

286.3-272 Investment of fiduciary assets in company or trust associated with investing institution -- Fee.

- (1) Notwithstanding any other law, a bank empowered to act as a fiduciary or a trust company, to the extent that it exercises investment discretion as a fiduciary, custodian, managing agent, or otherwise with respect to the investment and reinvestment of assets that it holds in a fiduciary capacity, may invest and reinvest the fiduciary assets in an investment company or investment trust established, owned, or controlled by the bank or trust company or an affiliate of the bank or trust company.
- (2) The fact that the bank or trust company, or any affiliate of the bank or trust company, is providing services to the investment company or trust as investment advisor, sponsor, distributor, custodian, transfer agent, registrar, or otherwise, and receiving reasonable remuneration for the services, does not preclude the bank or trust company from investing in the investment company or trust.
- (3) The bank or trust company making an investment of fiduciary assets in the investment company or investment trust may charge a reasonable fee for investment advisory, brokerage, transfer agency, register, management, or other similar services provided to the investment company. The fee may be in addition to the compensation which the bank or trust company is otherwise entitled to receive from the fiduciary account provided that the fee is disclosed at least annually, by prospectus, account statement, or any other written means to all persons entitled to receive statements of account activity.
- (4) As used in subsection (1) of this section, "affiliate of the bank or trust company" means any bank, trust, or other entity that controls, is controlled by, or is under common control with the bank, trust company, or other entity.

Effective: July 15, 1996

History: Created 1996 Ky. Acts ch. 338, sec. 4, effective July 15, 1996.

Formerly codified as KRS 287.272.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.