

**MEMO# 35556**

December 20, 2023

# ICI Letter to OMB Regarding its Review of DOL's Amendments to QPAM Exemption

[35556]

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TO: ICI Members

Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension RE: ICI Letter to OMB Regarding its Review of DOL's Amendments to QPAM Exemption

On December 6, 2023, ICI submitted the attached letter to the Office of Management and Budget (OMB), expressing significant concerns regarding the substantial proposed changes and the cost-benefit analysis included in the Department of Labor's (DOL) proposed amendments to Prohibited Transaction Exemption 84-14 (the "QPAM Exemption").[\[1\]](#) Four other trade associations signed on to the letter.[\[2\]](#) As a reminder, DOL sent the final version of the amendments to the QPAM Exemption to OMB on November 14.

The QPAM Exemption is a longstanding exemption governing financial institutions acting as qualified professional asset managers (or QPAMs) for IRAs or employer-provided retirement plans. As we explained in our comment letters to DOL, the changes would be significant and would likely increase the cost of using the exemption and significantly expand the instances when the exemption would be unavailable.[\[3\]](#)

Our letter to OMB explained the significant flawed assumptions in DOL's estimate of the costs and burdens of the amendments, including that DOL offered neither evidence that the QPAM Exemption was not working as intended nor a single instance of harm to plans related to its concerns. The letter asked that OMB not approve the final amendments for publication unless and until DOL (a) modifies the amendments to the QPAM Exemption to reflect the many substantive concerns expressed by ICI and others about the proposed amendments, and (b) addresses the significant flaws in DOL's cost-benefit analysis. We urged that the final amendments should be withdrawn and re-proposed only after comprehensive study and additional stakeholder input.

## Notes

[1] For a summary of the proposed amendments to the QPAM Exemption, see ICI Memorandum No. 34239, dated August 3, 2022, available at <https://www.ici.org/memo34239>.

[2] The other signatories to the letter were American Bankers Association, Securities Industry and Financial Markets Association, SPARK Institute, and U.S. Chamber of Commerce.

[3] ICI submitted a comment letter on October 11, 2022, expressing significant concerns regarding the proposed QPAM amendments and explaining that the changes, if finalized, will make it more difficult and expensive to use the exemption, put the scope of its coverage in doubt, and in some instances would actually harm the interests of those parties it seeks to protect. See ICI Memorandum No. 34308, dated October 12, 2022, available at <https://www.ici.org/memo34308>. DOL held a hearing on the QPAM proposed amendments on November 17, 2022, and reopened the comment period until January 6, 2023. On March 23, 2023, DOL announced that it was reopening the comment period on the Proposal until April 6, 2023. ICI submitted additional comments on April 6, 2023. See ICI Memorandum No. 35251, dated April 18, 2023, available at <https://www.ici.org/memo35251>.