RBC Wealth Management®

Lee Thoresen
RBC Wealth Management
RBC Plaza
60 South 6th Street
Minneapolis, MN 55402
(612) 313-1341 Phone

July 21, 2017

The Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Fiduciary Rule Examination
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

Re: RIN 1210-AB79; Proposed Delay and Reconsideration of DOL Regulation Redefining the Term "Fiduciary"

Ladies and Gentlemen:

We appreciate the opportunity to provide comments regarding the Department of Labor's ("Department") request for additional comment on its rule redefining the meaning of an investment advice fiduciary. We strongly support a delay of the January 1, 2018 applicability date (the "January Applicability Date") of the provisions in the Best Interest Contract Exemption (the "BIC Exemption"), the Principal Transaction Class Exemption (the "PrTE") and Prohibited Transaction Exemption 84-24 relating to the redefinition of the term "fiduciary" under section 3(21) of ERISA and section 4975(e) of the Code (the "Rule") that are not yet in effect.

RBC Capital Markets, LLC, together with its parent company, Royal Bank of Canada, and its affiliates, is a global financial services firm that provides products and services to a large and diversified group of clients. RBC Capital Markets, LLC is registered with the Securities and Exchange Commission ("SEC") as both an investment adviser and a broker-dealer and, through its RBC Wealth Management – U.S. division ("RBC Wealth Management"), offers a wide variety of financial products and services to its clients.

At RBC Wealth Management, we are committed to acting in our clients' best interest and have long supported and continue to support a uniform best interest standard for broker-dealers that applies to all individual retail customers for all of their investment accounts, not just their retirement accounts.

Retirement savers and the industry will benefit greatly by a delay that will allow the Department to reconsider the Rule along with the BIC Exemption and PrTE as directed by the President's Memorandum on the Fiduciary Duty Rule issued on February 3, 2017.

Delay of January 1, 2018 Applicability Date

As we noted in our past comment letters, if the January Applicability Date were to remain in effect while the Department is still reviewing the questions posed by the President, it is highly likely that investors, advisors, and stakeholders could face two sets rather than one set of changes in regulatory requirements, causing significant confusion for our clients and significant expense to firms. In addition to causing this unnecessary confusion, multiple sets of changes could also cause unnecessary market disruption, the costs of which would likely not be offset by commensurate benefits.

We devoted significant resources to meet the requirements of the Rule and its accompanying exemptions for the June 9, 2017 applicability date and we continue to focus on what we will need to put in place to meet the January Applicability Date. Given the uncertainty of whether and to what extent there will be changes to the rules, our challenge is how and when to allocate resources to initiatives when the requirements may not be final. For example, in order to meet the disclosure requirements of the BIC Exemption and PrTE as currently contemplated, we are already incurring expenses to prepare for the technology updates that will be required. But, we have to balance the necessity of moving forward on expensive technology updates with the likelihood that the requirements may change.

Another reason that a delay is necessary is the lead time for the development of some of the products the industry has been contemplating. While we certainly do not take the position that the Department should mandate one product over another, we recognize that there may be opportunity to improve product offerings to our clients. In order to do so, however, requires significant lead time to coordinate with other industry players, including investment advisers, wholesale distributors and even regulators to ensure that these products will serve the best interests of our clients as well as meet regulatory requirements.

What we would like to avoid is the likelihood of incurring the significant additional expenses to comply with requirements that may undergo revision in the near term as a result of the Department's additional review. We strongly believe that a delay would only benefit retirement investors by providing sufficient time for the regulators and the industry to implement sensible regulations and develop beneficial investment products, both aimed at boosting retirement savings.

We believe it prudent that the Department set aside the time necessary to consider among other things: (1) the real concerns of the retirement investment community; (2) the practical feedback from industry members; (3) the priorities of the current presidential administration; and (4) the input and experienced views of the primary securities regulators, namely the Securities and Exchange Commission and the Financial Industry Regulatory Authority. We believe this would require a delay of at least 12 months of the January Applicability Date, if not longer.

We appreciate the opportunity to comment and hope that our comments are helpful.

Respectfully submitted,

Lee Thoresen
Senior Associate General Counsel, RBC Wealth Management – U.S.