

The Independent Directors of the BlackRock Equity-Liquidity Funds
c/o BlackRock, Inc.
55 East 52nd Street
New York, N.Y. 10055

October 2, 2015

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Investment Company Reporting Modernization

Dear Mr. Fields:

This letter responds to the request of the Securities and Exchange Commission (the “Commission”) for comment on topics covered by the proposed rule regarding Investment Company Reporting Modernization (the “Proposal”).¹ The Independent Directors of the BlackRock Equity-Liquidity Funds (the “BlackRock Equity-Liquidity Independent Directors”) commend the Commission for seeking to modernize and advance registered investment company (“RIC”) reporting and other matters discussed by the Commission in the Proposal.

This letter makes reference to the BlackRock, Inc. comment letter to the Commission dated August 11, 2015 (the “BlackRock Comment Letter”).² We agree with the views expressed in the BlackRock Comment Letter in support of the Commission obtaining additional information on securities lending activities conducted by RICs³ and the proposed requirements to increase information about securities lending fees incurred

¹ SEC, Investment Company Reporting Modernization Proposed Rule, 80 Fed. Reg. 33590 (Jun. 12, 2015), available at <http://www.gpo.gov/fdsys/pkg/FR-2015-06-12/pdf/2015-12779.pdf> (the “Proposal”).

² BlackRock, Inc., Comment Letter, Request for Comment on Investment Company Reporting Modernization – SEC (Aug. 11, 2015), available at <http://www.blackrock.com/corporate/en-us/literature/publication/sec-investment-company-reporting-modernization-081115.pdf> (the “BlackRock Comment Letter”).

³ See BlackRock Comment Letter at 6-7.

by shareholders of RICs.⁴ In addition, we agree with the suggested technical clarifications to Form N-PORT and Form N-CEN regarding securities lending.⁵ Improved transparency as to the economic terms in the market for securities lending services will assist independent directors in assessing annually the customary charges imposed for such services.

Additionally, we suggest the following revisions to the Form N-CEN requirements. We recommend robust disclosure of the services provided by the securities lending agent, including: whether qualified dividend income management is provided by the lending agent, the client fund or other third parties; whether securities for loan are selected by the lending agent, the client fund or other third parties; and whether the lender's program includes "specials" only (and, if so, how "specials" are defined) or general collateral as well. Based on anecdotal evidence that we have seen in connection with our periodic review of securities lending matters we believe that there is a lack of uniformity in the package of services performed by the securities lending agent. This tends to be a confounding variable in understanding securities lending fees and revenue splits. For example, in certain cases the securities lending agent may provide qualified dividend income screening, and in other cases this role may be played by the adviser. Public availability of the detailed services provided by securities lending agents may assist boards in understanding fees and services and drawing conclusions concerning their comparability.

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⁴ See BlackRock Comment Letter at 13.

⁵ See BlackRock Comment Letter at 16-20.

We thank the Commission for providing the BlackRock Equity-Liquidity Independent Directors the opportunity to express our support for its efforts to enhance the data available to it and to provide our comments and suggestions on the Proposal, specifically with respect to obtaining additional information on securities lending activities conducted by RICs. Please contact the undersigned if you have any questions or comments regarding the BlackRock Equity-Liquidity Independent Directors' views.

Sincerely,

Rodney D. Johnson
Chairman

cc:

The Honorable Mary Jo White
Chairman
Securities and Exchange Commission

The Honorable Luis A. Aguilar
Commissioner
Securities and Exchange Commission

The Honorable Daniel M. Gallagher
Commissioner
Securities and Exchange Commission

The Honorable Michael Piwowar
Commissioner
Securities and Exchange Commission

The Honorable Kara M. Stein
Commissioner
Securities and Exchange Commission

David Grim
Director
Division of Investment Management
Securities and Exchange Commission