

## Union Calendar No.

115<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1366

[Report No. 115-]

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.

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### IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2017

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

MARCH --, 2017

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 2017”.

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 3 years after the date  
21 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 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.