



OppenheimerFunds®

The Right Way
to Invest

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July 21, 2017

Submitted Electronically
U.S. Department of Labor
Employee Benefits Security Administration
200 Constitution Avenue NW.
Washington, DC 20210

Re: Request for Information Regarding the Fiduciary Rule and Prohibited Transaction Exemptions (RIN 1210-AB82) (“Request for Information”)

Ladies and Gentlemen:

OppenheimerFunds, Inc., and its subsidiaries¹ (collectively, “OppenheimerFunds”) appreciate this opportunity to comment on the Request for Information, with respect to whether the Department of Labor (“DOL”) should delay the January 1, 2018 applicability date associated with the fiduciary rulemaking it issued in 2016 (“Fiduciary Rule”). OppenheimerFunds strongly supports a delay of the January 1, 2018 applicability date for a period of at least 12 months.

This delay is necessary and appropriate because it will:

- Enable DOL to complete its review of the Fiduciary Rule in response to the President’s February 24, 2017 Memorandum, which raised issues that could require DOL to propose significant changes
- Enable fiduciary rulemaking coordination between DOL and the Securities and Exchange Commission (“SEC”), to which DOL Secretary Acosta and SEC Chair Clayton have both expressed their strong commitment
- Provide DOL with sufficient time to consider public comments in response to queries it posed in the Request for Information regarding enhancements to the Fiduciary Rule and related Best Interest Contract (“BIC”) exemption, as well as whether new, streamlined exemptions are appropriate, including with respect to mutual fund “clean shares.”

The absence of a delay would significantly compromise each of these efforts, while likely causing substantial confusion for everyday investors, and wasteful, unnecessary expenditures of time and financial resources across the entire financial services industry. Particularly with respect to marketplace

¹ OFI Global Asset Management, Inc., a direct, wholly owned subsidiary of OppenheimerFunds, Inc. (“OFI”), is a registered investment adviser, providing investment management and transfer agent services to nearly 100 registered investment companies. OFI has been in the investment advisory business since 1960, and with its subsidiaries, has more than \$235 billion in assets under management.

implementation of clean shares, additional time beyond January 1, 2018 is needed in order to provide an orderly transition for investors and financial institutions that intend to utilize them.

Finally, a delay in conjunction with necessary changes to the Fiduciary Rule would help prevent harm to investors who are saving for their future, and would alleviate concerns that implementation of the current regulation and BIC exemption will likely reduce or eliminate many critically-needed products and services that help everyday investors save for their future. For example, Investment Company Institute analysis indicates that investors could suffer significant financial losses over time due to the effects of the elimination of mutual funds in brokerage IRA accounts; increases to account minimums; and the discontinuation of advisory services and commission-based arrangements for lower-balance accounts.² Further, OppenheimerFunds has observed evidence that the current regulation and BIC exemption likely will cause a reduction or elimination of certain retirement products – including owner-only 401(k) plans, SEP IRAs, SIMPLE IRAs, and traditional/Roth IRAs offered on mutual fund family platforms – that uniquely serve the needs of many small business owners and lower-balance IRA accountholders.

For all of these reasons, we respectfully urge DOL to issue the requested delay as soon as possible so that necessary review of the Fiduciary Rule, coordination with the SEC, and critical improvements to this regulatory initiative can be accomplished.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cynne', with a long horizontal flourish extending to the right.

Cynthia Lo Bessette
Executive Vice President
and General Counsel
OFI Global Asset Management, Inc.

² See March 17, 2017 Investment Company Institute submission to DOL, available at: (https://www.ici.org/pdf/17_ici_dol_fiduciary_applicability_ltr.pdf)