

MEMO# 3107

September 18, 1991

LABOR HEARING ON PROPOSED FOREIGN EXCHANGE EXEMPTION

September 18, 1991 TO: INVESTMENT ADVISERS COMMITTEE NO. 45-91 RE: LABOR HEARING ON PROPOSED FOREIGN EXCHANGE EXEMPTION

_____ As you recall, a proposed ERISA prohibited transaction class exemption relating to certain employee benefit plan foreign exchange transactions was discussed at the last Investment Advisers Committee meeting. The exemption provided a method whereby custodian banks could execute foreign exchanges for the plans for which they serve as parties-in-interest or fiduciaries. However, the exemption did not extend to standing orders, a common practice in this area. The Department of Labor announced on September 16, 1991 that it will hold a public hearing on Thursday, October 3, 1991 regarding the proposed exemption because of the substantial number of comments it received requesting broadening of the exemption. Requests to be heard should be submitted by September 20, 1991. A copy of the notice of public hearing is attached. Also attached is a copy of the proposed exemption. We will keep you informed of developments. W. Richard Mason Assistant Counsel - Pension Attachments

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