

**Calendar No. 14**115<sup>TH</sup> CONGRESS  
1<sup>ST</sup> 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.

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**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*]

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**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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