



DIVISION OF  
INVESTMENT MANAGEMENT

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

August 19, 2016

Ira D. Hammerman, Esq.  
Executive Vice President and General Counsel  
Securities Industry and Financial Markets Association  
1101 New York Avenue, NW, 8th Floor  
Washington, D.C. 20005

Re: Rule 206(3)-3T under the Investment Advisers Act of 1940

Dear Mr. Hammerman:

As you know, rule 206(3)-3T under the Investment Advisers Act of 1940, which provides an alternative means for an investment adviser that is also registered with the Commission as a broker-dealer to comply with section 206(3) of the Advisers Act when it acts in a principal capacity in transactions with certain of its advisory clients, is set to expire on December 31, 2016. We understand that few firms today are relying on rule 206(3)-3T. I am writing so that firms relying on rule 206(3)-3T will become aware of the Division's determination not to recommend further Commission action on the rule. Therefore, we anticipate that rule 206(3)-3T, by its terms, will expire at the end of the year.

We recognize that some firms may wish to submit applications for exemptive orders under the Act that could provide a similar means to comply with section 206(3) of the Act. As you know, the Commission, in evaluating any such request, would need to consider, among other things, whether the order is necessary or appropriate in the public interest and consistent with the protection of investors.

The Division is posting this letter on the Commission's Web site to notify advisers and other persons that may be affected by the expiration of rule 206(3)-3T. Investment advisers or other interested persons may contact Robert Shapiro, Senior Counsel in the Division's Chief Counsel's Office, at (202) 551-6825 with any questions, including those concerning the process for submitting an application for an exemptive order.

Sincerely,

/s/ David W. Grim

David W. Grim  
Director