

MEMO# 21362

July 17, 2007

Final Rule on Department of Labor Form LM-30

[21362]

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TO: COMPLIANCE ADVISORY COMMITTEE No. 13-07
INVESTMENT ADVISER MEMBERS No. 24-07
INVESTMENT ADVISER ASSOCIATE MEMBERS No. 4-07
PENSION MEMBERS No. 39-07 RE: FINAL RULE ON DEPARTMENT OF LABOR FORM LM-30

The Department of Labor released final amendments to Form LM-30, which is used by labor organization officers and employees to report payments received from certain entities. [\[1\]](#)

The Institute commented on the proposal, primarily on issues related to Form LM-10, a companion form on which employers and service providers report payments to labor organization representatives. Our comments took the form of a joint letter with the American Council of Life Insurers, the Investment Advisers Association, and the Securities Industry and Financial Markets Association (formerly the Securities Industry Association). [\[2\]](#) The Department had issued guidance on LM-10 in the form of “Frequently Asked Questions” on its website but provided no forum for public comment.

In its LM-30 final rule, the Department rejected the concerns expressed in the Institute’s joint letter, and by many other commentators, regarding the lack of opportunity for public comment on form LM-10, the overlap with ERISA reporting requirements, and the inadequacy of the Department’s proposed de minimis rules. The Department also rejected our statutory analysis that LMRDA reporting does not extend to union officials in their capacity as trustees of pension plans.

The Department states that any further written guidance on LM-10 will be issued in revisions to the Department’s FAQs on its website. [\[3\]](#)

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endnotes

[1] A copy of the final rule can be found here: <http://www.dol.gov/esa/regs/compliance/olms/RevisedLM-30FinalRule07-3155.pdf>. The Department has issued a notice making minor corrections to the final rule, available here: <http://www.dol.gov/esa/regs/compliance/olms/RevisedLM30FR071307.pdf>.

[2] See [Memorandum](#) to Compliance Advisory Committee No. 4-06, Investment Adviser Members No. 7-06, Investment Advisor Associate Members No. 3-06, and Pension Members No. 7-06 [19649], dated January 26, 2006.

[3] For more information on DOL's LM-10 FAQs, see [Memorandum](#) to Compliance Advisory Committee No. 14-06, Investment Adviser Members No. 26-06, Investment Advisor Associate Members No. 13-06, and Pension Members No. 62-06 [20438], dated October 5, 2006. See also [Memorandum](#) to Compliance Advisory Committee No. 8-06, Investment Adviser Members No. 11-06, Investment Advisor Associate Members No. 5-06, and Pension Members No. 15-06 [19821], dated March 10, 2006, and [Memorandum](#) to Compliance Advisory Committee No. 55-05, Investment Adviser Members No. 22-05, Investment Advisor Associate Members No. 17-05, and Pension Members No. 53-05 [19361], dated November 11, 2005.

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