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December 5, 2016

By U.S. Mail and Email: e-ORI@dol.gov

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: RIN 1210–AB63
Annual Reporting and Disclosure, Room N–5655
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210

Re: Proposed Revisions to the Form 5500: Annual Reporting and Disclosure – RIN 1210-AB63

Ladies and Gentlemen:

The Securities Industry and Financial Markets Association ("SIFMA") [1], including SIFMA's Asset Management Group ("SIFMA AMG")[2], are pleased to provide comments regarding proposed revisions to the Form 5500 Annual Return/Report of Employee Benefit Plan (the "Form 5500") issued by the Department of Labor ("Department"), the Internal Revenue Service, and the Pension Benefit Guaranty Corporation (collectively, the "Agencies") and published in the Federal Register on July 21, 2016. The proposed revisions reflect efforts by the Agencies to improve employee benefit plan reporting and increase transparency. Among other changes, the Agencies propose significant revisions to the Schedule C of the Form 5500 which are intended to harmonize the Schedule C with the Department's final rule under section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), as well as revisions to the Schedule H related to participant-directed brokerage accounts.

Firstly, while SIFMA is pleased to provide comments herein, we do not believe the Department has provided adequate time for proper industry and public participation in the review and comment process. Though we appreciate the comment deadline extension for an additional 60

[1] SIFMA is the voice of the U.S. securities industry, representing the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over $2.5 trillion for businesses and municipalities in the U.S., serving clients with over $20 trillion in assets and managing more than $67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit http://www.sifma.org.

[2] SIFMA AMG members represent U.S. asset management firms whose combined assets under management exceed $34 trillion. The clients of AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, unit investment trusts and private funds such as hedge funds and private equity funds.

days, we remain concerned that the proposed revisions to Form 5500 are extensive and significant, requiring additional attention and analysis of the costs and expected benefits. We respectfully recommend that the Department consider all of the comments received and introduce a re-proposal for additional review and comment.

While we believe that it is helpful to have greater uniformity between the Schedule C and the disclosures required to be provided under section 408(b)(2) of ERISA (the "408(b)(2) Disclosures"), SIFMA is concerned that, as a whole, the proposed revisions to the Schedule C would have the unintended consequence of significantly expanding and complicating the data that service providers are currently required to provide. Specifically, the proposed revisions would require that indirect compensation (including "eligible indirect compensation") be reported as a specific dollar amount or estimate on the Schedule C. Requiring such amounts to be reported on the Schedule C as a specific dollar amount or estimate would present enormous challenges for service providers, without adding any real benefit. SIFMA believes that the better approach would be to require that indirect compensation be reported on the Schedule C in the same manner that it is disclosed on the 408(b)(2) Disclosures.

SIFMA is also concerned that the proposed revisions to the Schedule H related to participant-directed brokerage accounts would significantly increase costs for plan sponsors, and submit that any value that would be derived from this additional information would be substantially outweighed by these increased costs. Finally, SIFMA recommends that clarifying changes be made to certain definitions included in the proposed revisions, as discussed more fully below.

A. BACKGROUND

Under ERISA and the Internal Revenue Code of 1986, as amended (the "Code"), pension and other employee benefit plans are generally required to file annual reports regarding their financial condition and other administrative matters. Section 104(a) of ERISA requires the administrator of any employee benefit plan subject to Title I, Part 1 of ERISA to file an annual report with the Secretary of Labor within 210 days after the close of a plan year (or within such other time prescribed by the Secretary of Labor). Section 103 of ERISA sets forth certain information which must be included in the annual report, including specific information regarding service providers who received compensation from the plan year for services rendered to the plan or its participants.

Currently, plan administrators satisfy the annual reporting requirements by filing a Form 5500, together with any required attachments and schedules. For "large plans" or plans which cover 100 or more participants as of the beginning of a plan year, these schedules include the Schedule C (Service Provider Information), which is the mechanism by which the administrator provides the information required by section 103(c)(3) of ERISA. In order to obtain the information required by the Schedule C to the Form 5500, a plan administrator generally must collect relevant information from the plan's service providers. Indeed, the Department's 408(b)(2) regulation provides that covered service providers must, "[u]pon request of the responsible plan fiduciary or covered plan administrator, … furnish any other information relating to the compensation received in connection with the contract or arrangement that is required for the

covered plan to comply with the reporting and disclosure requirements of Title I of the Act and the regulations, forms and schedules issued thereunder." 29 C.F.R. § 2550.408b-2(c)(1)(vi)(A). Therefore, to the extent the Schedule C revisions require plan administrators to provide additional information regarding fees and expenses paid by plans to third party service providers, these requirements will apply indirectly to such service providers.

In 2007, the Department undertook significant revision to the Form 5500, including expanding the Schedule C to require plans to report indirect compensation received by service providers, in addition to direct compensation. In 2008 and 2009, the Department published guidance, in a question and answer format, further defining the scope of reportable indirect compensation on the Schedule C. These changes included a simplified reporting mechanism for "eligible indirect compensation" ("ELI").[3] Among other things, the simplified reporting mechanism for ELI takes into account the fact that a service provider will have provided the plan with extensive disclosures regarding indirect compensation in accordance with section 408(b)(2) of ERISA, which provides a prohibited transaction exemption covering the provision of services and receipt of fees by plan service providers. These 408(b)(2) Disclosures are designed to help plan fiduciaries make an informed decision regarding whether the terms of an arrangement with a service provider are reasonable so that the arrangement would qualify for relief under the statutory prohibited transaction exemption in section 408(b)(2) of ERISA. In 2012, the Department issued a final rule under section 408(b)(2) (the "408(b)(2) Regulation") which enhanced these disclosure requirements, particularly with regard to indirect compensation received by service providers from third parties and amounts shared among service providers.[4]

B. PROPOSED REVISIONS

The proposed Schedule C modifications addressed in this letter are as follows:

- Require consistent reporting of indirect compensation for "covered" service providers, as defined in the 408(b)(2) Regulation.

- Eliminate the special rule for disclosed indirect compensation, requiring vast amounts of additional reporting on the Form 5500.

- Report total indirect compensation as a dollar amount, including identifying the source of the indirect compensation received by the covered service provider and the type of fee or compensation. For each source, filers would be required to enter a dollar figure or estimate of the amount of compensation, and, if a formula was used to calculate an estimate, a description of the formula.

[3] ELI includes fees and expense reimbursement payments charged to investment funds and reflected in the value of the investment or return on investment of the participating plan or its participants, finder's fees, soft dollar revenue, float revenue, and/or brokerage commissions or other transaction-based fees for transactions or services involving the plan that were not paid directly by the plan or plan sponsor (whether or not they are capitalized as investment costs).

[4] *See* 29 C.F.R. § 2550.408b–2.

- Regardless of plan size, require reporting for "covered" service providers who have received $1,000 or more in total direct and indirect compensation, and for other service providers who received $5,000 or more in direct compensation.

- Indicate whether the arrangement with each covered service provider required to be reported on the Schedule C involved any related party compensation, and indicate the services for which the compensation was paid, the names of the payor(s) and recipient(s) of such compensation, status as an affiliate or subcontractor (indicated by checkbox), and the amount of the compensation.

The proposed Schedule H modifications addressed in this letter are as follows:

- Require that aggregate participant-directed brokerage account assets be reported separately, instead of the current practice of reporting such assets in the catch-all "Other" category.

- Require filers to break out, on the Line 4i Schedules of Assets, the types of investments held in participant-directed brokerage accounts that are not eligible for aggregated reporting under current annual reporting rules.

This letter also addresses various new terms used in the proposed Schedule H revisions which are not clearly defined, and for which there does not appear to have been sufficient coordination with other regulatory agencies.

C. QUANTIFYING INDIRECT COMPENSATION

The preamble to the proposed rule notes that the proposed revisions to the Schedule C are intended to harmonize the reporting of indirect compensation on the Schedule C with the 408(b)(2) Disclosures. To that end, the proposed revisions would require reporting of indirect compensation only for "covered" service providers, as that term is used for purposes of section 408(b)(2) of ERISA, and would attempt to more closely track the Schedule C with the 408(b)(2) Disclosures by eliminating the concept of ELI, noting that there is no such concept under section 408(b)(2) of ERISA. SIFMA supports the proposed changes to the extent that they would, in fact, create greater consistency between the Schedule C and the related 408(b)(2) Disclosures. However, SIFMA is concerned that the proposed changes, as a whole, would have the opposite effect by requiring an entirely new level of specificity that is not currently required to be reported on either the Schedule C or the 408(b)(2) Disclosures. This is because the proposed changes would require that all indirect compensation (including what is currently reported as ELI) be reported as a specific dollar amount or estimate, and not as a formula. This is problematic for several reasons, as follows:

1. Section 408(b)(2) Permits Indirect Compensation to be Reported as a Formula

SIFMA is particularly concerned about the requirement that indirect compensation be reported as a dollar amount or estimate. Recognizing that the exact dollar amount of indirect compensation cannot always be determined (*e.g.*, because the fee is based on assets in an account, which rise

and fall with investment performance), the 408(b)(2) Regulation expressly provides that indirect compensation may be expressed as a monetary amount, a formula, a percentage of the covered plan's assets or a per capita charge for each participant or beneficiary. Further, the 408(b)(2) Regulation provides that if the compensation or cost cannot reasonably be expressed in those terms, indirect compensation may be expressed by *any other reasonable method*. Simply put, the 408(b)(2) Regulation ensures that indirect compensation is described in sufficient detail so that the responsible plan fiduciaries can evaluate its reasonableness, but it does not arbitrarily require that it be expressed as a specific dollar amount. These rules just went into effect a few years ago; reversing those rules, especially where the costs of these changes far exceed any benefit we can envision, is hard to understand, particularly since the Department has not provided an estimate of such a benefit.

The Agencies state that they expect that the proposed revisions to the Schedule C "would essentially require the pension plan administrator to report the actual compensation paid to or received by covered service providers based on the expected compensation included in the 408b–2 disclosures that the service provider furnished to the plan as part of the process of establishing and maintaining the service contract or arrangement with the plan."[5] In other words, the Agencies appear to assume that the amounts reported by formulas on the 408(b)(2) Disclosures could simply be converted into dollar amounts on the Schedule C. The significant flaw in this assumption is that the indirect compensation disclosed on the 408(b)(2) Disclosures will not always be expressed as a dollar amount or estimate, and arguably should not and often cannot be expressed as a dollar amount, and therefore could not necessarily be converted into dollar amounts on the revised Schedule C. Plan administrators invariably will turn to their service providers, requesting that they furnish an estimate of the dollar amount of any indirect compensation they received, and the providers will be obligated by the 408(b)(2) Regulation to attempt to provide such an estimate to every administrator who makes such a request.

2. Indirect Compensation Cannot Always Be Expressed as a Dollar Amount

The exact dollar amount of indirect compensation (particularly the types of indirect compensation currently reported as ELI) can be difficult, and in some cases impossible, to determine. Many of these services and fees are not provided or allocated on a plan by plan basis, and omnibus arrangements make it nearly impossible to track the dollar amount of compensation paid at the plan level. Further, because there is no accepted formula or methodology for allocating many omnibus expenses, the resulting estimates may be inherently subjective and arbitrary.

For example, general or omnibus accounts may hold contributions and other assets pending reinvestment or disbursement of plan assets, allowing plans to experience short-term investment earnings on assets held in the accounts. In some cases, a service provider retains earnings, or "float" resulting from the short-term investment of funds held in such accounts. It would be difficult to determine the amount of float earned with respect to specific plan assets, and financial services institutions currently do not calculate or retain this information on a plan by plan basis. In fact, it is unclear whether new systems could even be developed which would be able to track such compensation.

[5] *See* 81 Fed. Reg. at 47551.

Another example is soft dollar services. SIFMA is particularly concerned about the prospect of quantifying soft dollars that include proprietary research services, an area where the Department has always concurred that the value of such research is entirely subjective. Nothing in the preamble suggests that the Department has new information since 2009 that would cast doubt on its conclusion that propriety research cannot be reasonably valued. In a "soft dollar" arrangement, an investment manager purchases brokerage and research services from a broker-dealer with a portion of the commissions paid to that broker for executing securities transactions. Quantifying soft dollar payments would require the manager to "unbundle" and separately value brokerage and research services provided to the manager. As interpreted by the Securities and Exchange Commission ("SEC"), qualified "research services" include both third party research developed by a third party and provided by the executing broker dealer, and proprietary research developed by the executing broker-dealer and provided directly to the manager.[6] Although third party research services may be priced separately, brokerage and proprietary research services are bundled together with execution services at a single commission price. SIFMA does not believe that managers can unbundle and separately value such services with any degree of accuracy. Given the wide variety of eligible non-execution brokerage and research services, the difficulty of assigning precise values to the services which are inherently intangible, and the fact that the services actually provided may differ from one vendor to the next, any attempt to accurately value every component of the services provided to a particular manager on every trade executed during a plan year would be extremely costly and time-consuming.

Moreover, SIFMA believes that any attempt to estimate the value of all of the non-execution brokerage and proprietary research services provided to a manager would be entirely subjective and arbitrary, and the goal of being able to compare costs across service providers would in fact be undercut because every manager could be valuing these services differently. The percentage allocation of execution and non-execution costs varies considerably from one trade to the next depending on a host of factors. Nonetheless, managers and/or broker-dealers would be forced to develop rough formulas for allocating execution and non-execution costs that could be applied to the total commissions paid to a particular broker-dealer. Once allocated to a particular broker-dealer, these costs would then need to be allocated to a specific plan or account, which would be an equally arbitrary and subjective task, insofar as it would be impossible to meaningfully quantify the value at a plan or account level. At a minimum, SIFMA respectfully submits that there should be no requirement to quantify soft dollars that include proprietary research services, and request that financial institutions should not be required to calculate the exact dollar amount of float earned with respect to specific plan assets.

3. A Gross Dollar Amount Will Not Increase Transparency

In SIFMA's view, the requirement that indirect compensation be disclosed as a specific dollar amount would not increase transparency. The dollar amount of indirect compensation cannot be evaluated in a vacuum. It must be considered in light of other factors, such as the value of plan assets, whether an asset-based fee was high or low, whether reporting reflects a full or partial plan year, the number of transactions involved, and whether a commission rate was high or low, to name a few. For example, the exact dollar amount of float is not a transparent piece of data; it

[6] *See* 71 Fed. Reg. at 41983-84, 41992.

would be more meaningful to describe the specific circumstances under which float may be earned by a service provider and how the applicable rates will be determined. Similarly, requiring plans to report soft dollar payments does not provide any useful data for investors, whereas the disclosure of soft dollar *practices* helps investors better understand the extent to which research services are subsidized out of commissions, as well as the benefits that those services may yield to fund performance.

In fact, requiring that indirect compensation be arbitrarily quantified as a dollar amount will likely be misleading in so far as different service providers will use different methodologies to quantify and allocate indirect compensation, especially in the case of omnibus level charges. The proposed instructions to the Schedule C would permit any reasonable method of allocation to be used to estimate plan level fees for the Schedule C, provided the method is disclosed to the plan administrator. While SIFMA agrees that this flexibility would be necessary if service providers were required to assign dollar amounts to indirect compensation, they are concerned that it would result in inconsistencies between the methodologies used by different service providers, meaning plans would not be able to make meaningful comparisons between reported fees.

The information collected on the Schedule C should be carefully targeted to include what is needed in order to analyze the reasonableness of service provider fees. Requiring that indirect compensation be reported as a specific dollar amount will not help plans evaluate the reasonableness of indirect compensation, compare service providers, or determine whether service providers have been efficient. Accordingly, no reasonable purpose will be served by requiring disclosure of a specific dollar amount. A rate or formula provides a more meaningful source of data for evaluating and comparing service provider compensation.

4. <u>The Cost Analysis Significantly Underestimates Costs</u>

Finally, these proposed revisions to the Schedule C would impose additional and unnecessary costs on service providers, with no corresponding benefit. This is particularly troubling in light of the fact that the service providers have already invested enormous resources in connection with implementing the Department's prior changes to the Form 5500 and the 408(b)(2) Regulation. Furthermore, these same service providers are in the process of devoting thousands of hours of staff time and millions of dollars of expense to understanding the Department's new definition of fiduciary rule, and attempting to drastically change their business models, their product offerings, their employee compensation, their contractual agreements and their disclosures to meet this rule. These additional changes in the Form 5500 at this point in time are expensive, time consuming, and overly burdensome to the industry.

The cost analysis for the proposed revisions to the Schedule C grossly underestimates the actual impact because it assumes that service provider costs will already have been accounted for through implementation of the 408(b)(2) Regulation. In other words, it assumes that plan administrators will be able to complete the Schedule C simply using data from the 408(b)(2) Disclosures. As discussed above, this assumption is incorrect because the 408(b)(2) Disclosures do not require that indirect compensation be reported as a dollar amount when an arrangement with a service provide is entered into or renewed. Many of SIFMA's members would be

significantly impacted if indirect compensation had to be quantified for Schedule C purposes, since the 408(b)(2) Regulation would obligate them to furnish upon request *any* information that is required to complete the Schedule C. Insofar as the information is not currently tracked on a plan by plan basis, the proposed revisions would require our members to make extensive and costly changes to their systems. The costs of these changes would be enormous and ultimately would be passed through to employee benefit plans and their participants and beneficiaries.

In this regard, the issue of cost will be particularly burdensome for small plans which, under the proposed revisions, would be required to report indirect compensation on the Schedule C. Small plans would inevitably be overwhelmed by these reporting requirements. The rules and regulations governing small plans are already too expensive, too confusing, too burdensome and too complicated for savings and pension plans covering employees of small employers. We urge the Department to consider exempting small plans from these Schedule C reporting requirements. Such an exclusion would be entirely consistent with the Department's decision not to make these rules applicable to individual retirement accounts ("IRAs"). In fact, small employer sponsored plans need to be supported and encouraged even more aggressively than IRAs. Therefore, the Department should carefully consider the proposed revisions, in light of the tenuous benefit that the additional information to be collected will provide to benefit plans.

For these reasons, SIFMA submits that a more reasonable approach would be to require that indirect compensation be reported on the Schedule C in the same manner that it is reported on the applicable 408(b)(2) Disclosures and consistent with the eligible indirect compensation requirements of current law. This approach would further the Agencies' goal of harmonizing the Schedule C with the 408(b)(2) Disclosures, and would ensure that indirect compensation is reported in a meaningful way such that its reasonableness can be evaluated.

D. BROKERAGE WINDOWS

The proposed revisions would also require certain changes to the Schedule H related to participant-directed brokerage accounts. Specifically, the proposed revisions would require that aggregate participant-directed brokerage account assets be reported separately, instead of the current practice of reporting such assets in the catch-all "Other" category. They would also require filers to break out, on the Line 4i Schedules of Assets, the types of investments held in participant-directed brokerage accounts that are not eligible for aggregated reporting under current annual reporting rules. The Agencies indicate that they do not believe that these requirements would impose any substantial additional burdens. SIFMA disagrees.

These requirements would increase costs and burdens for plan sponsors without any corresponding benefit. Plan sponsors are generally not responsible for looking through the brokerage window to monitor the performance of the investments of the brokers, advisers or other service providers to a brokerage window, and in fact it would be extremely difficult, if not impossible, to monitor the performance of these investments. Accordingly, this additional information is not readily available to plan sponsors. Although the plan (e.g. trustee, plan sponsor, employer) could request the statements for all of the plan participants who elect to use self-directed brokerage accounts and see a snapshot of the participant's investments within the brokerage window, plan sponsors generally do not undertake to regularly monitor participants'

investment selections within their brokerage windows. This is because such monitoring would be cost and resource prohibitive, and is not required in the context of a participant-directed plan.

If the changes to the Schedule H are adopted as proposed, brokerage window providers will have to develop systems to identify and track all of the different types of investments that are not eligible for aggregate reporting. The task of developing these systems will only be complicated by the lack of definitional clarity in the proposed reporting categories. The potential costs of this effort may also be affected by the degree to which brokerage window systems would need to be integrated with recordkeeping systems, particularly in instances where there are multiple brokers. In many cases, plan recordkeeping systems are not linked to brokerage account systems, and integrating these systems would be a significant and costly undertaking.

SIFMA believes that there is no supportable benefit that would justify these additional costs. The existing Schedule H reporting, and the benefit statements that are required to be furnished to plan participants, already provide adequate disclosure.

E. DEFINTIONS

Lastly, SIFMA recommends that certain clarifications be made with regard to newly defined terms in the proposed revisions. In general, we suggest that in defining these terms, the Agencies coordinate with other regulatory agencies, including the Commodity Futures Trading Commission ("CFTC") and Securities and Exchange Commission ("SEC"). For example, many of these terms are defined in the SEC's Form PF. To avoid confusion, we recommend that the Agencies specify whether these terms are intended to have the same, or different, meanings as ascribed to them by other regulatory agencies.

1. Hard-To-Value Assets

SIFMA is concerned that the definition of hard-to-value assets for purposes of the Line 4i Schedules of Assets lacks specificity, and may be difficult to implement. For example, the proposal language references both "hard to value alternative assets" and "alternative investments and hard to value assets" nearly interchangeably. In addition, the proposed instructions state that collective trusts and company pooled separate accounts that are invested primarily in hard-to-value assets must also be identified as a hard-to-value asset. SIFMA recommends that both aspects of the definition be more fully developed, and that no inference may be drawn that a collective trust or pooled separate account would be deemed "hard to value" by virtue of its structure. We also recommend that the Department coordinate with other regulatory agencies to provide additional detail regarding how such assets will be valued. There is no evidence in the regulatory record that there has been any coordination on these issues with other agencies.

2. Futures, Forwards, Options and Swaps

The proposed revisions would require a new reporting category for investments in derivatives. The sub-categories in the derivatives category would be futures, forwards, options, swaps, and "Other." It is not clear whether these terms are intended to have the same meaning ascribed to them under rules issued by the CFTC and SEC, or whether they are intended to have different

meanings.[7] SIFMA recommends that this be clarified such that these terse terms are defined either with reference to CFTC and SEC definitions, or otherwise. There is no indication that the Department has considered how these assets should be valued, including whether the value should reflect the "mark" or notional value. Congress provided very specific rules with respect to valuation of derivatives just a few years ago in the Dodd Frank Act. These new rules seem to assume that the valuation of complex, bespoke derivatives is uncomplicated and needs no explanation. Since counterparties will be asked for the values, this is still another area where our members will be forced to rethink how information must be provided to plan counterparties, and the cost of these changes will be reflected in plan pricing.

3. Limited Partnerships

With respect to reporting under the existing category entitled "Partnership/Joint Venture Interests," the proposed revisions would add new sub-categories to report the value of interest in "limited partnerships," "venture capital operating companies," "private equity," "hedge funds," and "other partnership/joint venture interests." These definitions are overlapping and unclear. Many plan investments could fit into several of these categories. The Department's goal of standardizing reporting for its enforcement purposes will surely not be advanced by this kind of regulatory imprecision. SIFMA and AMG recommend that the final instructions clarify whether a limited partnership that is also a hedge fund (or other sub-category) be reported as a limited partnership or as a hedge fund (or other sub-category) so that amounts are not reported more than once.

4. Government Securities

The proposed revisions would distinguish U.S. government securities that are issued or guaranteed by the U.S. Government or its designated agencies from other government securities, such as state and municipal bonds. SIFMA recommends that these definitions be clarified, noting that there appears to be inconsistencies between the Form 5500 and the Form 5500-SF. Specifically, the Form 5500-SF appears to combine U.S. Government and state bonds whereas the Form 5500 does not.[8]

5. Acquisition Date of Previously Purchased Assets

The revised "Schedule of Assets Disposed of During the Plan Year" (currently called "Schedule of Assets Acquired and Disposed of Within Year") would require that information be provided on the sale of assets purchased in one year and sold in the middle of a subsequent year. To that end, filers would have to indicate the original acquisition date of the assets. SIFMA recommends that this requirement be clarified with respect to assets that have been held long-term, or have experienced significant fluctuations in value, in which case it may be difficult to ascertain the acquisition date.

[7] *See* 77 Fed. Reg. 48208 (Aug. 13, 2012).
[8] *See* 81 Fed. Reg. at 47573. Line 11c of Form 5500-SF asks for a breakout of government securities issued by the United States or a State.

6. Asset Identification

With respect to the Line 4i Schedules of Assets for providing asset identifiers, the requirement to "enter all that apply: CUSIP, CIK, LEI, NAIC company code, other registration number" will result in confusion and would complicate data mine-ability. SIFMA requests that the Department clarify whether it intended to request "all that apply," resulting in multiple security identifiers, for the listing of assets held in (b) Investments in Master Trust, (c) Investments in PSAs and CCTs, and (d) Investments in 103-12 Investment Entities. The language to "enter all that apply" is notably not included under (a) Assets Held directly by the plan.

SIFMA recommends that definitions for assets such as hedge funds and private equity should be based on already established definitions in use by other industry groups or required filings, including the SEC's Form ADV.

F. CONCLUSION

SIFMA appreciates the Department's consideration of our comments regarding the proposed revisions to the Form 5500. SIFMA would welcome the opportunity to work with the Department in developing rules that would achieve its goal of harmonizing the Schedule C with the Department's final rule under section 408(b)(2) of ERISA, and improving the information available to plans with respect to service provider fees. Please do not hesitate to contact us if you have any comments or questions regarding this letter.

Sincerely,

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