September 15, 2017

Office of Exemption Determinations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue NW, Suite 400
Washington, DC 20210
Attn: D-11712, 11713, 11850, RIN 1210-AB82

Submitted via email to: EBSA.FiduciaryRuleExamination@dol.gov; RIN 1210-AB82

Re: Extension of Transition Period and Delay of Applicability Dates; Best Interest Contract Exemption (PTE 2016–01); Class Exemption for Principal Transactions in Certain Assets Between Investment Advice Fiduciaries and Employee Benefit Plans and IRAs (PTE 2016–02); Prohibited Transaction Exemption 84– 24 for Certain Transactions Involving Insurance Agents and Brokers, Pension Consultants, Insurance Companies, and Investment Company Principal Underwriters (PTE 84–24)

BlackRock, Inc. (together with its affiliates, "**BlackRock**") respectfully submits its comments to the Department of Labor ("**DoL**") in support of an extension of the Transition Period and a delay in the applicability date (the "**Applicability Date**") of the provisions of the Best Interest Contract Exemption ("**BIC**"), Principal Transactions Exemption and amendments to PTE 84-24 from January 1, 2018 until July 1, 2019 (the "**Proposed Extension and Delay**"). BlackRock is supportive of changes to the financial ecosystem that enhance confidence in markets, facilitate investing and promote outcome-oriented strategies. These are integral components to solving our retirement crisis. To best serve investors' needs, preserve investor choice and remain focused on outcome-oriented solutions, the financial services industry needs each of the following: certainty as to the legal requirements, adequate time to engage in a thoughtful, high-level decision-making process about any required changes, and sufficient time to implement and communicate those changes to clients. Accomplishing all of this prior to the current Applicability Date is unrealistic. In light of the President's Memorandum directing the DoL to re-examine the DoL's Conflict of Interest Rule (29 C.F.R. 2510.3-21) and related prohibited transaction exemptions (collectively, the "**Fiduciary Rule**"),[1] important aspects of the Fiduciary Rule remain uncertain. In addition, DoL Secretary Acosta and Securities and Exchange Commission ("**SEC**") Chairman Clayton have committed to working together on changes to investment advice regulation.[2] As such, we support the Proposed Extension and Delay.

As discussed in our July 21, 2017 comment letter,[3] we believe it is critical that the delay of the Applicability Date provide adequate time to implement any changes to the Fiduciary Rule arising

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[1] Presidential Memorandum on Fiduciary Duty Rule (Feb. 3, 2017), available at https://www.whitehouse.gov/the-press-office/2017/02/03/presidential-memorandum-fiduciary-duty-rule.

[2] See e.g., Chairman Jay Clayton, request for Public Comments from Retail Investors and Other Interested Parties on Standards of Conduct for Investment Advisers and Broker-Dealers, June 1, 2017; Secretary Alexander Acosta, "Deregulators Must Follow the Law, So Regulators Will Too," *Wall Street Journal*, May 22, 2017; Chairman Jay Clayton, Remarks at the Economic Club of New York, July 12, 2017 ("It is my hope that we can act in concert with our colleagues at the Department of Labor in a way that best serves the long-term interests of Mr. and Ms. 401(k).").

[3] Fiduciary Rule and Prohibited Transaction Exemptions – Potential Delay of January 1, 2018 Applicability Date – Department of Labor, July 21, 2017. Available at https://www.blackrock.com/corporate/en-us/literature/publication/dol-fiduciary-rule-prohibited-transaction-exemptions-extension-072117.pdf.

from the DoL's review or its coordination with the SEC. Failure to delay the Applicability Date until all potential changes to the Fiduciary Rule are finalized with sufficient implementation time afterwards would impose unreasonably high costs and operational burdens on the financial services industry writ large and would cause confusion to individual investors whose products and services would likely be affected. In addition, choosing a fixed Applicability Date before the extent of the changes and timing of final resolution are known could lead to another round of uncertainty and concern if the process is not completed soon enough to leave firms with adequate time to prepare for full implementation. Accordingly, while we support the Proposed Extension and Delay, we note that a tiered "later of" approach may be necessary to give the industry sufficient time to comply and communicate with clients, if the review and SEC coordination process will not be completed quickly enough to give firms sufficient time for full implementation.

Furthermore, BlackRock does not support conditioning any extension of the Transition Period or delay in the Applicability Date on the behavior of the firm seeking to benefit from the relief or delay. The uncertainty and confusion as to whether a particular firm is being held to a different legal standard than its peers would be detrimental to clients, investors and other stakeholders. In addition, BlackRock agrees with the DoL that conditions relating to the use or promise to harness developments such as "Clean Shares" would be unworkable and inappropriate in the context of an extension of the Transition Period.

As discussed in our July 21, 2017 Comment Letter and our March 15, 2017 Comment Letter,[4] the Fiduciary Rule is long and complex with a wide range of consequences, intended and unintended, known and unknown. BlackRock believes that the Proposed Extension and Delay would not have a discernible negative financial impact on investors and that it is essential to give the DoL and the SEC time to coordinate their respective efforts related to the appropriate standards of conduct for investment advisers and broker-dealers.

As we have also stated in our previous comment letters,[5] if different regulators working on similar issues take divergent or inconsistent paths, it will create a complicated and confused regulatory environment that will operate to the detriment of both plan and individual investors. Absent a fully coordinated standard, individual investors with plan, IRA and other accounts will simply be baffled by different and/or conflicting standards and will then be prone to make investment mistakes. Secretary Acosta and Chairman Clayton have committed their respective agencies to constructive engagement with one another on this topic. The Proposed Extension and Delay would facilitate that engagement, and afford them a sufficient opportunity to develop a uniform or coordinated standard.

Accordingly, BlackRock supports the Proposed Extension and Delay to help alleviate the lack of certainty over the ultimate status of the Fiduciary Rule and for the other reasons described above and in our previous comment letters. In addition, BlackRock requests that the DoL confirm that the temporary enforcement policy described in Field Assistance Bulletin 2017-02 will apply during any extension of the Transition Period and delay of the Applicability Date. As

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[4] Proposed Extension of Applicability Date of Definition of the Term "Fiduciary"; Conflict of Interest Rule – Department of Labor, March 15, 2017. Available at https://www.blackrock.com/corporate/en-us/literature/publication/dol-definition-of-fiduciary-conflict-of-interest-proposed-rule-extension-031517.pdf.

[5] See e.g., Definition of the Term "Fiduciary"; Conflict of Interest Proposed Rule – Department of Labor, July 21, 2015. Available at https://www.blackrock.com/corporate/en-us/literature/publication/dol-definition-of-fiduciary-conflict-of-interest-proposed-rule-072115.pdf.

continued uncertainty regarding a potential delay imposes costs on industry and investors, we urge the DoL to grant the extension and delay as soon as possible.

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We thank the DoL for providing the opportunity to comment on the Proposed Extension and Delay. Please contact the undersigned if you have any questions or comments regarding BlackRock's views.

Sincerely,

Barbara Novick
Vice Chairman

Nicole Rosser
Vice President