

MEMO# 17685

June 17, 2004

INSTITUTE LETTER TO DEPARTMENT OF LABOR CONCERNING PROPOSED AMENDMENTS TO PROHIBITED TRANSACTION EXEMPTION 75-1

[17685] June 17, 2004 TO: PENSION MEMBERS No. 34-04 PENSION OPERATIONS ADVISORY COMMITTEE No. 43-04 RE: INSTITUTE LETTER TO DEPARTMENT OF LABOR CONCERNING PROPOSED AMENDMENTS TO PROHIBITED TRANSACTION EXEMPTION 75-1 The Institute has filed the attached comment letter in response to the Department of Labor's proposal to amend the mutual fund provisions of Part II of Prohibited Transaction Exemption (PTE) 75-1.1 This portion of the class exemption deals with principal transactions and specifically exempts certain purchases and sales of securities issued by open-end investment companies from the prohibited transaction provisions of ERISA. The letter supports the proposed amendments, and requests that the Department confirm that the amended language clarifies the original language, but does not change the scope of the exemption substantively. In addition, the Institute letter recommends that the mutual fund provisions remain in Part II of PTE 75-1 until such time as the Department addresses mutual fund transactions in separate regulatory guidance. Kathy D. Ireland Senior Associate Counsel

Attachments Note: Not all recipients receive the attachments. To obtain copies of the attachments, please visit our members website (<http://members.ici.org>) and search for memo 17685, or call the ICI Library at (202) 326-8304 and request the attachments for memo 17685. Attachment no. 1 (in .pdf format) 1 See Institute Memorandum to Pension Members No. 26-04 and Pension Operations Advisory Committee No. 35-04 [17439], dated April 29, 2004.