



April 12, 2016

Via Electronic Mail (rule-comments@sec.gov)

Mr. Brent J. Fields, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

Re: Transfer Agent Regulations; SEC File No. S7-27-15

Dear Mr. Fields:

DST Systems, Inc. (“DST”) and its affiliated transfer agent companies ALPS Fund Services, Inc., Boston Financial Data Services, Inc., and National Financial Data Services, Inc. (jointly with DST, the “DST Companies”) appreciate the opportunity to comment on the Commission’s recent Advanced Notice of Proposed Rulemaking and Concept Release (together referred to as the “Release”), referenced above.

Background

The DST Companies have been providing transfer agency services to mutual funds for over forty years. In 2015, we collectively processed transactions for over fifteen thousand securities issues, which included servicing in excess of 20.6 million shareholder accounts.

We support the Commissions’ endeavors in this area and are pleased to offer our views. Given our years of experience and broad presence in the industry, we respectfully request that we be included in any groups or committees that the Commission establishes in connection with updating the transfer agent regulations.

The DST Companies have worked closely with the Investment Company Institute (“ICI”) in connection with the ICI’s intelligence gathering and response formulation for its industry comment letter on the Release.

The DST Companies strongly support the comments, considerations and recommendations that were presented by the ICI in its comprehensive March 10, 2016 letter to the Commission (the “ICI Letter”). Accordingly, for purposes of this letter we are not re-stating the positions that were so well addressed in the ICI Letter, but rather have noted below certain topics solely to provide additional emphasis or elaboration.

Forms TA-1 and TA-2

The DST Companies strongly agree that the Commission's Forms TA-1, TA-2 and their respective instructions are in need of significant clarification, simplification and modernization. We support the recommendations set forth in Appendix I of the ICI Letter in that regard. We would particularly welcome changes in the Forms to make them more reflective of the differences between corporate stock transfer agents and mutual fund transfer agents.

Disclosure of Clients, Fees, Material Contracts, and Financial Statements

For the reasons stated in the ICI Letter, the DST Companies strongly oppose the Commission's proposals to require transfer agents to disclose in their SEC filings the names of their clients, the transfer agents' fees, relationships, conflicts of interests, material contracts, and financial statements. As noted by the ICI, such disclosures would put certain confidential and proprietary information that is competitively sensitive into the public domain without serving any public or reasonable regulatory purpose. It would also impose on transfer agents a heightened and unnecessary regulatory burden.

The Exchange Act 17Ad Regulations

The DST Companies agree that Sections 17Ad-1 through 17Ad-21T of the Commission's regulations need to be updated to reflect current technology and modern processing and remove outdated concepts and methodologies. We support the recommendations set forth in Appendix II of the ICI Letter with respect to updating those regulations. As with the Commission's Forms, we would particularly welcome changes in the regulations to make them more reflective of the differences between corporate stock transfer agents and mutual fund transfer agents, including the provisions around book-entry share processing.

Rule 10b-10 Confirmation of Transactions

The Release seeks industry recommendations on potential rule changes regarding confirmations. Under consideration is a requirement that transfer agents provide transaction confirms to any shareholder who would not otherwise receive a confirmation from a broker-dealer pursuant to Rule 10b-10. We note that, unlike the broker-dealer context, investors are clients of the mutual funds and not the transfer agent. Mutual fund issuers typically engage the transfer agent to carry out the confirmation delivery function, as a service. While the DST Companies agree with the ICI Letter supporting the Commission adopting a direct investor rule that is similar to Rule 10b-10, we recommend that any rule maintain the current standard industry practice, whereby confirmations are the direct obligation of the mutual fund issuers, rather than the transfer agent.

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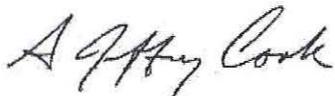
Third Party Administrators

The Release also seeks comment on proposed new rules regarding third party administrators (“TPAs”) to qualified plans. In their role of servicing qualified plans, TPAs are subject to the direction of plan sponsors that are fiduciaries under ERISA. Since the fiduciary provisions of ERISA dictate the majority of actions that a recordkeeper takes in servicing plans, TPAs are currently subject to substantial regulatory oversight, including investigation by the Department of Labor and the Internal Revenue Service. Should the Commission decide to issue regulations for TPAs, DST recommends that those regulations be designed and tailored to the specific duties of a TPA, as opposed to having TPAs fall under the larger umbrella of a transfer agent.

The DST Companies appreciate the opportunity to comment on the Release and look forward to working with the Commission as it moves forward to update and modernize the transfer agent regulations.

If you have questions or would like discuss any specific aspects of the Release please contact Jeff Cook of DST’s Regulatory Compliance Department at [REDACTED] or [REDACTED].

Sincerely,



Jeff Cook
Director of Regulatory Compliance
DST Systems, Inc.

also on behalf of ALPS Fund Services, Inc., Boston Financial Data Services, Inc. and National Financial Data Services, Inc.