

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090  
United States  
[www.sec.gov](http://www.sec.gov)

Chris Barnard

22 August 2014

- **17 CFR Part 275**
- **Release No. IA-3893; File No. S7-23-07**
- **Temporary Rule Regarding Principal Trades With Certain Advisory Clients**

Dear Sir.

Thank you for giving us the opportunity to comment on your Proposed rule: Temporary Rule Regarding Principal Trades With Certain Advisory Clients.

You are proposing to amend rule 206(3)-3T under the Investment Advisers Act of 1940, a temporary rule that establishes an alternative means for investment advisers that are registered with the SEC as broker-dealers to meet the requirements of section 206(3) of the Investment Advisers Act when they act in a principal capacity in transactions with certain of their advisory clients. The amendment would extend the date on which rule 206(3)-3T will sunset from December 31, 2014 to December 31, 2016.

I support your proposed amendment that would extend the date on which rule 206(3)-3T will sunset by two years. This is a reasonable proposal that will allow time for a more complete consideration of the regulatory requirements applicable to broker-dealers and investment advisers, and the potential actions thereon.<sup>1</sup> The proposal is both cost-effective and efficient, and will maintain the current level of investor protection and choice. In the absence of evidence of market failure or misuse of rule 206(3)-3T, this is a pragmatic compromise that will minimise market disruption and additional cost burden.

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<sup>1</sup> Section 913 of the Dodd-Frank Act required the SEC to evaluate: the effectiveness of existing legal or regulatory standards of care for brokers, dealers, investment advisers and associated persons for providing personalized investment advice and recommendations about securities to retail customers; and whether there are legal or regulatory gaps, shortcomings or overlaps in legal or regulatory standards of care for brokers, dealers, investment advisers and associated persons for providing personalized investment advice about securities to retail customers. I believe that the two-year extension would provide enough time for the SEC to complete its considerations here.

Please note that the comments expressed herein are solely my personal views

Yours faithfully

C.R.B.

Chris Barnard