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Qualified Professional Asset Manager: An Important Tool for ERISA Fiduciaries

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A key prohibited transaction exemption on which registered investment advisers and other discretionary asset managers of plans and accounts covered by the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Internal Revenue Code of 1986, as amended ("Code") rely is the Qualified Professional Asset Manager Exemption ("QPAM Exemption") issued by the Department of Labor ("Department" or "DOL"). The QPAM Exemption addresses prohibited transactions that occur during some of the most common transactions between a plan and parties that provide services to the plan or have some other relationship to the plan. As such, it is an extremely important exemption. However, compliance with the QPAM Exemption, at times, can be tricky.

In this *The Investment Lawyer* article, "Qualified Professional Asset Manager: An Important Tool for ERISA Fiduciaries," Groom's David Kaleda and Anthony Onuoha explain the meaning of the term qualified professional asset manager ("QPAM"), summarize the key conditions of the QPAM Exemption, identify the prohibited transactions it exempts and those it does not, and address some common issues that arise when using the QPAM Exemption.

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