

MEMO# 18194

November 15, 2004

INSTITUTE LETTER TO DEPARTMENT OF LABOR CONCERNING PROPOSED AMENDMENTS TO PROHIBITED TRANSACTION EXEMPTION 84-24

[18194] November 15, 2004 TO: PENSION MEMBERS No. 57-04 PENSION OPERATIONS ADVISORY COMMITTEE No. 77-04 RE: INSTITUTE LETTER TO DEPARTMENT OF LABOR CONCERNING PROPOSED AMENDMENTS TO PROHIBITED TRANSACTION EXEMPTION 84-24 The Institute has filed the attached comment letter in support of the Department of Labor's proposal to amend the mutual fund provisions of Prohibited Transaction Exemption (PTE) 84-24.1 This class exemption addresses, among other things, the receipt of sales commissions by principal underwriters in connection with plan purchases of fund shares, and the principal underwriters' effecting of the purchase transactions. The proposed amendments would permit a principal underwriter affiliated with a plan trustee or investment manager to qualify for the exemption if the affiliate had no discretionary authority or control over the plan assets involved in the transaction, other than as a nondiscretionary trustee. In addition, the proposed amendments would modify the definition of "nondiscretionary trust services" to specifically include services performed as a directed trustee. Kathy D. Ireland Senior Associate Counsel Attachment (in .pdf format) Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 18194, or call the ICI Library at (202) 326-8304 and request the attachment for memo 18194. 1 See Memorandum to Pension Members No. 48-04 and Pension Operations Advisory Committee No. 63-04 [18050], dated September 29, 2004.