

United States Department of Labor

Secretary of Labor Thomas E. Perez

News Release

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US Department of Labor announces public hearing on Credit Suisse Testimony to be heard on the status of related firms and affiliates as Qualified Professional Asset Managers

WASHINGTON — The U.S. Department of Labor will hold a [public hearing](#) in January on whether, and under what conditions, affiliates of Credit Suisse should be permitted to serve as Qualified Professional Asset Managers after Credit Suisse's guilty plea to one count of conspiracy to engage in tax fraud in violation of [section 7206\(2\)](#) of the Internal Revenue Code.

The [Employee Retirement Income Security Act](#) grants the department the authority to determine whether Credit Suisse affiliates can continue to provide certain services as QPAMs to retirement plan clients. The department proposed an exemption for Credit Suisse and affiliates on Sept. 3 and asked for public comment. During the comment period, members of the public requested a hearing on the proposed exemption.

In the past, without exception, when faced with companies convicted of not adhering to the law, the department has granted exemptions that stipulated and included rigorous requirements designed to protect individuals covered by retirement plans. Without an exemption, Credit Suisse's affiliates could be restricted from engaging in many commercial transactions on behalf of private pension plans and Individual Retirement Accounts.

To avert possible disruptions in retirement plan investments that would be detrimental to the financial well-being of individuals saving for retirement, or pensions, the department today also announced a [temporary exemption](#), with conditions, to allow retirement plans to continue to do business with Credit Suisse's affiliates as QPAMs.

The conditions included in the temporary exemption are specifically designed to protect plan assets and individuals while the department considers testimony from the hearing. These important conditions include: the development of extensive policies and procedures designed to ensure that the affiliates fully comply with their fiduciary duties, stringent reporting requirements, mandatory training of Credit Suisse personnel regarding their legal and ethical responsibilities, and an independent audit of the Credit Suisse affiliates' compliance with their fiduciary obligations and the terms of the exemption. In addition, the exemption requires Credit Suisse to have notified affected plans and IRAs of the facts leading to the forthcoming criminal conviction and its consequences.

The department has also announced a new notice for a [proposed exemption](#) that takes into account the feedback and comments received on the September proposal. Testimony submitted during the hearing will be included as public comments on the new proposal.

Only after reviewing testimony from the hearing and other public comments will the department make a determination on whether to issue a final exemption.

The hearing will take place on January 15, 2015, at the department's headquarters, located at 200 Constitution Ave. NW, Washington, DC 20210.

The announcements of the hearing and temporary exemption and the new notice of a proposed exemption will appear in the Nov. 18 edition of the Federal Register and can also be viewed on the department's website. The notice of hearing announcement is available at <http://www.dol.gov/ebsa/pdf/creditsuissevenoticeofhearing.pdf>. The temporary exemption is available at <http://www.dol.gov/ebsa/pdf/creditsuissetemporaryexemption.pdf>. The new notice of proposed exemption is available at <http://www.dol.gov/ebsa/pdf/creditsuisserproposal.pdf>.