INTEREST RATE STRUCTURED COUPONS**

- $8.677 billion in 381 deals
- $13.315 billion in 518 deals

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**DOL extends applicability of fiduciary rule to June 9 bringing relief to firms, sellsiders**

*By Emma Trincal*

New York, April 6, 2017 – The U.S. Department of Labor announced on Thursday a 60-day extension of the applicability dates of the new fiduciary rule. Originally the applicability deadline for the rule was April 10. The date has been extended to June 9.

This rule has significant implications for the issuance and the sales of structured notes, which may not be as easily sold in retirement accounts unless brokers and distributors request specific exemptions, lawyers who have worked on the rule issued in April 2016 said.

The extensions will be published on

*Continued on page 3*

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**Inside:**

Analysis of structured products issuance for 13 months through March 2017

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DOL extends applicability of fiduciary rule to June 9 bringing relief to firms, sellers

Continued from page 1

Friday in the Federal Register, according to a DOL press release. The extensions will become effective immediately upon publication, one business day before the fiduciary rule was scheduled to be originally applicable.

With the postponement, the fiduciary definition in the Fiduciary Rule published on April 8, 2016 and the impartial conduct standards in the related exemptions are applicable on June 9, while compliance with the remaining conditions in the exemptions, such as requirements to make specific written disclosures and representations of fiduciary compliance in communications with investors, are not required to be met until Jan. 1, 2018, according to the press release.

A break

The Jan. 1, 2018 date is the final implementation deadline, which has remained unchanged. It will allow firms to fully prepare during that transition period.

The extension will be a relief for market participants, said Marcia Wagner, the managing director of the Wagner Law Group.

“This extension means a lot of the forms requested don’t have to be sent out right away. They’ll get until June 9 to adapt to the new broader definition of fiduciary: you have to act in clients’ best interest,” she said.

“I think it makes a difference. Two months more is meaningful.

“A lot of people would have had a hard time meeting the deadline. People were anticipating a delay but they weren’t sure. As a result, a lot of firms fell behind.

“The big banks did a lot but surely had not done enough.

“Only a minority of firms was ready for the April deadline,” she said.

Another lawyer agreed.

“Firms still have a lot of things they need to do to prepare for the finalization of the regulation. It’s a major change,” this lawyer said.

“While a lot of financial institutions have been thinking about this and probably made some decisions on how they will comply, they haven’t finalized because of the uncertainty of when the application date will actually occur.”

Still tight

Paul Borden, partner at Morrison & Foerster, while not surprised by the extension, said that it may perhaps disappoint some in the industry.

“Many people thought that the definition of fiduciary that appears in the regulation would be delayed further than 60 days,” he said.

“I think there was some degree of surprise that the DOL concluded that a delay in implementation of the fiduciary definition and Impartial Conduct Standards beyond June 9th was not appropriate. As a result of the DOL’s final rule, important parts of the regulation will be going into effect on June 9th.”

The “impartial conduct standards” are requirements imposed by the rule on brokers that serve clients’ best interests, charge only reasonable compensation and avoid misleading statements. These standards are to be included in each advisory firm’s compliance manual.

“There may also have been surprise at the volume of mail the DOL received on the issue of a further extension of the applicability of the rule.”

He said that the department received approximately 200,000 comment letters.

Headless DOL

The process behind the extension of the applicability date was far from speedy.

It began with the Feb. 3, 2017, Presidential Memorandum directing the DOL to study the impact of the Fiduciary Rule and the related exemptions. On March 2, the DOL proposed the delay to June 9. But industry representatives had a 60-day period to submit opinions, which is why the final announcement only emerged this week.

After the elections, it was unclear whether the new administration would repeal, modify or simply postpone the implementation of the DOL fiduciary rule. The rule, criticized as “over-reaching” by the trade group Sifma, has not been popular in the financial industry.

Industry groups including Sifma took to the courts in an attempt to strike down the federal regulation but met with no success.

“Part of the problem was that DOL had no head,” the lawyer said referring to the “long delay” in confirming labor secretary Alexander Acosta. Edward Hugler is currently serving as the acting secretary of labor.

What’s next?

Now that the extension and its scope have been clearly defined, uncertainty remains around the future of the rule.

The 60-day extension may not suffice to modify or change the rule substantially, said Borden.

The DOL stated that it would take more than 60 days to fully evaluate the detailed requirements of the Best Interest Contract Exemption and the Principal Transactions Exemption, said Borden. Those two exemptions are sensitive aspects of the rule for the structured notes industry, as they will define the terms under which brokers may sell and banks issue structured notes for retirement accounts.

In its release, the DOL said it expects to complete its review before Jan. 1, 2018.