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SERVING INDIVIDUAL INVESTORS
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DOL Finalizes Amendments to QPAM Exemption, PTE 84-14

[35680]

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TO: ICI Members
Pension Committee
Pension Operations Advisory Committee SUBJECTS: Pension RE: DOL Finalizes Amendments to QPAM Exemption, PTE 84-14

The US Department of Labor (DOL) on April 2, 2024, issued Final Amendments to the QPAM Class Exemption, PTE 84-14 ("QPAM Exemption" or "Final Exemption")—the final amendments were published in the Federal Register the following day.[1] DOL also prepared a fact sheet describing the amendments.[2] 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. The QPAM Exemption provides a streamlined process whereby a plan can retain a third-party investment manager that can then enter into transactions with parties in interest.

DOL proposed amendments to the QPAM Exemption in July 2022 ("Proposal").[3] The Proposal included significant changes to the QPAM Exemption, including among other things:

- Expanded ineligibility (for 10 years) due to foreign convictions, as well as for foreign or domestic non-prosecution and deferred prosecution agreements;
- A mandatory one-year wind-down period for disqualified entities, with no ability for the QPAM to effect new transactions during the wind-down period; and
- Mandatory terms for all agreements between a QPAM and its clients, including pre-existing agreements.

ICI submitted two comment letters to DOL, and one letter to OMB, expressing concerns with these and other aspects of the Proposal.[4] We explained in our comment letters to DOL that the significant proposed changes to the prior 2010 QPAM Exemption[5] would make it more difficult and more costly to use the exemption, as well as significantly expand the instances when the exemption would be unavailable. 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 stemming from the concerns

DOL outlined in the Proposal.

The Final Exemption reflects many improvements from the language of the Proposal. As discussed in more detail below, these changes reflect several concerns highlighted by ICI and other commenters. However, these positive changes also reflect the aggressive positions taken in the Proposal. We detail below various aspects of the new QPAM Exemption, including how certain ICI recommendations are reflected in the Final Exemption.

Criminal Convictions and NPAs/DPAs Leading to Ineligibility for the QPAM Exemption

Final Exemption

The Final Exemption provides that certain domestic and foreign criminal convictions of a QPAM (or an affiliate or owner of 5 percent or more of the QPAM) will result in ineligibility to rely on the QPAM Exemption for 10 years. Similar to the proposal, the Final Exemption also provides that a QPAM (or an affiliate or 5 percent owner) entering into certain non-prosecution agreements (NPAs) and deferred prosecution agreements (DPAs) with a United States federal or state prosecutor or regulatory agency will result in ineligibility for 10 years. This list of disqualifying convictions and DPAs/NPAs, which as discussed below is more expansive than that included in the 2010 QPAM Exemption, includes the following:

- A criminal conviction in a United States federal or state court, or release from imprisonment (whichever is later), as a result of:
    - any felony involving abuse or misuse of such person's plan position or employment, or position or employment with a labor organization;
    - any felony arising out of the conduct of the business of a broker, dealer, investment adviser, bank, insurance company or fiduciary;
    - income tax evasion;
    - any felony involving the larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, or misappropriation of funds or securities;
    - conspiracy or attempt to commit any such crimes or a crime in which any of the foregoing crimes is an element; or any crime that is identified or described in ERISA section 411;
- Conviction by a foreign court of competent jurisdiction, or release from imprisonment (whichever is later), as a result of a crime, however denominated by the laws of the relevant foreign government, that is substantially equivalent to any of the above, but excluding convictions or imprisonment in foreign countries included on the Department of Commerce's list of "foreign adversaries";[6] and
- Entering into a NPA or DPA on or after June 17, 2024 with a United States federal or state prosecutor's office or regulatory agency, where the factual allegations that form the basis for the NPA or DPA would have constituted a crime described in the first bullet above if successfully prosecuted.

Any of the above will result in a QPAM's ineligibility to rely on the QPAM Exemption, triggering the commencement of a one-year transition period for the QPAM's current clients—after which the QPAM will be ineligible to rely on the QPAM Exemption for 10 years (though the entity can still apply for an individual exemption permitting it to act as a QPAM).

Proposal and ICI Comments

ICI expressed numerous concerns with including foreign criminal convictions and any NPAs or DPAs (domestic or foreign) as disqualifying conduct. Among other things, ICI recommended that criminal convictions be limited to those arising from the provision of asset management services and that DOL should not include foreign convictions as disqualifying crimes. In addition to highlighting that foreign affiliates may have no meaningful connection to the QPAM, ICI raised concerns of fairness, national security, and United States sovereignty. Foreign jurisdictions provide varying degrees of due process protections, and certain foreign jurisdictions (such as China and Russia) may pursue actions for political reasons. ICI recommended that DOL instead require disclosure of these convictions to client plans, which could then determine whether to continue engaging with the QPAM. Such an approach would, ICI argued, consider the unique circumstances of each plan.

ICI also advocated strongly that neither DPAs and NPAs nor foreign equivalent DPAs/NPAs should be considered prohibited conduct leading to disqualification. Among other things, ICI highlighted that NPAs and DPAs are not criminal convictions, but rather negotiated agreements that parties enter into for numerous reasons that may include prosecutorial uncertainty as to whether they could obtain a conviction, or a defendant's determination that the consequences of a DPA/NPA are less costly than successfully defending its actions.

DOL largely dismissed ICI's arguments, with two notable exceptions. One, DOL modified the definition of criminal convictions to not include foreign convictions in countries deemed foreign adversaries of the United States. Two, DOL removed foreign DPA/NPA equivalents as prohibited conduct resulting in ineligibility. With regard to ICI's other recommendations, DOL characterized criminal convictions, including those of far-flung affiliates and those not related to the management of plan assets, as "directly relevant to a corporate family's culture of compliance," and noted its view that such conduct increases the likelihood that similar conduct would be ignored if engaged in by a QPAM entity itself.[7] Specifically to foreign criminal convictions, DOL explained that substantially equivalent foreign criminal convictions have long been included in individual QPAM prohibited transaction exemptions, and that their inclusion in the QPAM Exemption removes any doubt as to their treatment. DOL further noted that notwithstanding the concerns of many commenters, including ICI, regarding the costs and burdens on plans of the inclusion of foreign criminal convictions, in DOL's experience the number of QPAMs and plans impacted has been very small relative to the total number of QPAMs and plans.

Other Prohibited Misconduct Triggering Ineligibility for the QPAM Exemption

Final Exemption

In addition to the criminal convictions and NPAs/DPAs discussed above, a QPAM is no longer eligible to rely on the QPAM Exemption if it (including an affiliate or a 5 percent owner) is found or determined in a specified "final judgment" or "court-approved settlement" to have participated in any of the following categories of misconduct, irrespective of whether the QPAM Exemption or its terms was specifically considered:

- engaging in a systematic pattern or practice of conduct that violates the conditions of this exemption in connection with otherwise non-exempt prohibited transactions;
- intentionally engaging in conduct that violates the conditions of this exemption in connection with otherwise non-exempt prohibited transactions; or
- providing materially misleading information to DOL, the Department of Treasury, the

IRS, SEC, DOJ, Federal Reserve, OCC, FDIC, CFTC, a state regulator or a state attorney general in connection with the conditions of the exemption.

A specified "final judgment" or "court-approved settlement" is one that is entered by a federal or state court on or after June 17, 2024 in a proceeding brought by DOL, the Department of Treasury, IRS, the SEC, DOJ, Federal Reserve, OCC, FDIC, CFTC, a state regulator, or state attorney general.

DOL also clarified that its concerns regarding prohibited misconduct are focused on "conduct that calls into question a QPAMs integrity and compliance culture."[8] As a general matter, inadvertent technical errors resulting in a violation of the QPAM Exemption will not be considered prohibited misconduct, particularly when such errors are corrected consistent with applicable standards in ERISA or the Internal Revenue Code.

Proposal and ICI Comments

While the Proposal enumerated similar categories of misconduct, it envisioned a different process whereby DOL would determine whether conduct fell into one of above categories of misconduct—determining both the relevant facts and whether those facts constituted prohibited misconduct.

ICI in the First Letter recommended DOL eliminate the prohibited misconduct provisions of the QPAM Exemption. Short of this, ICI recommended a process whereby, among other things, the factual record would be determined by a clear process, and independent decision-makers would be responsible for both factual and legal determinations. The Final Exemption removes DOL from these determinations, and also eliminates the Proposal's process whereby a party would have a right to meet to meet with DOL before a final determination of ineligibility.

Involvement Of Parties Other Than the QPAM in Investment Decisions

Final Exemption

The Final Exemption clarifies the extent to which parties other than the QPAM can be involved in investment decisions for client plans: "[t]he terms of the transaction, commitments, and investment of fund assets, and any associated negotiations are determined by the QPAM (or under the authority and direction of the QPAM) which represents the interests of the Investment Fund." [9] Additionally:

[i]n exercising its authority, the QPAM must ensure that any transaction, commitment, or investment of fund assets for which it is responsible is based on its own independent exercise of fiduciary judgment and free from any bias in favor of the interests of the plan sponsor or other parties in interest. The QPAM may not be appointed or relied upon to uncritically approve transactions, commitments, or investments negotiated, proposed, or approved by the plan sponsor, or other parties in interest."[10]

A QPAM must have ultimate discretion with regard to plan investments, and not simply act as an independent approver of transactions. To this end, the QPAM Exemption is not available for transactions planned, negotiated, or initiated by a party in interest, and presented to a QPAM for approval "to the extent" that the QPAM would not have sole responsibility with respect to the transaction. These clarifications also reinforce DOL's concerns with "rent-a-QPAM" or "QPAM for a day" arrangements, whereby a QPAM is retained only to approve a proposed transaction.

Proposal and ICI Comments

The Proposal required that the terms of the transaction, commitments, and investment of fund assets, and any associated negotiations, all be the sole responsibility of the QPAM. This would have imposed significant limitations on the involvement of parties in interest in transactions undertaken by a QPAM, including a prohibition on the QPAM's engaging in transactions planned, negotiated, or initiated by a party in interest.

ICI and numerous other commenters expressed concerns that this "sole responsibility" standard would significantly restrict a QPAM from engaging in transactions beneficial to plans. ICI was concerned that plans would be arbitrarily barred from legitimate investment transactions. Among other things, ICI emphasized that it is not uncommon for a plan or a counterparty to a transaction to be involved in identifying, negotiating, and/or initiating a transaction. ICI also highlighted a concern that the Proposal could restrict the use of sub-advisors or fund-of-funds products.

The Final Exemption clarified that DOL did not intend to restrict these activities, but rather was more concerned that a QPAM not be a rubber-stamp on transactions driven by other parties.

Impact on Collective Investment Trusts (CITs)

ICI in our Second Letter expressed concern that the Proposal would conflict with the responsibilities of CIT trustees. Among other things, we noted that the "sole responsibility" provision could be read to conflict with CIT trustees' responsibilities to the extent it could require that a plan enter into separate agreements with each CIT subadvisor. This interpretation would conflict with CIT trustees' obligations under both section 3(11) of the Investment Company Act and applicable OCC regulations. DOL in the preamble to the Final Exemption clarified that "a QPAM's delegation of certain investment-related responsibilities to a sub-adviser does not, by itself, violate Section I(c), as long as the QPAM retains sole authority with respect to planning, negotiating, and initiating the transactions covered by the QPAM Exemption."[11] DOL cautioned that "parties that participate in arrangements that do not clearly identify which party has the ultimate responsibility and authority to engage in a particular transaction should not assume that the transaction is permitted by the QPAM Exemption," and recommended parties seek guidance from DOL (such as in the form of an advisory opinion) as to whether the QPAM Exemption is available for such transactions.[12]

QPAM Activities During One-Year Transition Period Following Ineligibility

Final Exemption

The Final Exemption provides for a one-year transition period for a QPAM that is no longer eligible to rely on the QPAM Exemption. During this period a QPAM may continue to serve client plans (including as to new transactions for these plans), but may not enter into agreements with new client plans. In addition, during this transition period a QPAM must:

- ensure that it manages plan assets prudently and loyally; and
- within 30 days after the ineligibility date, provide a notice to DOL and each client plan that includes:
    - notice of its ineligibility and of the initiation of the one-year transition period;
    - a statement that during the transition period the QPAM agrees to certain

obligations with respect to client plans (described below); and
    - An objective description of the facts and circumstances upon which the criminal conviction or prohibited misconduct resulting in ineligibility is based, in sufficient detail to fully inform the client fiduciary so that it can satisfy its duties of prudence and loyalty with respect to hiring, monitoring, evaluating, and retaining the QPAM in a non-QPAM capacity.

In its transition period notice to client plans mentioned above, the QPAM must agree that:

- It will not restrict the ability of any client plan to terminate or withdraw from its engagement with the QPAM;
- It will not impose any fees, penalties, or charges on the plan in connection with the plan's withdrawing from or terminating its investment in an investment fund managed by the QPAM, other than reasonable fees disclosed in advance that meet certain conditions;
- It will indemnify, hold harmless, and promptly restore actual losses to the client plan for any damages that directly result to them from a violation of applicable laws, a breach of contract, or any claim arising out of the conduct that is the subject of a criminal conviction or prohibited misconduct of the QPAM, its affiliates, or any 5 percent owner; including but not limited to losses arising from unwinding transactions with third parties and from transitioning plan assets to alternative asset managers; and
- It will not employ or knowingly engage any individual that participated in the conduct that is the subject of a criminal conviction or prohibited misconduct, regardless of whether the individual is separately convicted in connection with the criminal conduct.[13]

DOL in the preamble to the Final Exemption noted that this transition period accords a QPAM sufficient time to apply for an individual exemption to continue acting as a QPAM. The final exemption details what an QPAM should include in an application for an individual prohibited transaction exemption if the QPAM either is ineligible for, or anticipates becoming eligible for, the QPAM Exemption due to a criminal conviction or engaging in prohibited misconduct and desires to act as a QPAM beyond the one-year transition period.

Proposal and ICI Comments

The Proposal contained a much more restrictive one-year winding-down period, during which a QPAM would not have been able to enter into any new transactions (including for existing client plans) during the winding-down period. This would have effectively shut the QPAM's client plans out of new investments or investment decisions requiring a QPAM until a new QPAM was appointed.

ICI in the First Letter raised significant concerns that this prohibition on new transactions was problematic and ignored the practicalities of investment management. Moreover, this restriction ignored the fact that retaining a new QPAM could take months. ICI recommended that the mandatory wind-down period be replaced with notice to client plans of an otherwise disqualifying event, leaving it to the plan's fiduciaries to determine in their discretion whether it is in the plan's best interests to terminate or withdraw from its relationship with the QPAM. DOL responded in part:

[U]ltimately the decision on whether to grant relief from ERISA and the Code's prohibited transaction provisions rests with the Department. In the Department's view, the individual

exemption process provides a full, fair, and open process for the Department to determine whether a QPAM should be permitted to engage in otherwise prohibited transactions post-conviction, and if so, the conditions which should be placed on such relief.[14]

The Proposal would have required that a QPAM amend all written management agreements (WMAs) with client plans to include the terms described earlier relating to withdrawal/termination by client plans, fees or penalties for withdrawal/termination, indemnification for losses, and employment of individuals involved in the misconduct. These contractual warranties would have been triggered in the event of a criminal conviction or a written determination of ineligibility and would apply for ten years. ICI in the First Letter expressed our concerns that this requirement would be much more costly and time consuming than DOL estimated, and that it would disrupt existing legitimate agreements between private parties. Moreover, because an asset manager could continue to provide services other than pursuant to the QPAM Exemption, ICI recommended that these terms apply only if the QPAM is removed as a manager. To the extent the WMA requirement were not removed, ICI recommended DOL reframe the terms as requirements of the QPAM Exemption to be effective upon notice to clients of the terms following a final determination as to a violation leading to ineligibility for the QPAM Exemption. The Final Exemption largely incorporates this recommendation by moving the required warranties to the transition period notice. We note that DOL declined to remove the prohibition on restrictions on a plan's ability to withdraw from funds that invest in illiquid assets, reiterating its statement in the Proposal that individual exemptive relief may be available for such restrictions. Commenters had indicated to DOL that this prohibition "may present additional challenges and harm Plans' investment returns."

Reporting Reliance on the QPAM Exemption to DOL

Final Exemption

The QPAM Exemption includes a new reporting requirement whereby any QPAM "that relies upon this exemption" must notify DOL by email of the legal name of each entity relying on the exemption including any name the QPAM may be operating under, and any change in such names, as well as when the QPAM is no longer relying on the exemption. Such notice must be provided to DOL within 90 days of the reliance on the exemption or any name change (there is no deadline for notifying DOL that a party is no longer relying on the QPAM Exemption). If notice inadvertently is not provided to DOL within 90 days, a QPAM is provided an additional 90 days to so notify DOL and include an explanation for the QPAM's failure to provide notice within the initial 90-day period. DOL also reiterated in the preamble to the Final Exemption its intent (as stated in the Proposal) to maintain a current list of entities relying on the QPAM Exemption on its publicly available website.

DOL clarified in the preamble to the Final Exemption that it "did not intend for the reporting requirement to create compliance issues for QPAMs that could jeopardize the availability of the prohibited transaction relief in the QPAM Exemption." To this end, DOL confirmed that an isolated instance of failing to report reliance to DOL generally would not be considered prohibited misconduct resulting in ineligibility to rely on the exemption. A failure to report after 180 days would, however, mean that the QPAM Exemption is not available to that entity until the failure is "fully cured."

Proposal and ICI Comments

The Proposal included a similar requirement to that in the Final Exemption. A notable change is that the Proposal did not include any time frames for reporting, or a cure

mechanism for a failure to so report. ICI in the First Letter expressed numerous concerns with this proposed reporting requirement. Among these concerns were that such a list could lead to confusion in the marketplace, that the requirement to notify DOL of name changes increases the risk of foot faults that could lead to a loss of the ability to rely on the exemption, and that the standard for who must report to DOL presents difficulties in its application. ICI highlighted scenarios involving intermittent reliance, as well as representations that a manager qualifies for QPAM status (as opposed to active reliance). ICI urged DOL to reconsider the need for a reporting requirement. DOL addressed only ICI's concern about loss of eligibility due to a failure to report, by adding the 90-day cure period.

Increased QPAM Asset Management and Equity Thresholds

Final Exemption

The final exemption establishes a 3-step implementation of increased equity, net worth, and client assets thresholds (as applicable) through Dec. 31, 2030, as follows.

Current Limits

Limits as of FY Ending by 12/31/24

Limits as of FY Ending by 12/31/27

Limits as of FY Ending by 12/31/30

Equity/

Net Worth

Client Assets

Equity/

Net Worth

Client Assets

Equity/

Net Worth

Client Assets

Equity/

Net Worth

Client Assets

Bank

> $1m

> $1.5703m

> $2.1406m

> $2.72m

S&L

> $1m

> $1.5703m

> $2.1406m

> $2.72m

Ins. Co.

> $1m

> $1.5703m

> $2.1406m

> $2.72m

RIA

> $1m

> $85m

> $1.346m

> $101.956m

> $1.694m

> $118.912m

> $2.04m

> $135.868m

These thresholds will be adjusted again for inflation in future years, rounded to the nearest $10,000. Adjusted thresholds will be published in the Federal Register by January 31 of each year, and effective January 1 of the following year.

Explaining the increases in the thresholds, DOL noted that the QPAM Exemption was never intended for small investment managers.[15] To this end, the thresholds are intended to ensure that fiduciaries that are managing plan assets under the QPAM Exemption are large enough to not be unduly influenced by parties-in-interest. DOL also explained that the increases reflect changes in the CPI since the original thresholds were established in 1984. DOL noted that a smaller entity that now found itself excluded from utilizing the QPAM Exemption could still apply for individual exemptive relief. Such relief, if granted, would allow DOL to develop additional conditions as appropriate for the entity's circumstances.

QPAM that no longer meets a new threshold will no longer be eligible to rely on the QPAM Exemption as of the date the new threshold is in effect.

Proposal and ICI Comments

The Proposal would have increased the thresholds all at once, rather than phasing in the adjustments incrementally.

ICI in the First Letter requested that DOL not increase these thresholds without further study. Among the concerns we expressed were that the material increases (in some cases more than double current limits) could eliminate many smaller firms currently acting as QPAMs, causing significant disruption for plans that rely on these entities. To this end, we recommended DOL conduct a survey and carefully weigh any increases against the resulting disruption and uncertainty for smaller firms current acting as QPAMs. In declining to perform a survey, DOL stated that in its view it is clear that the thresholds have not kept pace with the economic and financial growth of the marketplace and that it undertook a "robust and thorough rulemaking process."

Recordkeeping Requirements

Final Exemption

The Final Exemption requires that a QPAM maintain, for a period of six years, records necessary to enable any of a number of parties to determine whether the conditions of the QPAM Exemption have been met with respect to a transaction, in a manner that is reasonably accessible for examination. "[A]ny failure to maintain the records necessary to

determine whether the conditions of the exemption have been met would result in the loss of the relief provided under the exemption" for the transaction as to which records are missing.[16] Records must be made available within 30 days of a request for examination by DOL, IRS, or any other state or federal regulator; but also by any fiduciary of a plan, contributing employer or employer organization whose members are covered by a plan, or any participant or beneficiary of a plan, where such plan invests in an investment fund managed by the QPAM.

Proposal and ICI Comments

The Final Exemption is unchanged from the Proposal. We note that the previous QPAM Exemption did not include an express recordkeeping requirement. In proposing this recordkeeping requirement, DOL explained that it would be "consistent with other exemptions that generally impose a recordkeeping requirement on parties relying on an exemption to ensure they will be able to demonstrate, and that the Department will be able to verify, compliance with the exemption conditions."[17]

ICI in the First Letter highlighted our concern that this recordkeeping requirement would be inconsistent with the nature and purpose of the QPAM Exemption. One, the QPAM Exemption is process-based, whereas the recordkeeping requirement would require that information be retained with respect to each transaction. As such, we urged DOL to modify the transaction-based requirement in favor of a process-based one, consistent with the goal of the QPAM Exemption of reducing costs. We also expressed concerns that the proposal to make records available not only for examination by DOL, IRS, or any other state or federal regulator; but also the other parties listed above; raises the risk of unnecessary litigation.

DOL generally characterized ICI's and other commenter's concerns as "overstated and inconsistent with how recordkeeping requirements operate in prohibited transaction exemptions."[18] However, DOL in the preamble clarified that the recordkeeping requirements do not mandate transaction-by-transaction recordkeeping.

Rather, the condition is focused on requiring the QPAM to retain records satisfactory to prove compliance with the applicable conditions for any section of the exemption the QPAM relied upon, such as satisfying the definition of QPAM, and records supporting the limitation on the involvement of Parties in Interest in investment transactions.[19]

DOL also rejected another commenter's request that the time frame to provide records be extended to 90 days. In DOL's view, more than 30 days would be needed only if a QPAM was not already maintaining the required records.

Effective Date

The amendments to the QPAM Exemption will be effective June 17, 2024, which is 75 days after publication in the Federal Register.

David Cohen
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Notes

[1] 89 Fed. Reg. 23090 (April 3, 2024) ("QPAM Exemption" or "Final Exemption"), available

at https://www.govinfo.gov/content/pkg/FR-2024-04-03/pdf/2024-06059.pdf.

[2] Fact Sheet, Final Amendment to PTE 84-14 - the QPAM Exemption (DOL April 2024), available at https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/final-amendment-to-pte-84-14-the-qpam-exemption.pdf.

[3] See ICI Memorandum No. 34239, dated Oct. 28, 2022, available at https://www.ici.org/memo34239 ("Proposal").

[4] See ICI Memorandum No. 34308, dated Oct. 12, 2022, available at https://www.ici.org/memo34308 ("First Letter"); ICI Memorandum No. 35251, data April 18, 2023, available at https://www.ici.org/memo35251 ("Second Letter"); ICI Memorandum No. 35556, dated Dec. 20, 2023, available at https://www.ici.org/memo35556 ("OMB Letter").

[5] 75 Fed. Reg. 38837 (July 6, 2010), available at https://www.govinfo.gov/content/pkg/FR-2010-07-06/pdf/2010-16302.pdf ("2010 QPAM Exemption"); see ICI Memorandum No. 24411, dated July 8, 2010, available at https://www.ici.org/memo24411.

[6] As of the date of this memorandum, "foreign adversaries" includes the People's Republic of China (including Hong Kong), Cuba, Iran, North Korea, Russia, and the Maduro regime of Venezuela. 15 C.F.R. § 7.4.

[7] 89 Fed. Reg. at 23096.

[8] 89 Fed. Reg. at 23104.

[9] QPAM Exemption § I(c), 89 Fed. Reg. at 23138 (emphasis added).

[10] Id.

[11] 89 Fed. Reg. at 23110.

[12] Id.

[13] 89 Fed. Reg. at 23139.

[14] 89 Fed. Reg. at 23107.

[15] 89 Fed. Reg. at 23112.

[16] 89 FR at 23113

[17] 87 FR at 45213-14

[18] 89 FR at 23113

[19] 89 FR at 23113

should not be considered a substitute for, legal advice.