

**MEMO# 19309**

October 31, 2005

## **DOL REQUEST FOR COMMENTS ON AMENDMENTS TO FORM LM-30 UNDER LABOR MANAGEMENT REPORTING AND DISCLOSURE ACT**

©2005 Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice. [19309] October 31, 2005 TO: COMPLIANCE ADVISORY COMMITTEE No. 54-05 PENSION COMMITTEE No. 36-05 INVESTMENT ADVISERS COMMITTEE No. 12-05 RE: DOL REQUEST FOR COMMENTS ON AMENDMENTS TO FORM LM-30 UNDER LABOR MANAGEMENT REPORTING AND DISCLOSURE ACT As you know, the Department of Labor recently announced new interpretations of filing requirements under the Labor-Management Reporting and Disclosure Act of 1959 that may require investment managers, investment consultants and accounting firms to file Form LM-10 (Employer Report) if they host receptions and other entertainment involving more than \$25 that include officials of union-related plans, such as Taft-Hartley plans. Union officials must report these amounts on a corresponding form, Form LM-30 (Labor Organization Officer and Employee Report.) The Institute has met with DOL representatives and submitted a letter on July 28, 2005 detailing our concerns about the application of Form LM-10 filing requirements to service providers.<sup>1</sup> Our letter argues that DOL's interpretation is inconsistent with the LMRDA and could lead to absurd results and that any filing requirement should be imposed prospectively after notice and opportunity for industry comment. We met with DOL officials again on September 29, 2005 to reiterate our concerns. Although DOL has not yet responded to the arguments the financial services industry has made with respect to Form LM-10, it has proposed amendments to Form LM-30, the corresponding form used by union officers and employees to report the receipt of gifts. The proposed amendments to LM-30 are found at <http://www.regulation.gov/fredpdfs/05-16907.pdf>. Recently, DOL extended the comment period on the LM-30 proposal until January 28, 2006. Because Forms LM-30 and LM-10 are corresponding forms, some of the issues involved in the proposed amendments (e.g. the \$25 gift threshold) may have application to Form LM-10 as well. Accordingly, the Institute likely will file a comment letter on the Form LM-30 <sup>1</sup> See Memorandum to Compliance Advisory Committee No. 48-05, Investment Adviser Members No. 14-05, Investment Adviser Associate Members No. 12-05 and Pension Members No. 33-05 [19051], dated August 1, 2005. <sup>2</sup> proposals. If you have specific concerns that you would like the Institute to address in a comment letter on Form LM-30, please contact me at 202-326-5826 or [podesta@ici.org](mailto:podesta@ici.org). Mary S. Podesta Senior Counsel - Pension Regulation

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