114TH CONGRESS
2D SESSION

S. 3467

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

SEPTEMBER 29, 2016

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

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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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘U.S. Territories Investor Protection Act of 2016’’.

SEC. 2. TERMINATION OF EXEMPTION.

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

(b) EFFECTIVE DATE AND SAFE HARBOR.—

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

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

(3) EXTENSION OF SAFE HARBOR.—The Securities and Exchange Commission, by rule and regulation upon its own motion, or by order upon application, may conditionally or unconditionally, under section 6(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–6(c)), further delay the effective date for a company described in paragraph (2) for a maximum of 3 years following the initial 3-year period if, before the end of the initial 3-year period, the Commission determines that such a rule, regula-

tion, motion, or order is necessary or appropriate in the public interest and for the protection of investors.

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