

Calendar No. 14

115TH CONGRESS
1ST SESSION

S. 484

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 SENATE OF THE UNITED STATES

MARCH 1, 2017

Mr. MENENDEZ (for himself, Mr. HATCH, Ms. CORTEZ MASTO, and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

MARCH 13, 2017

Reported by Mr. CRAPO, with amendments

[Omit the part struck through and insert the part printed in *italic*]

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “U.S. Territories Inves-
3 tor Protection Act of 2017”.

4 **SEC. 2. TERMINATION OF EXEMPTION.**

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

8 (1) *by striking paragraph (1); and*

9 (2) *by redesignating paragraphs (2) through (5)*
10 *as paragraphs (1) through (4), respectively.*

11 (b) EFFECTIVE DATE AND SAFE HARBOR.—

12 (1) EFFECTIVE DATE.—Except as provided in
13 paragraph (2), the amendment made by subsection
14 (a) shall take effect on the date of ~~the~~ enactment of
15 this Act.

16 (2) SAFE HARBOR.—With respect to a company
17 that is exempt under section 6(a)(1) of the Invest-
18 ment Company Act of 1940 (15 U.S.C. 80a–6(a)(1))
19 on the day before the date of ~~the~~ enactment of this
20 Act, the amendment made by subsection (a) shall
21 take effect on the date that is 3 years after the date
22 of ~~the~~ enactment of this Act.

23 (3) EXTENSION OF SAFE HARBOR.—The Secu-
24 rities and Exchange Commission, by rule ~~and~~ reg-
25 ulation upon its own motion, or by order upon appli-
26 cation, may conditionally or unconditionally, under

1 section 6(c) of the Investment Company Act of 1940
2 (15 U.S.C. 80a-6(c)), further delay the effective
3 date for a company described in paragraph (2) for
4 a maximum of 3 years following the initial 3-year
5 period if, before the end of the initial 3-year period,
6 the Commission determines that such a rule, regula-
7 tion, motion, or order is necessary or appropriate in
8 the public interest and for the protection of inves-
9 tors.

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