

114TH CONGRESS
2D SESSION

H. R. 5322

IN THE SENATE OF THE UNITED STATES

JULY 12, 2016

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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 2016”.

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 (b) EFFECTIVE DATE AND SAFE HARBOR.—

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

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

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

1 a maximum of 3 years following the initial 3-year
2 period if, before the end of the initial 3-year period,
3 the Commission determines that such a rule, regula-
4 tion, motion, or order is necessary or appropriate in
5 the public interest and for the protection of inves-
6 tors.

Passed the House of Representatives July 11, 2016.

Attest:

KAREN L. HAAS,

Clerk.