THOMSON REUTERS

Via Electronic Delivery

July 21, 2017

Office of Exemption Determinations
Attention: D-11933
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue NW., Suite 400
Washington, DC 20210

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

Ladies and Gentleman:

Thomson Reuters appreciates the opportunity to comment on the Department of Labor's Request for Information regarding the Fiduciary Rule and prohibited transaction exemptions ("the RFI").Through our Wealth Management Solutions, Thomson Reuters[1] offers a complete suite of products that enable retail and institutional brokers to manage the daily tasks of their front, middle and back office operations. With clients that are directly impacted by the Fiduciary Rule, Thomson Reuters would like to offer an implementation perspective on the RFI specifically focused on the need for a delay of the January 1, 2018 Applicability Date.

Changes Made for June 9 Were Significant and Meaningful

In preparation for the initial June 9, 2017 Applicability Date, Thomson Reuters and our Wealth Management clients expended considerable effort to institute the new definition of fiduciary and ensure adherence to the impartial conduct standard. Our implementation effort included the development and deployment of over 55 discrete work efforts that enabled our firms to identify DOL-impacted accounts and service them in a manner consistent with the rule. In addition to changes made on our system, our clients also instituted changes to surveillance, training, client communications, disclosures, compensation and recruiting. We believe that the significant efforts taken to meet the June 9, 2017 applicability date included a meaningful implementation of the major elements of the Fiduciary Rule and associated exemptions, specifically the impartial standards

[1] Thomson Reuters is the world's leading source of news and information for professional markets. Our customers rely on us to deliver the intelligence, technology and expertise they need to find trusted answers. The business has operated in more than 100 countries for more than 100 years. Thomson Reuters shares are listed on the Toronto and New York Stock Exchanges. For more information, visit www.thomsonreuters.com. For more information on our Wealth Management solutions, please go to https://www.thomsonreuters.com/en/products-services/financial/wealth-management-solutions.html.

required by the Best Interest Contract exemption and the Principal Trading Exemption. It is worth noting that the June 9 date represented a two-month delay which afforded firms additional implementation time that promoted an efficient implementation.

Operational Changes with Rule in Current Form

While the impartial conduct standard is in place, many other elements of the exemptions are required before the January 1, 2018 applicability date. As indicated in the DOL Transition Period FAQs[2],"these include, among other things, requirements to execute a contract with IRA investors with certain enforceable promises, make specified disclosures, and implement specified policies and procedures." Our clients are working diligently to meet these requirements, however, additional time would allow for a more efficient implementation and reduce investor confusion. One example where more time would be useful is the implementation of "clean shares," the mechanics of which are still under discussion.

Current Uncertainty Prevents Efficient Implementation

Several factors contribute to uncertainty as it relates to the DOL's Fiduciary Rule. These include:

- February 3, 2017: Presidential memorandum on the fiduciary rule requiring an examination of the Fiduciary Rule including an "updated legal and economic analysis[3]"

- March 2, 2017: DOL published a document proposing a 60-day delay and sought "public comments on the questions raised in the Presidential Memorandum, and generally on questions of law and policy concerning the Fiduciary Rule and PTEs."[4]

- June 1, 2017: SEC Chairman Jay Clayton publishes request for "public comment from retail investors and other interested parties on standards of conduct for investment advisers and broker-dealers.[5]"

- July 6, 2017: Request for Information Regarding the Fiduciary Rule and Prohibited Transaction Exemptions

In light of the Presidential, DOL and SEC inquiries into the Fiduciary Rule, we believe that analysis should precede action. The DOL should take a data-driven approach and work

[2] See https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/faqs/coi-transition-period.pdf
[3] See https://www.whitehouse.gov/the-press-office/2017/02/03/presidential-memorandum-fiduciary-duty-rule
[4] See https://www.federalregister.gov/citation/82-FR-12319
[5] See https://www.sec.gov/news/public-statement/statement-chairman-clayton-2017-05-31

with the SEC to determine the best course of action in terms of next steps with respect to the Fiduciary Rule. Less than seven months is simply not enough time for SEC Chair Clayton and Labor Secretary Acosta to work together on a comprehensive framework for conduct standards. It is needlessly wasteful and confusing to implement a set of rules in January only to have those rules change shortly thereafter. We see not only an increased cost from an implementation perspective, but also a decreased benefit for investors in moving forward in January amidst the current uncertainty.

Conclusion

We believe in data-driven policy making and respectfully request that the DOL complete its analysis, including working with the SEC in order to determine an implementation time that is commensurate with the rule's ultimate requirements. Such an approach will ensure that the next steps for the Fiduciary Rule are beneficial and lasting.

Regards,

Manisha Kimmel

Manisha Kimmel
Chief Regulatory Officer, Wealth Management
Thomson Reuters