

Public Law 91-567

AN ACT

December 22, 1970

To amend sections 13(d), 13(e), 14(d), and 14(e) of the Securities Exchange Act of 1934 in order to provide additional protection for investors.

[S. 3431]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the part of paragraph (1) of subsection (d) of section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m(d)(1)) which precedes clause (A) is amended—

Securities Exchange Act of 1934, amendment.
Investor protection.

82 Stat. 454.
48 Stat. 892;
78 Stat. 565.
15 USC 78L.

(1) by inserting after “section 12 of this title” the following: “, or any equity security of an insurance company which would have been required to be so registered except for the exemption contained in section 12(g)(2)(G) of this title,”; and

(2) by striking out “10 per centum” and inserting in lieu thereof “5 per centum”.

(b) Paragraph (5) of subsection (d) of section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m(d)(5)) is redesignated as paragraph (6) and the following new paragraph is inserted immediately after paragraph (4).

“(5) The Commission, by rule or regulation or by order, may permit any person to file in lieu of the statement required by paragraph (1) of this subsection or the rules and regulations thereunder, a notice stating the name of such person, the number of shares of any equity securities subject to paragraph (1) which are owned by him, the date of their acquisition and such other information as the Commission may specify, if it appears to the Commission that such securities were acquired by such person in the ordinary course of his business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer nor in connection with or as a participant in any transaction having such purpose or effect.”

Notice in lieu of required statement.

SEC. 2. Paragraph (2) of subsection (e) of section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m(e)(2)) is amended by adding at the end thereof the following: “The Commission shall have power to make rules and regulations implementing this paragraph in the public interest and for the protection of investors, including exemptive rules and regulations covering situations in which the Commission deems it unnecessary or inappropriate that a purchase of the type described in this paragraph shall be deemed to be a purchase by the issuer for purposes of some or all of the provisions of paragraph (1) of this subsection.”

Rulemaking powers.

SEC. 3. The first sentence of paragraph (1) of subsection (d) of section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n(d)(1)) is amended—

(1) by inserting after “section 12 of this title,” the following: “or any equity security of an insurance company which would have been required to be so registered except for the exemption contained in section 12(g)(2)(G) of this title,”; and

(2) by striking out “10 per centum” and inserting in lieu thereof “5 per centum”.

78 Stat. 567.

SEC. 4. Paragraph 8 of subsection (d) of section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n(d)(8)) is amended by striking out clause (A) and redesignating clauses (B), (C), and (D) as clauses (A), (B), and (C), respectively.

SEC. 5. Subsection (e) of section 14 of the Securities Exchange Act (15 U.S.C. 78n(e)) is amended by adding the following sentence at the end thereof: “The Commission shall, for the purposes of this subsection, by rules and regulations define, and prescribe means reason-

ably designed to prevent, such acts and practices as are fraudulent, deceptive, or manipulative."

Exempted
securities.
Ante, pp. 718,
1434.

SEC. 6. (a) Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) is amended to read as follows:

"(2) Any security issued or guaranteed by the United States or any territory thereof, or by the District of Columbia, or by any State of the United States, or by any political subdivision of a State or territory, or by any public instrumentality of one or more States or territories, or by any person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit for any of the foregoing; or any security issued or guaranteed by any bank; or any security issued by or representing an interest in or a direct obligation of a Federal Reserve bank; or any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian; or any security which is an industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security; or any interest or participation in a single or collective trust fund maintained by a bank or in a separate account maintained by an insurance company which interest or participation is issued in connection with (A) a stock bonus, pension, or profit-sharing plan which meets the requirements for qualification under section 401 of the Internal Revenue Code of 1954, or (B) an annuity plan which meets the requirements for the deduction of the employer's contribution under section 404(a)(2) of such Code, other than any plan described in clause (A) or (B) of this paragraph (i) the contributions under which are held in a single trust fund maintained by a bank or in a separate account maintained by an insurance company for a single employer and under which an amount in excess of the employer's contribution is allocated to the purchase of securities (other than interests or participations in the trust or separate account itself) issued by the employer or by any company directly or indirectly controlling, controlled by or under common control with the employer or (ii) which covers employees some or all of whom are employees within the meaning of section 401(c)(1) of such Code. The Commission, by rules and regulations or order, shall exempt from the provisions of section 5 of this title any interest or participation issued in connection with a stock bonus, pension, profit-sharing, or annuity plan which covers employees some or all of whom are employees within the meaning of section 401(c)(1) of the Internal Revenue Code of 1954, if and to the extent that the Commission determines this to be necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title. For purposes of this paragraph, a security issued or guaranteed by a bank shall not include any interest or participation in any collective trust fund maintained by a bank; and the term 'bank' means any national bank, or any banking institution organized under the laws of any State, territory, or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official; except that in the case of a common trust fund or similar fund, or a collective

68A Stat. 29;
82 Stat. 266, 1349.
26 USC 103.

68A Stat. 134.
26 USC 401.
76 Stat. 1141.

76 Stat. 811.
48 Stat. 77;
68 Stat. 684.
15 USC 77e.

"Bank."

trust fund, the term 'bank' has the same meaning as in the Investment Company Act of 1940."

(b) Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c) (relating to exempted securities) is amended by inserting after "any municipal corporate instrumentality of one or more States;" in paragraph (12) the following: "or any security which is an industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security;"

(c) Section 304(a) of the Trust Indenture Act of 1939 (15 U.S.C. 77ddd) (relating to exempted securities) is amended by reclassifying the present text of paragraph (4) thereof as paragraph (4)(A), and by adding a new subparagraph (B) at the end of such paragraph (4), to read as follows:

"(B) any security exempted from the provisions of the Securities Act of 1933, as amended, by paragraph (2) of subsection 3(a) thereof, as amended by section 401 of the Employment Security Amendments of 1970."

(d) The amendments made by this section shall apply with respect to securities sold after January 1, 1970.

Approved December 22, 1970.

54 Stat. 791.
15 USC 80a-2.

Ante, pp. 718,
1435.

82 Stat. 266,
1349.
26 USC 103.

53 Stat. 1153.

Ante, p. 1498.

Ante, p. 718.
Effective date.

Public Law 91-568

AN ACT

To amend the peanut marketing quota provisions to make permanent certain provisions thereunder.

December 22, 1970
[H. R. 17582]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 358a of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

Peanut acreage
allotments.
81 Stat. 658;
83 Stat. 213.
7 USC 1358a.

(1) Subsection (a) thereof is amended by deleting "1969, and 1970" and inserting in lieu thereof "and succeeding".

Approved December 22, 1970.

Public Law 91-569

AN ACT

To amend the Interstate Commerce Act and the Federal Aviation Act of 1958 in order to exempt certain compensation of employees from withholding for income tax purposes under the laws of States or subdivisions thereof other than the State or subdivision of residence or the State or subdivision wherein more than 50 per centum of compensation is earned, and for other purposes.

December 23, 1970
[H. R. 10634]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of the Interstate Commerce Act is amended by redesignating section 26 as section 27 and by inserting before such section a new section as follows:

Interstate trans-
portation employ-
ees.
State income tax
withholding, cer-
tain wage exemp-
tions.
54 Stat. 919.
49 USC 27.