

SEC Approves Interpretive Guidance On Section 28(e) Soft Dollar Practices

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Section 28(e) of the Securities Exchange Act establishes a safe harbor for money managers who use client funds to purchase brokerage and research services for their managed accounts. Under Section 28(e), a money manager is protected from liability for a breach of fiduciary duty solely on the basis of having paid more than the lowest commission rate to receive “brokerage and research services” provided by a broker-dealer, so long as the manager determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services received.

[Read the full alert.](#)

Related Professionals

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