

effectiveness of the Policies and Training and of the following: any compliance matter related to the Policies or Training that was identified by, or reported to, the Compliance Officer or others within the compliance and risk control function (or its equivalent) during the previous year; any material change in the relevant business activities of TTI; and any change to ERISA, the Code, or regulations related to fiduciary duties and the prohibited transaction provisions that may be applicable to the activities of TTI;

(ii) The Compliance Officer prepares a written report for the Exemption Review (an Exemption Report) that (A) summarizes their material activities during the Exemption Period; (B) sets forth any instance of noncompliance discovered during the Exemption Period, and any related corrective action; (C) details any change to the Policies or Training to guard against any similar instance of noncompliance occurring again; and (D) makes recommendations, as necessary, for additional training, procedures, monitoring, or additional and/or changed processes or systems, and management's actions on such recommendations;

(iii) In the Exemption Report, the Compliance Officer must certify in writing that to the best of their knowledge at the time: (A) the report is accurate; (B) the Policies and Training are working in a manner which is reasonably designed to ensure that the Policies and Training requirements described herein are met; (C) any known instance of noncompliance during the prior year and any related correction taken to date have been identified in the Exemption Report; and (D) TTI complied with the Policies and Training, and/or corrected (or are correcting) any known instances of noncompliance in accordance with Section III(h) above;

(iv) The Exemption Report must be provided to appropriate corporate officers of TTI; the head of compliance and the general counsel (or their functional equivalent) of TTI; and must be made unconditionally available to the independent auditor described in Section III(i) above;

(v) The Exemption Review, including the Compliance Officer's written Report, must be completed within 90 days following the end of the period to which it relates.

(n) TTI imposes internal procedures, controls, and protocols to reduce the likelihood of any recurrence of conduct that is the subject of the Convictions;

(o) Nikko Tokyo complies in all material respects with any requirements imposed by a U.S. regulatory authority in connection with the Conviction;

(p) TTI maintains records necessary to demonstrate that the conditions of this exemption have been met for six (6) years following the date of any transaction for which TTI relies upon the relief in this exemption;

(q) During the Exemption Period, TTI must: (1) immediately disclose to the Department any Deferred Prosecution Agreement (a DPA) or Non-Prosecution Agreement (an NPA) with the U.S. Department of Justice, entered into by TTI or any of its affiliates (as defined in Section VI(d) of PTE 84-14) in connection with conduct described in Section I(g) of PTE 84-14 or ERISA Section 411; and (2) immediately provide the Department with any information requested by the Department, as permitted by law, regarding the agreement and/or conduct and allegations that led to the agreement;

(r) Within 60 days after the effective date of this exemption, TTI, in its agreements with, or in other written disclosures provided to Covered Plans, will clearly and prominently inform Covered Plan clients of their right to obtain a copy of the Policies or a description (Summary Policies) which accurately summarizes key components of TTI's written Policies developed in connection with this exemption. If the Policies are thereafter changed, each Covered Plan client must receive a new disclosure within 180 days following the end of the calendar year during which the Policies were changed. If TTI meets this disclosure requirement through Summary Policies, changes to the Policies shall not result in the requirement for a new disclosure unless, as a result of changes to the Policies, the Summary Policies are no longer accurate. With respect to this requirement, the description may be continuously maintained on a website, provided that such website link to the Policies or Summary Policies is clearly and prominently disclosed to each Covered Plan; and

(s) All the material facts and representations set forth in the Summary of Facts and Representations are true and accurate.

*Effective date:* If granted, the exemption will be in effect for a period of one year, beginning on the date of the Conviction.

Signed at Washington, DC.

**George Christopher Cosby,**

*Director, Office of Exemption Determinations,  
Employee Benefits Security Administration,  
U.S. Department of Labor.*

[FR Doc. 2023-00341 Filed 1-9-23; 8:45 am]

**BILLING CODE 4510-29-P**

## DEPARTMENT OF LABOR

### Employee Benefits Security Administration

**[Prohibited Transaction Exemption 2023-01; Exemption Application No. D-12064]**

### Exemption From Certain Prohibited Transaction Restrictions Involving JPMorgan Chase Co.

**AGENCY:** Employee Benefits Security Administration, Labor.

**ACTION:** Notice of exemption.

**SUMMARY:** This document contains a notice of exemption issued by the Department of Labor (the Department) from certain of the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (ERISA or the Act) and/or the Internal Revenue Code of 1986 (the Code). This exemption allows entities with specified relationships to JPMorgan Chase Co. (JPMC or the Applicant), located in New York, N.Y., to continue to rely on the exemptive relief provided by Prohibited Transaction Class Exemption 84-14 (PTE 84-14 or the QPAM Exemption), notwithstanding the judgment of conviction against JPMC, as described below.

**DATES:** The exemption is effective for a period of four years, beginning on January 10, 2023, and ending on January 9, 2027.

**FOR FURTHER INFORMATION CONTACT:** Mr. Joseph Brennan of the Department at (202) 693-8456. (This is not a toll-free number.)

**SUPPLEMENTARY INFORMATION:** On October 20, 2022, the Department published a notice of proposed exemption in the **Federal Register** at 87 FR 63802 that would permit certain qualified professional asset managers (QPAMs) within the corporate family of JPMC to continue relying on the class exemptive relief provided under PTE 84-14<sup>1</sup> for a period of four years notwithstanding the judgment of conviction against JPMC, as described below. The Department is granting this exemption to ensure that the

<sup>1</sup> 49 FR 9494 (March 13, 1984), as corrected at 50 FR 41430 (October 10, 1985), as amended at 70 FR 49305 (August 23, 2005), and as amended at 75 FR 38837 (July 6, 2010).

participants and beneficiaries of ERISA-covered Plans and IRAs managed by JPMC affiliates (together, Covered Plans) are protected.

This exemption provides only the relief specified in the text of the exemption and does not provide relief from violations of any law other than the prohibited transaction provisions of Title I of ERISA and the Code expressly stated herein.

The Department intends for the terms of this exemption to promote adherence by the JPMC QPAMs to basic fiduciary standards under Title I of ERISA and the Code. An important objective in granting this exemption is to ensure that Covered Plans can terminate their relationships with a JPMC QPAM in an orderly and cost-effective fashion in the event the fiduciary of a Covered Plan determines that it is prudent to do so.

Based on the Applicant's adherence to all the conditions of the exemption, the Department makes the requisite findings under ERISA Section 408(a) that the exemption is: (1) administratively feasible, (2) in the interest of Covered Plans and their participants and beneficiaries, and (3) protective of the rights of the participants and beneficiaries of Covered Plans. Accordingly, affected parties should be aware that the conditions incorporated in this exemption are, individually and taken as a whole, necessary for the Department to grant the relief requested by the Applicant. Absent these or similar conditions, the Department would not have granted this exemption.

The Applicant requested an individual exemption pursuant to ERISA Section 408(a) in accordance with the procedures set forth in 29 CFR part 2570, subpart B (76 FR 66637, 66644, October 27, 2011).

## Background

1. JPMC is the parent company of investment management affiliates that rely upon the class exemptive relief provided under the QPAM Exemption to manage the assets of Covered Plans (The JPMC Affiliated QPAMs). In addition to the JPMC Affiliated QPAMs, JPMC currently owns a 5% or greater direct or indirect interest in certain investment managers that also rely upon the QPAM Exemption but are not affiliated with JPMC in the sense of having common control (the JPMC Related QPAMs).<sup>2</sup>

<sup>2</sup> Since the Department granted PTE 2017–03, the following seven JPMC QPAMs have exercised discretionary control over the management and disposition of client assets held by ERISA-covered Plans and IRAs (together, Covered Plans): JPMorgan Chase Bank, N.A., J.P. Morgan Alternative Asset Management, Inc., JPMorgan Asset Management

2. The QPAM Exemption exempts certain prohibited transactions between a party in interest and an “investment fund” (as defined in Section VI(b) of the QPAM Exemption) in which a plan has an interest if the investment manager with discretion over the investment of plan assets satisfies the definition of “qualified professional asset manager” and satisfies additional conditions of the exemption. The QPAM Exemption was developed and granted based on the essential premise that broad relief could be afforded for all types of transactions in which a plan engages only if the commitments and the investments of plan assets and the negotiations leading thereto are the sole responsibility of an independent, discretionary manager.<sup>3</sup>

3. Section I(g) of the QPAM Exemption prevents an entity that may otherwise meet the definition of QPAM from utilizing the exemptive relief provided, for itself and its client plans, if that entity, an “affiliate” thereof,<sup>4</sup> or any direct or indirect five percent or more owner in the QPAM has been either convicted or released from imprisonment, whichever is later, as a result of criminal activity described in section I(g) within the 10 years immediately preceding the transaction. Section I(g) was included in the QPAM Exemption, in part, based on the Department's expectation that a QPAM, and those who may be in a position to influence the QPAM's policies, must maintain a high standard of integrity.

4. On May 20, 2015, the Department of Justice filed a Criminal Information in the U.S. District Court for the District of Connecticut (the District Court)<sup>5</sup> charging JPMC with a one-count violation of the Sherman Antitrust Act.<sup>6</sup> The Information charged that as early as July 2010 until at least January 2013, JPMC, through one of its euro/U.S. dollar (EUR/USD) traders, entered into and engaged in a combination and

(Asia Pacific) Limited, J.P. Morgan Investment Management Inc., J.P. Morgan Private Investments Inc., J.P. Morgan Securities LLC., and Security Capital Research & Management Incorporated.

<sup>3</sup> See 75 FR 38837, 38839 (July 6, 2010).

<sup>4</sup> Section VI(d) of PTE 84–14 defines the term “affiliate” for purposes of Section I(g) as “(1) Any person directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with the person, (2) Any director of, relative of, or partner in, any such person, (3) Any corporation, partnership, trust or unincorporated enterprise of which such person is an officer, director, or a 5 percent or more partner or owner, and (4) Any employee or officer of the person who—(A) Is a highly compensated employee (as defined in Section 4975(e)(2)(H) of the Code) or officer (earning 10 percent or more of the yearly wages of such person), or (B) Has direct or indirect authority, responsibility or control regarding the custody, management or disposition of plan assets.”

<sup>5</sup> Case Number 3:15–CR–79–SRU.

<sup>6</sup> 15 U.S.C. 1.

conspiracy to fix, stabilize, maintain, increase or decrease the price of, and rig bids and offers for, the EUR/USD currency pair exchanged in the foreign exchange spot market by agreeing to eliminate competition in the purchase and sale of the EUR/USD currency pair in the United States and elsewhere (the Criminal Misconduct). The Criminal Misconduct involved near-daily conversations, some of which were conducted in code, in an exclusive electronic chat room. On May 20, 2015, JPMC agreed to enter a guilty plea to the charge set out in the Information (the Plea Agreement). The District Court subsequently entered a judgment of Conviction against JPMC on January 10, 2017.

5. Once the District Court entered the Conviction, the JPMC Affiliated QPAMs and the JPMC Related QPAMs, as well as their Covered Plan clients, became ineligible to rely on the QPAM Exemption (due to the Section I(g) disqualification provision) without receiving an individual prohibited transaction exemption from the Department.

6. On December 22, 2016, the Department granted PTE 2016–15 which permitted the JPMC Affiliated QPAMs and the JPMC Related QPAMs to continue to rely upon the relief provided in the QPAM exemption for a period of one year, from January 10, 2017 through January 9, 2018.<sup>7</sup> Subsequently, on December 29, 2017, the Department granted PTE 2017–03, a second individual exemption that permitted the JPMC Affiliated QPAMs and the JPMC Related QPAMs to continue to rely upon the relief provided by the QPAM Exemption for a period of five years, from January 10, 2018 through January 9, 2023.<sup>8</sup> PTEs 2016–15 and 2017–03 each contain a set of conditions that are designed to protect those Covered Plans that entrust their assets to a JPMC QPAM despite the serious nature of the Criminal Misconduct underlying the Conviction.

7. With PTEs 2016–15 and 2017–03, the Department decided to grant limited terms of relief despite the Applicant's request for an exemption that would cover the entire 10-year ineligibility period triggered by Section I(g). With the limited terms of relief, the Department reserved the right to review the JPMC QPAMs' adherence to the conditions set out in those exemptions.

8. On October 1, 2021, the Applicant filed an application for exemptive relief

<sup>7</sup> PTE 2016–15, 81 FR 94028 (December 22, 2016). PTE 2016–15 became effective on January 10, 2017 (the date on which the District Court.

<sup>8</sup> PTE 2017–03, 82 FR 61816 (December 29, 2017).

that would permit the JPMC QPAMs to continue to rely upon the QPAM Exemption for a period of four years from January 10, 2023 (the expiration of PTE 2017–03), through January 9, 2027 (the conclusion of the Section I(g) 10-year ineligibility period). On February 7, 2022, the Applicant supplemented its application with the most recent audit report, as required under PTE 2017–03.

9. In support of its request to extend exemptive relief through the end of the disqualification period, the Applicant submits that the JPMC Affiliated QPAMs and the JPMC Related QPAMs have complied with all of the conditions of PTE 2017–03 and, therefore, should be permitted to continue to rely upon the QPAM Exemption in order to avoid substantial costs and other disruptions to Covered Plans that would otherwise occur in the absence of relief.

10. In the proposed exemption the Department discussed in greater detail the suite of conditions imposed by PTE 2017–03 and the JPMC QPAMs' compliance with each of those conditions. In the proposed exemption the Department also discussed the Applicant's representations regarding the potential for adverse consequences for Covered Plans if this exemption is not granted.

11. The Department encourages anyone reading this grant notice to consult the proposed exemption for a more complete discussion of all material facts underlying the Applicant's exemption request and the Department's decision to proceed with this grant notice.

#### Written Comments

In the proposed exemption, the Department invited all interested persons to submit written comments and/or requests for a public hearing with respect to the notice of proposed exemption. All comments and requests for a hearing were due to the Department by December 19, 2022. The Department received four written comments and no hearing requests. Two written comments were received from the Applicant and two written comments were received from other interested persons. The comments are discussed in more detail below.

#### Comments From the Applicant

##### Comment 1: Certification of Audit Report

Section III(i)(7) of the proposed exemption requires a general counsel or senior executive at the JPMC Affiliated QPAMs to make certain certifications with respect to the audit report. Section III(i)(7), in pertinent part, states:

*“Notwithstanding the above, no person, including any person referenced in the Statement of Facts that gave rise to the Conviction, who knew of, or should have known of, or participated in, any misconduct described in the Statement of Facts underlying the Conviction, by any party, may provide the certification required by this exemption, unless the person took active documented steps to stop the misconduct.”*

The Applicant requests the Department to modify the language of Section III(i)(7) to make it consistent with PTE 2017–03 so that participation and knowledge relate to the misconduct that was the subject of the Conviction. The Applicant states that, while the plea agreement was not limited to a description of criminal conduct, only the foreign exchange antitrust violations were deemed criminal by the Department of Justice (DOJ). The Applicant requests that the final sentence of the condition be limited to “conduct underlying the Conviction.”

In addition, the Applicant notes that the reference to a Statement of Facts in Section III(i)(7) is unclear and should be removed, because there is no section entitled Statement of Facts in either the plea agreement or the information. Accordingly, the Applicant requests that Section III(i)(7), in pertinent part, be modified to read:

*“. . . Notwithstanding the above, no person, including any person referenced in the plea agreement that gave rise to the Conviction, who knew of, or should have known of, or participated in, the misconduct underlying the Conviction may provide the certification required by this exemption, unless the person took active documented steps to stop the misconduct.”*

*Department's Response:* The Department agrees with the Applicant's requests in part and disagrees in part. The Department declines to make the Applicant's requested change to Section III(i)(7). The officer tasked with reviewing the audit report and certifying that the JPMC Affiliated QPAMs have remedied any instance of noncompliance with the Policies and Training should not have knowingly participated in the misconduct identified by the DOJ. This includes the misconduct directly underlying the Conviction and also the tertiary misconduct cited by DOJ. The Department agrees, however, with the Applicant's request to strike the reference to “Statement of Facts.”

##### Comment 2: Indemnification

Section III(j)(2) of the proposed exemption provides: *Throughout the Exemption Period, with respect to any*

*arrangement, agreement, or contract between a JPMC Affiliated QPAM and a Covered Plan, the JPMC Affiliated QPAM agrees and warrants: (2) To indemnify and hold harmless the Covered Plan for any actual losses resulting directly from a JPMC Affiliated QPAM's violation of ERISA's fiduciary duties, as applicable, and of the prohibited transaction provisions of ERISA and the Code, as applicable; a breach of contract by the QPAM; or any claim arising out of the failure of such JPMC Affiliated QPAM to qualify for the exemptive relief provided by PTE 84–14 as a result of a violation of Section I(g) of PTE 84–14, other than the Conviction. This condition applies only to actual losses caused by the JPMC Affiliated QPAM's violations. Actual losses include losses and related costs arising from unwinding transactions with third parties and from transitioning Plan assets to an alternative asset manager as well as costs associated with any exposure to excise taxes under Code section 4975 as a result of a QPAM's inability to rely upon the relief in the QPAM Exemption.*

The Applicant requests the Department to delete the expanded discussion of “actual losses” at the end of Section III(j)(2). The Applicant states that, although the Department uses the same definition, in different circumstances, in the recently published Proposed Amendment to Prohibited Transaction Class Exemption 84–14, several commenters asserted that this definition was too expansive, goes far beyond any transaction reliant on the QPAM Exemption, appears punitive with respect to the investment manager, and would represent a windfall to plan clients. If the convicted entity is the asset manager and it is no longer allowed to manage plan assets, the Applicant states that plans may well believe that the criminal conduct of their manager militates in favor of terminating the arrangement. The Applicant states that where the asset manager is not only not the convicted entity, but did not know of, have reason to know of, or participate in that conduct, the exemption effectively forces plans to terminate their arrangements, if only to have their market losses covered. According to the Applicant, it seems patently unfair to apply this definition only to the Applicant, in advance of a change in the rule applicable to all managers.

The Applicant further submits that for many JPMC Affiliated QPAMs who use the QPAM Exemption only occasionally or not at all for a particular account or strategy, there is no reason for the JPMC Affiliated QPAMs to be required to

indemnify a plan for losses with respect to transactions that never relied on the QPAM Exemption. Nor should the JPMC Affiliated QPAMs be required to indemnify for a new manager search when under the provisions of ERISA, the plan is not required to terminate its arrangement with the JPMC Affiliated QPAM.<sup>9</sup>

The Applicant states that the potential liability exposure associated with the broad and vague indemnification requirements is extensive and ambiguous and it is not commercially reasonable to include indemnity provisions of this magnitude. According to the Applicant, this new burden will likely impact the fees and expenses managers charge plans for their services due to, among other things, higher compliance and liability insurance costs. The Applicant states that imposing new and distinct penalties for loss of eligibility for one specific exemption when that exemption may not have been used at all for the transaction at issue is arbitrary and unwarranted.

*Department's Response:* The Department declines to make the requested change. The Department views the new language as a clarification of the term "actual losses" as contemplated by Section III(j)(2). In the event a JPMC Affiliated QPAM is no longer able to rely on the QPAM Exemption, Section III(j)(2) allows Covered Plans to prudently manage their plans without needing to consider the costs caused by the QPAM's own violations, including costs resulting from unwinding transactions and transitioning plan assets to a new manager (as these costs will be borne by the QPAM and not the Covered Plan).

In the Department's view, it is important that plans have the option to take their business elsewhere when parties fail to meet the conditions of the exemption and should not be locked into disadvantageous relationships based on the cost of unwinding transactions—a cost that would not have been incurred if there had been full compliance with the exemption. In addition, the Department notes that nothing in this exemption prevents the JPMC Affiliated QPAMs from entering

into indemnification arrangements with affiliates to manage circumstances where an affiliate causes the loss of another affiliate's QPAM status.

#### Comment 3: Entities in Corporate Structure

Section III(l) of the proposed exemption states: *The JPMC Affiliated QPAM must comply with each condition of PTE 84–14, as amended, with the sole exception of the violation of Section I(g) of PTE 84–14 that is attributable to the Conviction. If, during the Exemption Period, an entity within the JPMC corporate structure is convicted of a crime described in Section I(g) of PTE 84–14 (other than the Conviction), relief in this exemption would terminate immediately.*

The Applicant submits that the language, "an entity within the JPMC corporate structure," was intended to mean an affiliate of the JPMC Affiliated QPAMs within the meaning of Section VI(d) of the QPAM Exemption, because this latter formulation is used throughout PTE 2017–03. The Applicant states that the use of alternative language will be confusing and ambiguous and urges the Department to use the language used elsewhere in PTE 2017–03 instead. Accordingly, the Applicant requests that Section III(l), in pertinent part, be modified to read:

. . . If, during the Exemption Period, an affiliate of the JPMC Affiliated QPAMs (as defined in Section VI(d) of PTE 84–14)<sup>10</sup> is convicted of a crime described in Section I(g) of PTE 84–14 (other than the Conviction), relief in this exemption would terminate immediately;

*Department's Response:* The Department agrees with the Applicant's requested change and has amended Section III(l) accordingly.

#### Comment 4: Deferred Prosecution Agreement

Section III(u) of the proposed exemption provides: *(u) Other than former employees who worked on the Precious Metals Desk and U.S. Treasuries Desk within the CIB in the*

*Global Markets division, the JPMC Affiliated QPAMs and the JPMC Related QPAMs (including their officers, directors, agents and employees of such QPAMs who had responsibility for, or exercised authority in connection with the management of plan assets) did not know of, did not have reason to know of, and did not participate in the conduct underlying the September 29, 2020, deferred prosecution agreement entered into between the Department of Justice and JPMC, JPMorgan Chase Bank, and JPMS (the DPA). Further, any other party engaged on behalf of the JPMC Affiliated QPAMs and JPMC Related QPAMs who had responsibility for or exercised authority in connection with the management of plan assets did not know or have reason to know of and did not participate in the criminal conduct that is the subject of the DPA.*

Section III(v) of the proposed exemption provides: *(v) Apart from a non-fiduciary line of business within JPMorgan Chase Bank, the JPMC Affiliated QPAMs and the JPMC Related QPAMs (including their officers, directors, and agents, and employees of such JPMC QPAMs who had responsibility for, or exercised authority in connection with the management of plan assets) did not receive direct compensation, or knowingly receive indirect compensation, in connection with the conduct underlying the DPA. Further, any other party engaged on behalf of the JPMC Affiliated QPAMs and the JPMC Related QPAMs who had responsibility for, or exercised authority in connection with the management of plan assets did not receive direct compensation, or knowingly receive indirect compensation, in connection with the conduct underlying the DPA.*

The Applicant requests that these conditions be modified to carve out a nonfiduciary line of business in JPMorgan Chase Bank and J.P. Morgan Securities LLC (JPMS). In connection with PTE 2017–03, the Department included an exception for an individual who worked for a non-fiduciary line of business within JPMorgan Chase Bank in Sections (a) and (b)—conditions that relate to the conduct underlying the Conviction—to ensure that the conditions accurately reflected the plea agreement could be met. The Applicant asserts that the new conditions in this exemption relating to the DPA should use similar language relating to a non-fiduciary line of business within JPMorgan Chase Bank and JPMS.

Accordingly, the Applicant requests that Sections III(u) and (v), in pertinent part, be modified to read:

*(u) Apart from a non-fiduciary line of business within JPMorgan Chase Bank*

<sup>9</sup> The Department notes that under this exemption a JPMC Affiliated QPAM may disclaim reliance on QPAM status in a written modification of a contract, arrangement, or agreement with a Covered Plan, where the modification is made in a bilateral document signed by the client, the client's attention is specifically directed toward the disclaimer, and the client is advised in writing that, with respect to any transaction involving the client's assets, the JPMC Affiliated QPAM will not represent that it is a QPAM, and will not rely on the relief described in PTE 84–14.

<sup>10</sup> For purposes of Section I(g) of the QPAM Exemption, an "affiliate" of a person means—(1) Any person directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with the person, (2) Any director of, relative of, or partner in, any such person, (3) Any corporation, partnership, trust or unincorporated enterprise of which such person is an officer, director, or a 5 percent or more partner or owner, and (4) Any employee or officer of the person who—(A) Is a highly compensated employee (as defined in section 4975(e)(2)(H) of the Code) or officer (earning 10 percent or more of the yearly wages of such person), or (B) Has direct or indirect authority, responsibility or control regarding the custody, management or disposition of plan assets.

and JPMS, and except as set forth in the Resolution Documents . . . Resolution Documents' refers to settlements entered into with the CFTC and SEC in connection with related, parallel proceedings on the same date as the DPA.

(v) Apart from a non-fiduciary line of business within JPMorgan Chase Bank and JPMS, . . .

*Department's Response:* The Department declines to make the requested change to proposed condition (u). Proposed condition (u) mirrors condition (a) in PTE 2017–03, because both conditions provide, in general terms, that except for a limited number of former employees, the JPMC Affiliated QPAMs and their employees did not know of nor have reason to know of the criminal conduct that is the subject of the relevant misconduct and did not participate in it. Further, the Department is concerned that the Applicant's "Resolution Documents" exception may effectively allow individuals who had knowledge of the misconduct that is the subject of the DPA to continue to work in the asset management lines of businesses of JPMC Affiliated QPAMs.

The Department is revising condition (v) consistent with the Applicant's request (i.e., by adding an exception to the non-fiduciary business lines of business of JPMS), to more accurately reflect the terms of and parties to the DPA.

#### Comment 5: Timing of Audit

Section III(i)(1) of the proposal states: *Each JPMC Affiliated QPAM must submit to an audit conducted every two years by an independent auditor . . . Each audit must cover the preceding consecutive twelve (12) month period. The first audit must cover the period from July 10, 2022, through July 9, 2023, and must be completed by December 31, 2023. The second audit must cover the period from July 1, 2024, through June 30, 2025, and must be completed by December 31, 2025. The third audit must cover the period from July 1, 2026, through January 9, 2027, and must be completed by July 8, 2027.*

The Applicant requests that the Department revert to the January 9 completion date for each audit that was specified in PTE 2017–03, instead of December 31.

The Applicant submits that there is no material advantage to plans in reducing the audit timeline and a December 31 deadline for the first two audits under the proposed exemption would also pose logistical challenges because of the holidays, both for the Auditor and the QPAMs.

*Department's Response:* The Department agrees with the Applicant's requested change and has amended Section III(i)(1) accordingly.

#### Comment 6: Definition of JPMC

Section I(d) of the proposed exemption provides: *The term "JPMC" means JPMorgan Chase and Co.*

The Applicant states that PTE 2017–03 includes clarifying language that the definition of "JPMC" refers to the parent entity but does not include any subsidiaries or other affiliates. The Applicant states that a change in the definition of "JPMC" will be confusing because certain conditions apply specifically to the parent entity (JPMC), rather than subsidiaries or other affiliates, and the deletion of the clarifying language in the definition would inject ambiguity into such conditions and, for certain conditions, render them incapable of administration.

Accordingly, the Applicant requests that Section I(d) of the proposal be modified to read: *The term "JPMC" means JPMorgan Chase and Co., the parent entity, but does not include any subsidiaries or other affiliates.*

*Department's Response:* The Department agrees with the Applicant's requested change and has amended Section I(d) accordingly.

#### Comment 7: Timing of Policies and Training

Section III(h)(1) of the proposed exemption provides, in pertinent part: *Each JPMC Affiliated QPAM must maintain, adjust (to the extent necessary), implement, and follow the written policies and procedures (the Policies).*

Section III(h)(2) of the proposed exemption provides, in pertinent part: *Each JPMC Affiliated QPAM must continue to implement a training program (the Training) conducted at least annually for all relevant JPMC Affiliated QPAM asset/portfolio management, trading, legal, compliance, and internal audit personnel . . .*

The Applicant notes that as written, there is no period provided for modifications required by the proposal (or a final exemption), which effectively requires any revisions to be completed and implemented before the effective date of a final exemption. The Applicant requests that Section III(h)(1) be amended to allow two months for any required modifications to be made to the Policies to the extent any modifications are required by this exemption.

With respect to the timing of the Training, the Applicant requests that the

final annual Training under PTE 2017–03 must be completed by July 9, 2023, and the first annual Training under a final exemption must be completed by July 9, 2024.

Accordingly, the Applicant requests that Sections III(h)(1) and (2), in pertinent part, be modified to read:

*(h)(1) By a date that is two (2) months after the effective date of this exemption, each JPMC Affiliated QPAM must maintain, adjust (to the extent necessary), implement, and follow the written policies and procedures (the Policies) . . .*

*(h)(2) . . . The final annual training under PTE 2017–03 must be completed by all relevant JPMC Affiliated QPAM personnel by July 9, 2023, and the first Training under this exemption must be completed by all relevant JPMC Affiliated QPAM personnel by July 9, 2024.*

*Department's Response:* The Department agrees with the Applicant's requested change and has amended Section III(h)(1) and (2) accordingly.

#### Comment 8: Required Notices

Section III(j)(7) of the proposed exemption provides: *Each JPMC Affiliated QPAM must provide a notice of its obligations under this Section I(j) to each Covered Plan. For all other prospective Covered Plans, the JPMC Affiliated QPAM must agree to its obligations under this Section I(j) in an updated investment management agreement between the JPMC Affiliated QPAM and such clients or other written contractual agreement. This condition will be deemed met for each Covered Plan that received a notice pursuant to PTE 2016–15 or PTE 2017–03 that meets the terms of this condition. This condition will also be met where the JPMC Affiliated QPAM previously agreed to the same obligations required by this Section I(j) in an updated investment management agreement between the JPMC Affiliated QPAM and a Covered Plan. Notwithstanding the above, a JPMC Affiliated QPAM will not violate this condition solely because a Covered Plan refuses to sign an updated investment management agreement.*

Section III(k) of the proposed exemption provides: *Within 60 days after the effective date of this exemption, each JPMC Affiliated QPAM provides notice of the exemption as published in the **Federal Register**, along with a separate summary describing the facts that led to the Conviction (the Summary), which has been submitted to the Department, and a prominently displayed statement (the Statement) that the Conviction results in a failure to meet a condition in PTE 84–*

14 to each sponsor and beneficial owner of a Covered Plan that has entered into a written asset or investment management agreement with a JPMC Affiliated QPAM, or the sponsor of an investment fund in any case where a JPMC Affiliated QPAM acts as a subadviser to the investment fund in which such ERISA-covered plan and IRA invests. All prospective Covered Plan clients that enter into a written asset or investment management agreement with a JPMC Affiliated QPAM after a date that is 60 days after the effective date of this exemption must receive a copy of the notice of the exemption, the Summary, and the Statement before, or contemporaneously with, the Covered Plan's receipt of a written asset or investment management agreement from the JPMC Affiliated QPAM. The notices may be delivered electronically (including by an email that has a link to the exemption). Notwithstanding the above, a JPMC Affiliated QPAM will not violate the condition solely because a Covered Plan refuses to sign an updated investment management agreement.

For Covered Plan clients that first become clients on or after January 10, 2023, but before May 10, 2023, a JPMC Affiliated QPAM will meet the requirements of this Section (k) to the extent the investment management or comparable agreements with the JPMC Affiliated QPAM includes notification language referencing PTE 2017-03 and a link to the required materials, provided the website containing such materials stipulated under the notification conditions in this proposed exemption, if granted, is updated, as necessary, by May 10, 2023.

The Applicant requests clarification that to the extent a Covered Plan client received notices as required pursuant to Sections I(j)(7) and I(k) of PTE 2017-03, a new notice would not be required, provided the website currently containing the materials stipulated under such sections of PTE 2017-03 is updated, as necessary, to incorporate any modifications to the comparable provisions in this exemption (e.g., Sections III(j)(7) and III(k)), by May 10, 2023 (four months following the effective date of this exemption, if granted).

The Applicant states that if the expanded definition of "actual losses" in Section III(j)(2) is the only substantive amendment to this condition, as compared against PTE 2017-03, a repeat notice due solely to this modification would be likely to confuse Covered Plans without a material benefit.

The Applicant states that it is likely that many clients that retain the JPMC Affiliated QPAMs shortly after the effective date of the final exemption (January 10, 2023) will enter into investment management or comparable agreements with the JPMC Affiliated QPAMs that continue to include notification language referencing PTE 2017-03 and a link to the required materials thereunder. As the Department did through email clarification when PTE 2017-03 was published, the Applicant requests that it should also be considered to have met the notification requirements in the exemption for such clients that first become Covered Plan clients on or after January 10, 2023, but before May 10, 2023, to the extent the investment management or comparable agreements with the JPMC Affiliated QPAMs include notification language referencing PTE 2017-03 and a link to the required materials, provided the website containing such materials stipulated under the notification conditions in the exemption is updated, as necessary, by May 10, 2023. The Applicant expects that clients that first become Covered Plan clients on or after May 10, 2023 will enter into agreements with the JPMC Affiliated QPAMs that include notification language specifically referencing this exemption, including links to the updated website containing the materials stipulated under the conditions of this exemption.

Accordingly, the Applicant requests that Section III(j)(7) be modified to read:

(7) Each JPMC Affiliated QPAM must provide a notice of its obligations under this Section III(j) to each Covered Plan. This condition will be deemed met for: (i) each Covered Plan that received a notice pursuant to Section I(i) of PTE 2016-15 or Section I(j)(7) of PTE 2017-03 prior to January 10, 2023 (the effective date of this exemption), and (ii) each Covered Plan that receives a notice on or after January 10, 2023, but before May 10, 2023, pursuant to an investment management or comparable agreement with the JPMC Affiliated QPAM that includes notification language referencing the obligations set forth in Section I(j) of PTE 2017-03 and a link to the required materials thereunder, provided that the website containing the materials stipulated under such section of PTE 2017-03 is updated, as necessary, to incorporate any modifications to the comparable provisions within this Section III(j)(7) by May 10, 2023 (four months following the effective date of this exemption). For Covered Plans that enter into an investment management or comparable agreement with the JPMC Affiliated

QPAM on or after May 10, 2023, the JPMC Affiliated QPAM must agree to its obligations under this Section III(j) within such investment management agreement between the JPMC Affiliated QPAM and such clients or other written contractual agreement (i.e., such agreements will include notification language referencing the obligations under this exemption—not PTE 2017-03—and a link to the required materials hereunder). This condition will be deemed met for each Covered Plan that received a notice pursuant to PTE 2016-15 or PTE 2017-03. This condition will also be met where the JPMC Affiliated QPAM previously agreed to a substantially similar obligation required by this Section III(j) in an updated investment management agreement between the JPMC Affiliated QPAM and a Covered Plan. Notwithstanding the above, a JPMC Affiliated QPAM will not violate this condition solely because a Covered Plan refuses to sign an updated investment management agreement;

The Applicant also requests that Section III(k) be modified to read:

Each JPMC Affiliated QPAM must provide a copy of the exemption as published in the **Federal Register**, along with a separate summary describing the facts that led to the Conviction (the Summary), which has been submitted to the Department, and a prominently displayed statement (the Statement) that the Conviction results in a failure to meet a condition in PTE 84-14 (collectively, the "Exemption Notice Materials"), to each Covered Plan that has entered into a written asset or investment management agreement with a JPMC Affiliated QPAM, or the sponsor of an investment fund in any case where a JPMC Affiliated QPAM acts as a subadviser to the investment fund in which such ERISA-covered plan and IRA invests. This condition will be deemed met for: (i) each Covered Plan that received a notice pursuant to Section I(k) of PTE 2017-03 prior to January 10, 2023 (the effective date of this exemption), and (ii) each Covered Plan that receives a notice on or after January 10, 2023, but before May 10, 2023, pursuant to an investment management or comparable agreement with the JPMC Affiliated QPAM that includes notification language referencing the materials set forth in Section I(k) of PTE 2017-03 and a link to the required materials thereunder, provided that the website containing the materials stipulated under such section of PTE 2017-03 is updated, as necessary, to incorporate the Exemption Notice Materials specified in this Section III(k) by May 10, 2023 (four months following the effective date of the exemption). For



*Covered Plan clients that enter into a written investment management or comparable agreement with a JPMC Affiliated QPAM on or after May 10, 2023, the JPMC Affiliated QPAM will provide the Exemption Notice Materials described in this Section III(k) within such investment management agreement between the JPMC Affiliated QPAM and such clients or other written contractual agreement (i.e., such agreements will include language referencing the Exemption Notice Materials under this Section III(k) of exemption—not PTE 2017–03—and a link to the website where such Exemption Notice Materials may be accessed). The notices may be delivered electronically (including by a link to the exemption). Notwithstanding the above, a JPMC Affiliated QPAM will not violate the condition solely because a Covered Plan refuses to sign an updated investment management agreement;*

*Department's Response:* The Department declines to make the requested changes with one exception. The Applicant has not demonstrated that simply updating a website without sending a corresponding notification of the update to Covered Plans would represent adequate notice. Without a corresponding notice that directs Covered Plans to access the updated website, Covered Plans may never become aware that (a) a new exemption has been published; or (b) that the obligations of the JPMC Affiliated under Section III(j) have been modified.

The Department confirms that the Applicant will meet the notification requirements in the exemption with respect to such clients that first become Covered Plan clients on or after January 10, 2023, but before May 10, 2023, to the extent the investment management or comparable agreements with the JPMC Affiliated QPAMs include notification language referencing PTE 2017–03 and a link to the required materials, provided the website containing such materials stipulated under the notification conditions in the exemption is updated, as necessary, by May 10, 2023.

The Department notes that with respect to the notice of obligations requirement in Section III(j)(7), all Covered Plans must receive a notice that includes the clarified definition of actual losses as stated in Section III(j)(2) of this exemption (PTE 2023–01). The Department notes that with respect to the notice of obligations requirement in Section III(j)(7), all Covered Plans must receive a notice that includes the clarified definition of actual losses as provided in Section III(j)(2) of this exemption (PTE 2023–01). Covered

Plans that previously received a notice in connection with PTEs 2016–15 or 2017–03 must receive a new notice if the notice they previously received did not include the definition of actual losses provided in this exemption.

#### Comment 9: Appointment of Compliance Officer

Section III(m) of the proposed exemption provides, in pertinent part: *Within 60 days after the effective date of this exemption, each JPMC Affiliated QPAM must designate a senior compliance officer (the Compliance Officer) who will be responsible for compliance with the Policies and Training requirements described herein.*

The Applicant requests confirmation that there is no need to reappoint the Compliance Officer appointed pursuant to PTE 2017–03. In addition, the Applicant notes that PTE 2017–03 required JPMC to designate the Compliance Officer, rather than the Affiliated QPAMs or relevant lines of business. The Applicant requests confirmation that the JPMC Affiliated QPAMs or lines of business need not reappoint the Compliance Officer appointed by JPMC pursuant to PTE 2017–03.

*Department's Response:* The Department confirms that there is no need to reappoint the Compliance Officer appointed pursuant to PTE 2017–03.

#### Comment 10: Exemption Review

Section III(m)(2)(i) of the proposed exemption provides, in pertinent part: *The annual Exemption Review includes a review of the JPMC Affiliated QPAM's compliance with and effectiveness of the Policies and Training and of the following: . . . the most recent Audit Report issued pursuant to this exemption or PTE 2017–03; . . .*

The Applicant submits that the Department did not intend for this condition to require the JPMC Affiliated QPAMs to comment on the audit report. Instead, the Applicant believes that the Department intended to require the Compliance Officer to comment on any violations raised by the audit. Accordingly, the Applicant requests that Section III(m)(2)(i), in pertinent part, be modified to read: *The annual Exemption Review includes a review of the JPMC Affiliated QPAM's compliance with and effectiveness of the Policies and Training and of the following: . . . any compliance failures referenced in the most recent Audit Report issued pursuant to this exemption or PTE 2017–03; . . .*

*Department's Response:* The Department believes the Applicant's

requested change is too narrow. However, the Department sees merit in focusing the JPMC Affiliated QPAM's review on each material error, recommendation, and compliance failure identified in the Audit Report, and has modified the exemption accordingly.

#### Comment 11: Direction of Investment Fund

Section III(d) of the proposed exemption provides, in pertinent part: *At all times during the Exemption Period, no JPMC Affiliated QPAM will use its authority or influence to direct an "investment fund" (as defined in Section VI(b) of PTE 84–14) that is subject to ERISA or the Code and managed by such JPMC Affiliated QPAM in reliance on PTE 84–14, or with respect to which a JPMC Affiliated QPAM has expressly represented to a Covered Plan that it qualifies as a QPAM or relies on the QPAM class exemption, to enter into any transaction with JPMC, or to engage JPMC to provide any service to such investment fund, for a direct or indirect fee borne by such investment fund, regardless of whether such transaction or service may otherwise be within the scope of relief provided by an administrative or statutory exemption.*

The Applicant suggests that this condition should be simplified by referring to "Covered Plan," as opposed to repeating in this provision the definition of "Covered Plan" already set forth in Section I(b).<sup>11</sup> As the language used in Section III(d) is substantively identical, using the term "Covered Plan" in this condition would achieve the same result.

*Department's Response:* The Department agrees with the Applicant's requested change and has amended Section III(d) accordingly.

#### Comment 12: Transition for Newly Acquired Asset Managers

The Applicant states that from time to time, JPMC acquires asset managers that rely, as of the effective date of the acquisition, on the QPAM Exemption. According to the Applicant, when a manager is in the process of being acquired, it is generally unwilling, or practically unable, to communicate with its clients regarding all the terms of the

<sup>11</sup> Section I(b) defines a "Covered Plan" to mean "a plan subject to Part IV of Title I of ERISA (an 'ERISA-covered plan') or a plan subject to Code section 4975 (an 'IRA'), in each case, with respect to which a JPMC Affiliated QPAM relies on PTE 84–14, or with respect to which a JPMC Affiliated QPAM (or any JPMC affiliate) has expressly represented that the manager qualifies as a QPAM or relies on the QPAM class exemption (PTE 84–14)."

acquiror's individual QPAM exemption, e.g., in case the transaction does not close. In addition, the associated information and documentation may raise questions from plan clients that the manager being acquired cannot answer, and it would be inappropriate to allow the acquiror to talk directly to the manager's clients prior to close.

The Applicant states that, while the exemption has many requirements, all of which must be contained in the policies and procedures of the newly acquired manager, the acquired entity is typically unable to change its policies and procedures until the transaction has closed. Only at the acquisition's close does the acquired manager try to meld new policies and procedures related to the QPAM Exemption to its own policies.

The Applicant submits that the consequences for violating the exemption are severe, and the acquired manager would be understandably reluctant to accept these liabilities until it had trained its own employees. Further, the Applicant expects that it would be quite challenging for the independent auditor to insert an entirely new entity, with which it has no familiarity, into its audit testing in real-time (to the extent it even has the necessary resources to expand its audit and can confirm it remains independent from the acquired manager).

The Applicant states that in the prior and current exemptions (PTEs 2016–15 and 2017–03) the Department allowed for six months to comply with all of the exemption conditions at the outset. However, for a newly acquired manager, there is no time provided at all. The Applicant asserts that it is nearly impossible to come into full compliance with the exemption before any such acquisition closes, given all of the conditions regarding notices, training, policies, compliance regimes, etc.

As stated by the Applicant, if full compliance with the exemption is not in place as of an acquisition's closing date, the acquired manager may not be able to transact in reliance on PTE 84–14 on behalf of its plan clients, even where it was doing so immediately prior to the closing date. For plans managed by the acquired manager, transactions may have to be terminated, strategies changed, and guidelines amended, causing disruption to such plans through no fault of their own.

The Applicant requests that with respect to any newly acquired manager relying on PTE 84–14, the operative terms of the exemption shall first apply after a date that is six months after the closing date for the acquisition. In addition, the acquired manager could

continue to rely on PTE 84–14 without conditions during that six-month period, which can be used to provide the necessary notices to the new affiliate's clients, provide training to the new affiliate's employees, draft policies and procedures, accommodate the audit schedule, and make sure that systems are in place to implement the ERISA policies, etc.

The Applicant requests the addition of the following language to the operative language of the exemption:

*With respect to an asset manager that becomes a JPMC Affiliated QPAM after the effective date of this exemption by virtue of being acquired (in whole or in part) by JPMC or a subsidiary or affiliate of JPMC, the newly-acquired JPMC Affiliated QPAM would not be precluded from relying on the exemptive relief provided by PTE 84–14 notwithstanding the Conviction as of the closing date for the acquisition; however, the operative terms of the exemption shall not apply to the newly-acquired JPMC Affiliated QPAM until a date that is six (6) months after the closing date for the acquisition. To that end, the newly-acquired JPMC Affiliated QPAM will initially submit to an audit pursuant to Section III(i) of this exemption as of the first audit period that begins on a date following the date that is six (6) months after the closing date for the acquisition.*

*Department's Response:* The Department agrees, in part, with the Applicant's requested change. However, the Department believes any new JPMC Affiliated QPAM must be subject to an audit covering the entirety of the JPMC QPAM's reliance on this exemption. Also, the newly-acquired JPMC Affiliated QPAM must be included in the first audit that occurs following the QPAM's acquisition. The Department is adding a new condition (w) in accordance with the Applicant's request, with an amended final sentence that reads:

*. . . To that end, the newly-acquired JPMC Affiliated QPAM will initially submit to an audit pursuant to Section III(i) of this exemption as of the first audit period that begins following the closing date for the acquisition. The period covered by the audit must begin on the date on which the JPMC Affiliated QPAM was acquired.*

#### Number of Convictions

The Proposal references "Convictions" in Section III(n). Because a single conviction necessitated the need for exemptive relief, the Applicant requests that this reference to "Convictions" be replaced by "the Conviction."

*Department's Response:* The Department agrees with the Applicant's requested change and has amended Section III(n) accordingly.

#### Comments From the Public

The Department received one written comment in support of the exemption and another written comment requesting that the exemption be denied. The comment requesting a denial however did not raise any substantive issues. The Department also received multiple phone calls from interested persons requesting an explanation of the exemption.

#### Comment From the Department

In Section III(j) of this grant notice, the Department changed several references from "Section I" to Section "III."

The Department also notes that the application file number was misstated in the proposed exemption as D–12035. The correct application file for this exemption is D–12064.

The complete application file (D–12064) is available for public inspection in the Public Disclosure Room of the Employee Benefits Security Administration, Room N–1515, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210. For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption, please refer to the notice of proposed exemption published on October 20, 2022, at 87 FR 63802.

#### General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under ERISA Section 408(a) does not relieve a fiduciary or other party in interest from certain requirements of other ERISA provisions, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of ERISA Section 404, which, among other things, require a fiduciary to discharge their duties respecting the plan solely in the interest of the plan's participants and beneficiaries and in a prudent fashion in accordance with ERISA Section 404(a)(1)(B).

(2) As required by ERISA Section 408(a), the Department hereby finds that the exemption is: (a) administratively feasible; (b) in the interests of the affected plans and their participants and beneficiaries; and (c) protective of the rights of the participants and beneficiaries of the affected plans.



(3) This exemption is supplemental to, and not in derogation of, any other ERISA provisions, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of determining whether the transaction is in fact a prohibited transaction.

(4) The availability of this exemption is subject to the express condition that the material facts and representations contained in the application accurately describe all material terms of the transactions that are the subject of the exemption.

Accordingly, the following exemption is granted under the authority of ERISA Section 408(a), and in accordance with the procedures set forth in 29 CFR part 2570, subpart B:<sup>12</sup>

## Exemption

### Section I. Definitions

(a) The term “Conviction” means the judgment of conviction against JPMC for violation of the Sherman Antitrust Act, 15 U.S.C. 1, entered in the District Court for the District of Connecticut (the District Court) (case number 3:15-cr-79-SRU). For all purposes under this exemption, “conduct” of any person or entity that is the “subject of [a] Conviction” encompasses the conduct described in Paragraph 4(g)–(i) of the Plea Agreement filed in the District Court in case number 3:15-cr-79-SRU (the Plea Agreement).

(b) The term “Covered Plan” means a plan subject to Part IV of Title I of ERISA (an “ERISA-covered plan”) or a plan subject to Code section 4975 (an “IRA”), in each case, with respect to which a JPMC Affiliated QPAM relies on PTE 84–14, or with respect to which a JPMC Affiliated QPAM (or any JPMC affiliate) has expressly represented that the manager qualifies as a QPAM or relies on the QPAM class exemption (PTE 84–14). A Covered Plan does not include an ERISA-covered plan or IRA to the extent the JPMC Affiliated QPAM has expressly disclaimed reliance on QPAM status or PTE 84–14 in entering into a contract, arrangement, or agreement with the ERISA-covered plan or IRA. Further, a JPMC Affiliated QPAM may disclaim reliance on QPAM status or PTE 84–14 in a written modification of a contract, arrangement, or agreement with an ERISA-covered plan or IRA, where the modification is made in a bilateral document signed by the client, the client’s attention is specifically directed toward the

disclaimer, and the client is advised in writing that, with respect to any transaction involving the client’s assets, the JPMC Affiliated QPAM will not represent that it is a QPAM, and will not rely on the relief described in PTE 84–14.

(c) The term “Exemption Period” means January 10, 2023, through January 9, 2027.

(d) The term “JPMC” means JPMorgan Chase and Co., the parent entity, but does not include any subsidiaries or other affiliates.

(e) The term “JPMC Affiliated QPAM” means a “qualified professional asset manager,” as defined in Section VI(a) of PTE 84–14, that relies on the relief provided by PTE 84–14 or represents to Covered Plans that it qualifies as a QPAM, and with respect to which JPMC is a current or future “affiliate” (as defined in Section VI(d)(1) of PTE 84–14). The term “JPMC Affiliated QPAM” excludes the parent entity, JPMC, the entity implicated in the criminal conduct that is the subject of the Conviction.

(f) The term “JPMC Related QPAM” means any current or future “qualified professional asset manager” (as defined in section VI(a) of PTE 84–14) that relies on the relief provided by PTE 84–14, and with respect to whom JPMC owns a direct or indirect five percent or more interest but is not an “affiliate” (as defined in Section VI(d)(1) of PTE 84–14).

(g) The term “Newly Acquired JPMC Affiliated QPAM” means an asset manager that becomes a JPMC Affiliated QPAM after the effective date of this exemption by virtue of being acquired (in whole or in part) by JPMC or a subsidiary or affiliate of JPMC.

### Section II. Covered Transactions

Under this exemption, the JPMC Affiliated QPAMs and the JPMC Related QPAMs, as defined in Sections I(e) and I(f), respectively, would not be precluded from relying on the exemptive relief provided by Prohibited Transaction Class Exemption 84–14 (PTE 84–14 or the QPAM Exemption) notwithstanding the Conviction, as defined in Section I(a), during the Exemption Period,<sup>13</sup> provided that the

<sup>13</sup> Section I(g) of PTE 84–14 generally provides relief only if “[n]either the QPAM nor any affiliate thereof . . . nor any owner . . . of a 5 percent or more interest in the QPAM is a person who within the 10 years immediately preceding the transaction has been either convicted or released from imprisonment, whichever is later, as a result of” certain felonies including violation of the Sherman Antitrust Act, Title 15 United States Code, Section 1.

conditions set forth in in Section III below are satisfied.

### Section III. Conditions

(a) Other than a single individual who worked for a non-fiduciary business within JPMorgan Chase Bank and who had no responsibility for, nor exercised any authority in connection with, the management of plan assets, the JPMC Affiliated QPAMs and the JPMC Related QPAMs (including their officers, directors, agents other than JPMC, and employees of such QPAMs who had responsibility for, or exercised authority in connection with the management of plan assets) did not know of, did not have reason to know of, and did not participate in the criminal conduct that is the subject of the Conviction. Further, any other party engaged on behalf of the JPMC Affiliated QPAMs and JPMC Related QPAMs who had responsibility for or exercised authority in connection with the management of plan assets did not know or have reason to know of and did not participate in the criminal conduct that is the subject of the Conviction. For purposes of this exemption, “participate in” refers not only to active participation in the criminal conduct of JPMC that is the subject of the Conviction, but also to knowing approval of the criminal conduct or knowledge of such conduct without taking active steps to prohibit it, including reporting the conduct to such individual’s supervisors, and to the Board of Directors;

(b) Apart from a non-fiduciary line of business within JPMorgan Chase Bank, the JPMC Affiliated QPAMs and the JPMC Related QPAMs (including their officers, directors, and agents other than JPMC, and employees of such JPMC QPAMs who had responsibility for, or exercised authority in connection with the management of plan assets) did not receive direct compensation, or knowingly receive indirect compensation, in connection with the criminal conduct that is the subject of the Conviction. Further, any other party engaged on behalf of the JPMC Affiliated QPAMs and the JPMC Related QPAMs who had responsibility for, or exercised authority in connection with the management of plan assets did not receive direct compensation, or knowingly receive indirect compensation, in connection with the criminal conduct of that is the subject of the Conviction;

(c) The JPMC Affiliated QPAMs do not currently and will not in the future employ or knowingly engage any of the individuals that participated in the criminal conduct that is the subject of the Conviction.

(d) At all times during the Exemption Period, no JPMC Affiliated QPAM will use its authority or influence to direct a Covered Plan to enter into any transaction with JPMC, or to engage JPMC to provide any service to such Covered Plan, for a direct or indirect fee borne by such Covered Plan, regardless of whether such transaction or service may otherwise be within the scope of relief provided by an administrative or statutory exemption;

(e) Any failure of a JPMC Affiliated QPAM or a JPMC Related QPAM to satisfy Section I(g) of PTE 84–14 arose solely from the Conviction;

(f) A JPMC Affiliated QPAM or a JPMC Related QPAM did not exercise authority over the assets of any plan subject to Part 4 of Title I of ERISA (an ERISA-covered plan) or Code Section 4975 (an IRA) in a manner that it knew or should have known would: further the criminal conduct that is the subject of the Conviction; or cause the JPMC Affiliated QPAM, the JPMC Related QPAM, or their affiliates to directly or indirectly profit from the criminal conduct that is the subject of the Conviction;

(g) Other than with respect to employee benefit plans maintained or sponsored for its own employees or the employees of an affiliate, JPMC will not act as a fiduciary within the meaning of ERISA Section 3(21)(A)(i) or (iii), or Code Section 4975(e)(3)(A) and (C), with respect to Covered Plan assets; provided, however, that JPMC will not be treated as violating the conditions of this exemption solely because it acted as an investment advice fiduciary within the meaning of ERISA Section 3(21)(A)(ii) or Code Section 4975(e)(3)(B);

(h)(1) By a date that is two (2) months after the effective date of this exemption, each JPMC Affiliated QPAM must maintain, adjust (to the extent necessary), implement, and follow the written policies and procedures (the Policies). The Policies must require and be reasonably designed to ensure that:

(i) The asset management decisions of the JPMC Affiliated QPAM are conducted independently of the corporate management and business activities of JPMC;

(ii) The JPMC Affiliated QPAM fully complies with ERISA's fiduciary duties and with ERISA and the Code's prohibited transaction provisions, as applicable with respect to each Covered Plan, and does not knowingly participate in any violation of these duties and provisions with respect to Covered Plans;

(iii) The JPMC Affiliated QPAM does not knowingly participate in any other

person's violation of ERISA or the Code with respect to Covered Plans;

(iv) Any filings or statements made by the JPMC Affiliated QPAM to regulators, including, but not limited to, the Department, the Department of the Treasury, the Department of Justice, and the Pension Benefit Guaranty Corporation, on behalf of or in relation to Covered Plans, are materially accurate and complete to the best of such QPAM's knowledge at that time;

(v) To the best of the JPMC Affiliated QPAM's knowledge at the time, the JPMC Affiliated QPAM does not make material misrepresentations or omit material information in its communications with such regulators with respect to Covered Plans or make material misrepresentations or omit material information in its communications with Covered Plans;

(vi) The JPMC Affiliated QPAM complies with the terms of this exemption; and

(vii) Any violation of or failure to comply with an item in subparagraphs (ii) through (vi) is corrected as soon as reasonably possible upon discovery or as soon after the QPAM reasonably should have known of the noncompliance (whichever is earlier), and any such violation or compliance failure not so corrected is reported, upon the discovery of such failure to so correct, in writing, to the head of compliance and the general counsel (or their functional equivalent) of the relevant line of business that engaged in the violation or failure, and the independent auditor responsible for reviewing compliance with the Policies. A JPMC Affiliated QPAM will not be treated as having failed to develop, implement, maintain, or follow the Policies, provided it corrects any instance of noncompliance as soon as reasonably possible upon discovery, or as soon as reasonably possible after the QPAM reasonably should have known of the noncompliance (whichever is earlier), and provided it adheres to the reporting requirements set forth in this subparagraph (vii);

(2) Each JPMC Affiliated QPAM must continue to implement a training program (the Training) conducted at least annually for all relevant JPMC Affiliated QPAM asset/portfolio management, trading, legal, compliance, and internal audit personnel. The final annual training under PTE 2017–03 must be completed by all relevant JPMC Affiliated QPAM personnel by July 9, 2023, and the first Training under this exemption must be completed by all relevant JPMC Affiliated QPAM personnel by July 9, 2024. The Training required under this exemption may be

conducted electronically and must: (i) at a minimum, cover the Policies, ERISA and Code compliance (including applicable fiduciary duties and the prohibited transaction provisions), ethical conduct, the consequences for not complying with the conditions of this exemption (including any loss of exemptive relief provided herein), and prompt reporting of wrongdoing; and (ii) be conducted by a professional who has been prudently selected and who has appropriate technical training and proficiency with ERISA and the Code to perform the tasks required by this exemption;

(i)(1) Each JPMC Affiliated QPAM must submit to an audit conducted every two years by an independent auditor who has been prudently selected and who has appropriate technical training and proficiency with ERISA and the Code, to evaluate the adequacy of and each JPMC Affiliated QPAM's compliance with the Policies and Training conditions described herein. The audit requirement must be incorporated in the Policies. Each audit must cover the preceding consecutive twelve (12) month period. The first audit must cover the period from July 10, 2022, through July 9, 2023, and must be completed by January 9, 2024. The second audit must cover the period from July 1, 2024, through June 30, 2025, and must be completed by January 9, 2026. The third audit must cover the period from July 1, 2026, through January 9, 2027, and must be completed by July 8, 2027;

(2) Within the scope of the audit and to the extent necessary for the auditor, in its sole opinion, to complete its audit and comply with the conditions for relief described herein, each JPMC Affiliated QPAM and, if applicable, JPMC, will grant the auditor unconditional access to its businesses, including, but not limited to: its computer systems; business records; transactional data; workplace locations; training materials; and personnel. Such access will be provided only to the extent that it is not prevented by state or federal statute, or involves communications subject to attorney client privilege and may be limited to information relevant to the auditor's objectives as specified by the terms of this exemption;

(3) The auditor's engagement must specifically require the auditor to determine whether each JPMC Affiliated QPAM has developed, implemented, maintained, and followed the Policies in accordance with the conditions of this exemption, and has developed and implemented the Training, as required herein;

(4) The auditor's engagement must specifically require the auditor to test each JPMC Affiliated QPAM's operational compliance with the Policies and Training conditions. In this regard, the auditor must test, for each QPAM, a sample of the QPAM's transactions involving Covered Plans sufficient in size and nature to afford the auditor a reasonable basis to determine the QPAM's operational compliance with the Policies and Training;

(5) For each audit, on or before the end of the relevant period for completing the audit described in Section III(i)(1), the auditor must issue a written report (the Audit Report) to JPMC and the JPMC Affiliated QPAM to which the audit applies that describes the procedures performed by the auditor during the course of its examination. At its discretion, the auditor may issue a single consolidated Audit Report that covers all the JPMC Affiliated QPAMs. The Audit Report must include the auditor's specific determinations regarding:

(i) the adequacy of each JPMC Affiliated QPAM's Policies and Training; each JPMC Affiliated QPAM's compliance with the Policies and Training conditions; the need, if any, to strengthen such Policies and Training; and any instance of the respective JPMC Affiliated QPAM's noncompliance with the written Policies and Training described in Section III(h) above. The JPMC Affiliated QPAM must promptly address any noncompliance and promptly address or prepare a written plan of action to address any determination by the auditor regarding the adequacy of the Policies and Training and the auditor's recommendations (if any) with respect to strengthening the Policies and Training of the respective JPMC Affiliated QPAM. Any action taken, or the plan of action to be taken, by the respective JPMC Affiliated QPAM must be included in an addendum to the Audit Report (and such addendum must be completed before the certification described in Section III(i)(7) below). In the event such a plan of action to address the auditor's recommendation regarding the adequacy of the Policies and Training is not completed by the time the Audit Report is submitted, the following period's Audit Report must state whether the plan was satisfactorily completed. Any determination by the auditor that the respective JPMC Affiliated QPAM has implemented, maintained, and followed sufficient Policies and Training must not be based solely or in substantial part on an absence of evidence indicating

noncompliance. In this last regard, any finding that a JPMC Affiliated QPAM has complied with the requirements under this subparagraph must be based on evidence that the particular JPMC Affiliated QPAM has actually implemented, maintained, and followed the Policies and Training required by this exemption. Furthermore, the auditor must not solely rely on the Annual Report created by the compliance officer (the Compliance Officer), as described in Section III(m) below, as the basis for the auditor's conclusions in lieu of independent determinations and testing performed by the auditor, as required by Section III(i)(3) and (4) above; and

(ii) The adequacy of the most recent Annual Review described in Section III(m);

(6) The auditor must notify the respective JPMC Affiliated QPAM of any instance of noncompliance identified by the auditor within five (5) business days after such noncompliance is identified by the auditor, regardless of whether the audit has been completed as of that date;

(7) With respect to each Audit Report, the general counsel, or one of the three most senior executive officers of the line of business engaged in discretionary asset management services through the JPMC Affiliated QPAM with respect to which the Audit Report applies must certify in writing, under penalty of perjury, that the officer has reviewed the Audit Report and this exemption and that to the best of such officer's knowledge at the time, the JPMC Affiliated QPAM has addressed, corrected or remedied any noncompliance and inadequacy, or has an appropriate written plan to address any inadequacy regarding the Policies and Training identified in the Audit Report. The certification must also include the signatory's determination that the Policies and Training in effect at the time of signing are adequate to ensure compliance with the conditions of this exemption and with the applicable provisions of ERISA and the Code. Notwithstanding the above, no person, including any person referenced in the Plea Agreement that gave rise to the Conviction, who knew of, or should have known of, or participated in, any misconduct described in the Plea Agreement underlying the Conviction, by any party, may provide the certification required by this exemption, unless the person took active documented steps to stop the misconduct;

(8) The Risk Committee of JPMC's Board of Directors is provided a copy of each Audit Report, and a senior

executive officer with a direct reporting line to the highest-ranking legal compliance officer of JPMC must review the Audit Report for each JPMC Affiliated QPAM and certify in writing, under penalty of perjury, that such officer has reviewed each Audit Report;

(9) Each JPMC Affiliated QPAM provides its certified Audit Report, by electronic mail to *e-oed@dol.gov*. This delivery must take place no later than thirty (30) days following completion of the Audit Report. The Audit Report will be made part of the public record regarding this exemption. Furthermore, each JPMC Affiliated QPAM must make its Audit Report unconditionally available, electronically or otherwise, for examination upon request by any duly authorized employee or representative of the Department, other relevant regulators, and any fiduciary of a Covered Plan;

(10) Each JPMC Affiliated QPAM and the auditor must submit, to *e-OED@dol.gov*, any engagement agreement(s) entered into pursuant to the engagement of the auditor under this exemption no later than two (2) months after the execution of any such engagement agreement;

(11) The auditor must provide the Department, upon request access to all the workpapers created and utilized in the course of the audit, for inspection and review, provided such access and inspection is otherwise permitted by law; and

(12) JPMC must notify the Department of a change in the independent auditor no later than two (2) months after the engagement of a substitute or subsequent auditor and must provide an explanation for the substitution or change including a description of any material disputes between the terminated auditor and JPMC;

(j) Throughout the Exemption Period, with respect to any arrangement, agreement, or contract between a JPMC Affiliated QPAM and a Covered Plan, the JPMC Affiliated QPAM agrees and warrants:

(1) To comply with ERISA and the Code, as applicable with respect to such Covered Plan; refrain from engaging in prohibited transactions that are not otherwise exempt (and to promptly correct any prohibited transactions); and comply with the standards of prudence and loyalty set forth in ERISA Section 404 with respect to each such Covered Plan, to the extent that section is applicable;

(2) To indemnify and hold harmless the Covered Plan for any actual losses resulting directly from a JPMC Affiliated QPAM's violation of ERISA's fiduciary duties, as applicable, and of the

prohibited transaction provisions of ERISA and the Code, as applicable; a breach of contract by the QPAM; or any claim arising out of the failure of such JPMC Affiliated QPAM to qualify for the exemptive relief provided by PTE 84–14 as a result of a violation of Section I(g) of PTE 84–14, other than the Conviction. This condition applies only to actual losses caused by the JPMC Affiliated QPAM's violations. The term Actual Losses includes, but is not limited to, losses and related costs arising from unwinding transactions with third parties and from transitioning Plan assets to an alternative asset manager as well as costs associated with any exposure to excise taxes under Code section 4975 as a result of a QPAM's inability to rely upon the relief in the QPAM Exemption.

(3) Not to require (or otherwise cause) the Covered Plan to waive, limit, or qualify the liability of the JPMC Affiliated QPAM for violating ERISA or the Code or engaging in prohibited transactions;

(4) Not to restrict the ability of the Covered Plan to terminate or withdraw from its arrangement with the JPMC Affiliated QPAM with respect to any investment in a separately managed account or pooled fund subject to ERISA and managed by the QPAM, with the exception of reasonable restrictions, appropriately disclosed in advance, that are specifically designed to ensure equitable treatment of all investors in a pooled fund in the event such withdrawal or termination may have adverse consequences for all other investors. In connection with any of these arrangements involving investments in pooled funds subject to ERISA entered into after the effective date of this exemption, the adverse consequences must relate to a lack of liquidity of the underlying assets, valuation issues, or regulatory reasons that prevent the fund from promptly redeeming a Covered Plan's investment, and the restrictions must be applicable to all such investors and effective no longer than reasonably necessary to avoid the adverse consequences;

(5) Not to impose any fees, penalties, or charges for such termination or withdrawal with the exception of reasonable fees, appropriately disclosed in advance, that are specifically designed to prevent generally recognized abusive investment practices or specifically designed to ensure equitable treatment of all investors in a pooled fund in the event the withdrawal or termination may have adverse consequences for all other investors, provided that such fees are applied

consistently and in like manner to all such investors;

(6) Not to include exculpatory provisions disclaiming or otherwise limiting liability of the JPMC Affiliated QPAM for a violation of such agreement's terms. To the extent consistent with ERISA Section 410, however, this provision does not prohibit disclaimers for liability caused by an error, misrepresentation, or misconduct of a plan fiduciary or other party hired by the plan fiduciary who is independent of JPMC and its affiliates, or damages arising from acts outside the control of the JPMC Affiliated QPAM; and

(7) Each JPMC Affiliated QPAM must provide a notice of its obligations under this Section III(j) to each Covered Plan. For all other prospective Covered Plans, the JPMC Affiliated QPAM must agree to its obligations under this Section III(j) in an updated investment management agreement between the JPMC Affiliated QPAM and such clients or other written contractual agreement. This condition will be deemed met for each Covered Plan that received a notice pursuant to PTE 2016–15 or PTE 2017–03 that meets the terms of this condition. This condition will also be met where the JPMC Affiliated QPAM previously agreed to the same obligations required by this Section III(j) in an updated investment management agreement between the JPMC Affiliated QPAM and a Covered Plan. Notwithstanding the above, a JPMC Affiliated QPAM will not violate this condition solely because a Covered Plan refuses to sign an updated investment management agreement;

(k) Within 60 days after the effective date of this exemption, each JPMC Affiliated QPAM provides notice of the exemption as published in the **Federal Register**, along with a separate summary describing the facts that led to the Conviction (the Summary), which has been submitted to the Department, and a prominently displayed statement (the Statement) that the Conviction results in a failure to meet a condition in PTE 84–14 to each sponsor and beneficial owner of a Covered Plan that has entered into a written asset or investment management agreement with a JPMC Affiliated QPAM, or the sponsor of an investment fund in any case where a JPMC Affiliated QPAM acts as a sub-adviser to the investment fund in which such ERISA-covered plan and IRA invests. All prospective Covered Plan clients that enter into a written asset or investment management agreement with a JPMC Affiliated QPAM after a date that is 60 days after the effective date of this exemption must receive a copy of the notice of the exemption, the

Summary, and the Statement before, or contemporaneously with, the Covered Plan's receipt of a written asset or investment management agreement from the JPMC Affiliated QPAM. The notices may be delivered electronically (including by an email that has a link to the exemption). Notwithstanding the above, a JPMC Affiliated QPAM will not violate the condition solely because a Covered Plan refuses to sign an updated investment management agreement.

For Covered Plan clients that first become clients on or after January 10, 2023, but before May 10, 2023, a JPMC Affiliated QPAM will meet the requirements of this Section (k) to the extent the investment management or comparable agreements with the JPMC Affiliated QPAM includes notification language referencing PTE 2017–03 and a link to the required materials, provided the website containing such materials stipulated under the notification conditions in this exemption, if granted, is updated, as necessary, by May 10, 2023;

(l) The JPMC Affiliated QPAM must comply with each condition of PTE 84–14, as amended, with the sole exception of the violation of Section I(g) of PTE 84–14 that is attributable to the Conviction. If, during the Exemption Period, an affiliate of the *JPMC Affiliated QPAMs (as defined in Section VI(d) of PTE 84–14)* is convicted of a crime described in Section I(g) of PTE 84–14 (other than the Conviction), relief in this exemption would terminate immediately;

(m)(1) Within 60 days after the effective date of this exemption, each JPMC Affiliated QPAM must designate a senior compliance officer (the Compliance Officer) who will be responsible for compliance with the Policies and Training requirements described herein. For purposes of this condition (m), each relevant line of business within a JPMC Affiliated QPAM may designate its own Compliance Officer(s). Notwithstanding the above, no person, including any person referenced in the Statement of Facts that gave rise to the Plea Agreement, who knew of, or should have known of, or participated in, any misconduct described in the Statement of Facts, by any party, may be involved with the designation or responsibilities required by this condition, unless the person took active documented steps to stop the misconduct. The Compliance Officer must conduct a review of each twelve-month period of the Exemption Period (the Exemption Review), to determine the adequacy and effectiveness of the implementation of the Policies and Training. With respect

to the Compliance Officer, the following conditions must be met:

(i) The Compliance Officer must be a professional who has extensive experience with, and knowledge of, the regulation of financial services and products, including under ERISA and the Code; and

(ii) The Compliance Officer must have a direct reporting line to the highest-ranking corporate officer in charge of legal compliance for asset management.

(2) With respect to the Exemption Review, the following conditions must be met:

(i) The annual Exemption Review includes a review of the JPMC Affiliated QPAM's compliance with and effectiveness of the Policies and Training and of the following: any compliance matter related to the Policies or Training that was identified by, or reported to, the Compliance Officer or others within the compliance and risk control function (or its equivalent) during the previous year; any material error, recommendation, and compliance failure identified in the most recent Audit Report; any material change in the relevant business activities of the JPMC Affiliated QPAMs; and any change to ERISA, the Code, or regulations related to fiduciary duties and the prohibited transaction provisions that may be applicable to the activities of the JPMC Affiliated QPAMs;

(ii) The Compliance Officer prepares a written report for the Exemption Review (an Exemption Report) that (A) summarizes their material activities during the prior year; (B) sets forth any instance of noncompliance discovered during the prior year, and any related corrective action; (C) details any change to the Policies or Training to guard against any similar instance of noncompliance occurring again; and (D) makes recommendations, as necessary, for additional training, procedures, monitoring, or additional and/or changed processes or systems, and management's actions on such recommendations;

(iii) In the Exemption Report, the Compliance Officer must certify in writing that to the best of their knowledge at the time: (A) the report is accurate; (B) the Policies and Training are working in a manner which is reasonably designed to ensure that the Policies and Training requirements described herein are met; (C) any known instance of noncompliance during the prior year and any related correction taken to date have been identified in the Exemption Report; and (D) the JPMC Affiliated QPAMs have complied with the Policies and Training, and/or corrected (or are correcting) any known

instances of noncompliance in accordance with Section III(h) above;

(iv) The Exemption Report must be provided to appropriate corporate officers of JPMC and each JPMC Affiliated QPAM to which such report relates; the head of compliance and the general counsel (or their functional equivalent) of JPMC and the relevant JPMC Affiliated QPAM; and must be made unconditionally available to the independent auditor described in Section III(i) above;

(v) The annual Exemption Review, including the Compliance Officer's written Report, must be completed within three (3) months following the end of the period to which it relates. The annual Exemption Reviews under this exemption must cover the following periods: January 10, 2023 through December 31, 2023; January 1, 2024 through December 31, 2024; January 1, 2025 through December 31, 2025; and January 1, 2026 through January 9, 2027.

(n) JPMC imposes internal procedures, controls, and protocols to reduce the likelihood of any recurrence of conduct that is the subject of the Conviction;

(o) JPMC complies in all material respects with the requirements imposed by a U.S. regulatory authority in connection with the Conviction;

(p) Each JPMC Affiliated QPAM maintains records necessary to demonstrate that the conditions of this exemption have been met for six (6) years following the date of any transaction for which the JPMC Affiliated QPAM relies upon the relief in this exemption;

(q) During the Exemption Period, JPMC must: (1) immediately disclose to the Department any Deferred Prosecution Agreement (a DPA) or Non-Prosecution Agreement (an NPA) with the U.S. Department of Justice, entered into by JPMC or any of its affiliates (as defined in Section VI(d) of PTE 84-14) in connection with conduct described in Section I(g) of PTE 84-14 or ERISA Section 411; and (2) immediately provide the Department with any information requested by the Department, as permitted by law, regarding the agreement and/or conduct and allegations that led to the agreement;

(r) Within 60 days after the effective date of this exemption, each JPMC Affiliated QPAM, in its agreements with, or in other written disclosures provided to Covered Plans, will clearly and prominently inform Covered Plan clients of their right to obtain a copy of the Policies or a description (Summary Policies) which accurately summarizes key components of the JPMC Affiliated

QPAM's written Policies developed in connection with this exemption. If the Policies are thereafter changed, each Covered Plan client must receive a new disclosure within six (6) months following the end of the calendar year during which the Policies were changed. If the Applicant meets this disclosure requirement through Summary Policies, changes to the Policies shall not result in the requirement for a new disclosure unless, as a result of changes to the Policies, the Summary Policies are no longer accurate. With respect to this requirement, the description may be continuously maintained on a website, provided that such website link to the Policies or Summary Policies is clearly and prominently disclosed to each Covered Plan;

(s) A JPMC Affiliated QPAM will not fail to meet the terms of this exemption solely because a different JPMC Affiliated QPAM fails to satisfy a condition for relief described in Sections III(c), (d), (h), (i), (j), (k), (l), (p) or (r); or if the independent auditor described in Section III(i) fails to comply with a provision of the exemption, other than the requirement described in Section III(i)(11), provided that such failure did not result from any actions or inactions of JPMC or its affiliates; and

(t) All the material facts and representations set forth in the Summary of Facts and Representations are true and accurate.

(u) Other than former employees who worked on the Precious Metals Desk and U.S. Treasuries Desk within the CIB in the Global Markets division, the JPMC Affiliated QPAMs and the JPMC Related QPAMs (including their officers, directors, agents and employees of such QPAMs who had responsibility for, or exercised authority in connection with the management of plan assets) did not know of, did not have reason to know of, and did not participate in the conduct underlying the September 29, 2020, deferred prosecution agreement entered into between the Department of Justice and JPMC, JPMorgan Chase Bank, and JPMS (the DPA). Further, any other party engaged on behalf of the JPMC Affiliated QPAMs and JPMC Related QPAMs who had responsibility for or exercised authority in connection with the management of plan assets did not know or have reason to know of and did not participate in the criminal conduct that is the subject of the DPA.

(v) Apart from a non-fiduciary line of business within JPMorgan Chase Bank and JPMS, the JPMC Affiliated QPAMs and the JPMC Related QPAMs (including their officers, directors, and

agents, and employees of such JPMC QPAMs who had responsibility for, or exercised authority in connection with the management of plan assets) did not receive direct compensation, or knowingly receive indirect compensation, in connection with the conduct underlying the DPA. Further, any other party engaged on behalf of the JPMC Affiliated QPAMs and the JPMC Related QPAMs who had responsibility for, or exercised authority in connection with the management of plan assets did not receive direct compensation, or knowingly receive indirect compensation, in connection with the conduct underlying the DPA.

(w) With respect to an asset manager that becomes a JPMC Affiliated QPAM after the effective date of this exemption by virtue of being acquired (in whole or in part) by JPMC or a subsidiary or affiliate of JPMC (a “newly-acquired JPMC Affiliated QPAM”), the newly-acquired JPMC Affiliated QPAM would not be precluded from relying on the exemptive relief provided by PTE 84–14 notwithstanding the Conviction as of the closing date for the acquisition; however, the operative terms of the exemption shall not apply to the newly-acquired JPMC Affiliated QPAM until a date that is six (6) months after the closing date for the acquisition. To that end, the newly-acquired JPMC Affiliated QPAM will initially submit to an audit pursuant to Section III(i) of this exemption as of the first audit period that begins following the closing date for the acquisition. The period covered by the audit must begin on the date on which the JPMC Affiliated QPAM was acquired.

*Effective Date:* This exemption is effective for a period of four years, beginning on January 10, 2023, and ending on January 9, 2027.

Accordingly, after considering the entire record developed in connection with the Applicant’s exemption application, the Department has determined to grant the exemption described above.

Signed at Washington, DC.

**George Christopher Cosby,**

*Director, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor.*

[FR Doc. 2023–00282 Filed 1–6–23; 4:15 pm]

**BILLING CODE 4510–29–P**

## NATIONAL SCIENCE FOUNDATION

### Advisory Committee for Polar Programs; Notice of Meeting

In accordance with the Federal Advisory Committee Act (Pub. L. 92–

463, as amended), the National Science Foundation (NSF) announces the following meeting:

*Name and Committee Code:* Advisory Committee for Polar Programs (AC OPP) (1130).

*Date and Time:* February 13, 2023; 2:00 p.m. to 3:30 p.m. EST.

*Place:* National Science Foundation, 2415, Eisenhower Avenue, Alexandria, VA 22314 | Virtual via Zoom.

A virtual link will be posted on the AC OPP website at: <https://nsf.gov/geol/opp/advisory.jsp>.

*Type of Meeting:* Open.

*Contact Person:* Sara Eckert, Office of Polar Programs, National Science Foundation, 2415 Eisenhower Ave., Alexandria, VA 22314; Contact: (703) 292–7899, [seckert@nsf.gov](mailto:seckert@nsf.gov).

*Purpose of Meeting:* Advisory committee review of Science Advisory Subcommittee (SASC) report(s).

*Agenda:* Review and evaluate the SASC report(s), and vote on whether the report(s) should be forwarded to the NSF Office of Polar Programs.

Dated: January 4, 2022.

**Crystal Robinson,**

*Committee Management Officer.*

[FR Doc. 2023–00198 Filed 1–9–23; 8:45 am]

**BILLING CODE 7555–01–P**

## NUCLEAR REGULATORY COMMISSION

[Docket No. 72–26; NRC–2022–0220]

### Pacific Gas and Electric Company; Diablo Canyon Independent Spent Fuel Storage Installation

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** License renewal application; receipt; notice of opportunity to request a hearing and to petition for leave to intervene.

**SUMMARY:** The U.S. Nuclear Regulatory Commission (NRC) is considering an application for the renewal of Special Nuclear Materials (SNM) License No. SNM–2511, which currently authorizes Pacific Gas and Electric Company (PG&E, the licensee) to receive, possess, transfer, and store spent fuel from the Diablo Canyon Nuclear Power Plant (DCNPP) in the Diablo Canyon Independent Spent Fuel Storage Installation (ISFSI). The renewed license would authorize PG&E to continue to store spent fuel in the Diablo Canyon ISFSI for an additional 40 years beyond the current license expiration date of March 22, 2024.

**DATES:** A request for a hearing or petition for leave to intervene must be filed by March 13, 2023.

**ADDRESSES:** Please refer to Docket ID NRC–2022–0220 when contacting the NRC about the availability of information regarding this document. You may obtain publicly available information related to this document using any of the following methods:

- *Federal Rulemaking website:* Go to <https://www.regulations.gov> and search for Docket ID NRC–2022–0220. Address questions about Docket IDs in *Regulations.gov* to Stacy Schumann; *telephone:* 301–415–0624; *email:* [Stacy.Schumann@nrc.gov](mailto:Stacy.Schumann@nrc.gov). For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- *NRC’s Agencywide Documents Access and Management System (ADAMS):* You may obtain publicly available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select “Begin Web-based ADAMS Search.” For problems with ADAMS, please contact the NRC’s Public Document Room (PDR) reference staff at 1–800–397–4209, 301–415–4737, or by email to [PDR.Resource@nrc.gov](mailto:PDR.Resource@nrc.gov). The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document.

- *NRC’s PDR:* You may examine and purchase copies of public documents, by appointment, at the NRC’s PDR, Room P1 B35, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852. To make an appointment to visit the PDR, please send an email to [PDR.Resource@nrc.gov](mailto:PDR.Resource@nrc.gov) or call 1–800–397–4209 or 301–415–4737, between 8:00 a.m. and 4:00 p.m. Eastern Time (ET), Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Christopher Markley, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001; *telephone:* 301–415–6293; *email:* [Christopher.Markley@nrc.gov](mailto:Christopher.Markley@nrc.gov).

### SUPPLEMENTARY INFORMATION:

#### I. Introduction

The NRC has received, by letter dated March 9, 2022, an application from PG&E for renewal of SNM License No. SNM–2511 for the Diablo Canyon ISFSI for an additional 40 years (ADAMS Accession No. ML22068A189). The license currently authorizes PG&E to receive, possess, transfer, and store spent fuel from the DCNPP in the Diablo