

114TH CONGRESS
2D SESSION

H. R. 5322

To amend the Investment Company Act of 1940 to terminate an exemption for companies located in Puerto Rico, the Virgin Islands, and any other possession of the United States.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2016

Ms. VELÁZQUEZ (for herself, Mr. PIERLUISI, and Mr. SERRANO) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Investment Company Act of 1940 to terminate an exemption for companies located in Puerto Rico, the Virgin Islands, and any other possession of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “U.S. Territories Inves-
5 tor Protection Act of 2016”.

1 **SEC. 2. TERMINATION OF EXEMPTION.**

2 (a) IN GENERAL.—Section 6(a) of the Investment
3 Company Act of 1940 (15 U.S.C. 80a–6(a)) is amended
4 by striking paragraph (1).

5 (b) EFFECTIVE DATE AND SAFE HARBOR.—

6 (1) EFFECTIVE DATE.—Except as provided in
7 paragraph (2), the amendment made by subsection
8 (a) shall take effect on the date of the enactment of
9 this Act.

10 (2) SAFE HARBOR.—With respect to a company
11 that is exempt under section 6(a)(1) of the Invest-
12 ment Company Act of 1940 (15 U.S.C. 80a–6(a)(1))
13 on the day before the date of the enactment of this
14 Act, the amendment made by subsection (a) shall
15 take effect on the date that is three years after the
16 date of the enactment of this Act.

17 (3) EXTENSION OF SAFE HARBOR.—The Secu-
18 rities and Exchange Commission, by rule and regula-
19 tion upon its own motion, or by order upon applica-
20 tion, may conditionally or unconditionally, under sec-
21 tion 6(c) of the Investment Company Act of 1940
22 (15 U.S.C. 80a–6(c)), further delay the effective
23 date for a company described in paragraph (2) for
24 a maximum of three years following the initial three-
25 year period if, before the end of the initial three-year
26 period, the Commission determines that such a rule,

1 regulation, motion, or order is necessary or appro-
2 priate in the public interest and for the protection
3 of investors.

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