

Union Calendar No.

114TH CONGRESS
2^D SESSION

H. R. 5322

[Report No. 114-]

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

JULY --, 2016

Committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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”.

6 **SEC. 2. TERMINATION OF EXEMPTION.**

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

10 (b) EFFECTIVE DATE AND SAFE HARBOR.—

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

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

22 (3) EXTENSION OF SAFE HARBOR.—The Secu-
23 rities and Exchange Commission, by rule and regula-
24 tion upon its own motion, or by order upon applica-
25 tion, may conditionally or unconditionally, under sec-

1 tion 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 three years following the initial three-
5 year period if, before the end of the initial three-year
6 period, the Commission determines that such a rule,
7 regulation, motion, or order is necessary or appro-
8 priate in the public interest and for the protection
9 of investors.