

Inquiry Manager  
Audit Market Investigation  
Competition Commission  
Victoria House  
Southampton Row  
LONDON  
WC1B 4AD

13 August 2013

Dear Sirs,

**RE: Provisional decision on remedies and its underlying analysis**

BlackRock is pleased to have the opportunity to respond to the UK Competition Commission's call for views on its provisional decision on remedies and its underlying analysis.

BlackRock is one of the world's pre-eminent investment management firms and a premier provider of global investment management, risk management and advisory services to institutional and retail clients around the world.

As of 30 June 2013, BlackRock's assets under management were \$3.86 trillion (£2.53 trillion). BlackRock offers products that span the risk spectrum to meet clients' needs, including active, enhanced and index strategies across markets and asset classes. Products are offered in a variety of structures including separate accounts, mutual funds, iShares® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®.

In Europe specifically, BlackRock has a pan-European client base serviced from 22 offices across the continent. Public sector and multi-employer pension plans, insurance companies, third-party distributors and mutual funds, endowments, foundations, charities, corporations, official institutions, banks and individuals invest with BlackRock.

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BlackRock has responded in detail to the Commission's earlier consultations. We fully support the majority of the remedy package the Commission proposes and welcome the acknowledgement the Commission has made of our arguments against mandatory rotation and the maintenance of "Big Four-only" clauses.

We wish, however, to comment further on the proposal for mandatory tendering which we believe deserves further reflection. We welcome the Commission's provisional decision of rejecting mandatory switching as an efficient remedy to reduce very long tenures. However, we question whether the proposed remedy for mandatory tendering of the audit every five years is appropriate. We note there is an opportunity cost to management to running a tender process this frequently, as acknowledged by the Commission. Our discussions with companies in which we invest indicate that the tender process typically requires extensive engagement by a company's management team which would become burdensome if repeated too frequently. On balance, we would instead recommend a minimum period of seven years between tenders to achieve a more appropriate balance between driving the benefits of competition without imposing too high a burden on management teams.

We appreciate the opportunity to address, and comment on, the issues raised by the call for views and we are happy to continue to work with the Commission on any specific issues that may assist in contributing to its final report.

Sincerely,



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