

which the Commission may, by rule, prescribe, that it intends in good faith to file, within 90 days, a notification of election to become subject to the provisions of sections 80a-54 through 80a-64 of this title,

shall be exempt from sections 80a-1 through 80a-52 of this title, except to the extent provided in sections 80a-58 through 80a-64 of this title.

(Aug. 22, 1940, ch. 686, title I, §6, 54 Stat. 800; Proc. No. 2695, eff. July 4, 1946, 11 F.R. 7517, 60 Stat. 1352; Pub. L. 86-70, §12(e), June 25, 1959, 73 Stat. 143; Pub. L. 86-624, §7(c), July 12, 1960, 74 Stat. 412; Pub. L. 95-598, title III, §310(b), Nov. 6, 1978, 92 Stat. 2676; Pub. L. 96-477, title I, §103, Oct. 21, 1980, 94 Stat. 2277; Pub. L. 100-181, title VI, §608, Dec. 4, 1987, 101 Stat. 1261; Pub. L. 104-290, title V, §§501, 502, Oct. 11, 1996, 110 Stat. 3444, 3445; Pub. L. 111-203, title IX, §939(c), July 21, 2010, 124 Stat. 1886.)

AMENDMENT OF SUBSECTION (a)(5)(A)(iv)(I)

Pub. L. 111-203, title IX, §939(c), (g), July 21, 2010, 124 Stat. 1886, 1887, provided that, effective 2 years after July 21, 2010, subsection (a)(5)(A)(iv)(I) of this section is amended by striking "is rated investment grade by not less than 1 nationally recognized statistical rating organization" and inserting "meets such standards of credit-worthiness as the Commission shall adopt".

REFERENCES IN TEXT

For the effective date of this subchapter, referred to in subsec. (a)(2), see section 80a-52 of this title.

Section 1724 of title 12, referred to in subsec. (a)(3), was repealed by Pub. L. 101-73, title IV, §407, Aug. 9, 1989, 103 Stat. 363.

CODIFICATION

Words "Philippine Islands" deleted from subsec. (a)(1) after "Puerto Rico" under the authority of Proc. No. 2695, granting independence to the Philippine Islands, which was issued pursuant to section 1394 of Title 22, Foreign Relations and Intercourse, and is set out as a note under that section.

AMENDMENTS

1996—Subsec. (a)(5). Pub. L. 104-290, §501, added par. (5).

Subsec. (d)(1). Pub. L. 104-290, §502, substituted "\$10,000,000, or such other amount as the Commission may set by rule, regulation, or order" for "\$100,000".

1987—Subsec. (a)(1). Pub. L. 100-181, §608(1), struck out reference to Canal Zone.

Subsec. (a)(2) to (5). Pub. L. 100-181, §608(2), redesignated former pars. (3) to (5) as (2) to (4), and struck out former par. (2) which read as follows: "Any company for which, in a proceeding in any court of the United States or of a State, a receiver, trustee in a case under title 11, or similar officer had been appointed or elected prior to the effective date of this subchapter, and every such officer so appointed or elected prior to the effective date of this subchapter; but such exemption shall continue only so long as (A) the conduct of such company's business remains subject to the supervision of such court or officer thereof, and (B) such company does not sell exclusively for cash any security of which it is the issuer, except short-term paper and ordinary receiver's or trustee's certificates."

1980—Subsec. (f). Pub. L. 96-477 added subsec. (f).

1978—Subsec. (a)(2). Pub. L. 95-598 substituted "a case under title 11" for "bankruptcy".

1960—Subsec. (a)(1). Pub. L. 86-624 struck out reference to Hawaii.

1959—Subsec. (a)(1). Pub. L. 86-70 struck out reference to Alaska.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective 2 years after July 21, 2010, see section 939(g) of Pub. L. 111-203, set out as a note under section 24a of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-598 effective Oct. 1, 1979, see section 402(a) of Pub. L. 95-598, set out as an Effective Date note preceding section 101 of Title 11, Bankruptcy.

TRANSFER OF FUNCTIONS

Federal Savings and Loan Insurance Corporation abolished and functions transferred, see sections 401 to 406 of Pub. L. 101-73, set out as a note under section 1437 of Title 12, Banks and Banking.

For transfer of functions of Securities and Exchange Commission, with certain exceptions, to Chairman of such Commission, see Reorg. Plan No. 10 of 1950, §§1, 2, eff. May 24, 1950, 15 F.R. 3175, 64 Stat. 1265, set out under section 78d of this title.

INVESTMENT COMPANY PROVISIONS INAPPLICABLE TO CERTAIN LIFE INSURANCE BENEFITS ISSUED PRIOR TO MARCH 23, 1959

Subchapter inapplicable to certain life insurance benefits issued prior to Mar. 23, 1959, under certain conditions, see section 29 of Pub. L. 91-547, Dec. 14, 1970, 84 Stat. 1436, set out as a note under section 77c of this title.

§ 80a-7. Transactions by unregistered investment companies

(a) Prohibition of transactions in interstate commerce by companies

No investment company organized or otherwise created under the laws of the United States or of a State and having a board of directors, unless registered under section 80a-8 of this title, shall directly or indirectly—

(1) offer for sale, sell, or deliver after sale, by the use of the mails or any means or instrumentality of interstate commerce, any security or any interest in a security, whether the issuer of such security is such investment company or another person; or offer for sale, sell, or deliver after sale any such security or interest, having reason to believe that such security or interest will be made the subject of a public offering by use of the mails or any means or instrumentality of interstate commerce;

(2) purchase, redeem, retire, or otherwise acquire or attempt to acquire, by use of the mails or any means or instrumentality of interstate commerce, any security or any interest in a security, whether the issuer of such security is such investment company or another person;

(3) control any investment company which does any of the acts enumerated in paragraphs (1) and (2) of this subsection;

(4) engage in any business in interstate commerce; or

(5) control any company which is engaged in any business in interstate commerce.

The provisions of this subsection shall not apply to transactions of an investment company which are merely incidental to its dissolution.

(b) Prohibition of transactions in interstate commerce by depositors or trustees of companies

No depositor or trustee of or underwriter for any investment company, organized or otherwise created under the laws of the United States or of a State and not having a board of directors, unless such company is registered under section 80a-8 of this title or exempt under section 80a-6 of this title, shall directly or indirectly—

(1) offer for sale, sell, or deliver after sale, by use of the mails or any means or instrumentality of interstate commerce, any security or any interest in a security of which such company is the issuer; or offer for sale, sell, or deliver after sale any such security or interest, having reason to believe that such security or interest will be made the subject of a public offering by use of the mails or any means or instrumentality of interstate commerce;

(2) purchase, redeem, or otherwise acquire or attempt to acquire, by use of the mails or any means or instrumentality of interstate commerce, any security or any interest in a security of which such company is the issuer; or

(3) sell or purchase for the account of such company, by use of the mails or any means or instrumentality of interstate commerce, any security or interest in a security, by whom-ever issued.

The provisions of this subsection shall not apply to transactions which are merely incidental to the dissolution of an investment company.

(c) Prohibition of transactions in interstate commerce by promoters of proposed investment companies

No promoter of a proposed investment company, and no underwriter for such a promoter, shall make use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to offer for sale, sell, or deliver after sale, in connection with a public offering, any preorganization certificate or subscription for such a company.

(d) Prohibition of transactions in interstate commerce by companies not organized under laws of the United States or a State; exceptions

No investment company, unless organized or otherwise created under the laws of the United States or of a State, and no depositor or trustee of or underwriter for such a company not so organized or created, shall make use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to offer for sale, sell, or deliver after sale, in connection with a public offering, any security of which such company is the issuer. Notwithstanding the provisions of this subsection and of section 80a-8(a) of this title, the Commission is authorized, upon application by an investment company organized or otherwise created under the laws of a foreign country, to issue a conditional or unconditional order permitting such company to register under this subchapter, and to make a public offering of its securities by use of the mails and means or instrumentalities of interstate commerce, if the Commission finds that, by reason of special circumstances or arrangements, it is both legally and practically feasible

effectively to enforce the provisions of this subchapter against such company and that the issuance of such order is otherwise consistent with the public interest and the protection of investors.

(e) Disclosure by exempt charitable organizations

Each fund that is excluded from the definition of an investment company under section 80a-3(c)(10)(B) of this title shall provide, to each donor to such fund, at the time of the donation or within 90 days after December 8, 1995, whichever is later, written information describing the material terms of the operation of such fund.

(Aug. 22, 1940, ch. 686, title I, § 7, 54 Stat. 802; Pub. L. 104-62, § 2(b), Dec. 8, 1995, 109 Stat. 683.)

AMENDMENTS

1995—Subsec. (e). Pub. L. 104-62 added subsec. (e).

EFFECTIVE DATE OF 1995 AMENDMENT

Amendment by Pub. L. 104-62 applicable as defense to any claim in administrative and judicial actions pending on or commenced after Dec. 8, 1995, that any person, security, interest, or participation of type described in Pub. L. 104-62 is subject to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisers Act of 1940, or any State statute or regulation preempted as provided in section 80a-3a of this title, except as specifically provided in such statutes, see section 7 of Pub. L. 104-62, set out as a note under section 77c of this title.

TRANSFER OF FUNCTIONS

For transfer of functions of Securities and Exchange Commission, with certain exceptions, to Chairman of such Commission, see Reorg. Plan No. 10 of 1950, §§ 1, 2, eff. May 24, 1950, 15 F.R. 3175, 64 Stat. 1265, set out under section 78d of this title.

§ 80a-8. Registration of investment companies

(a) Notification of registration; effective date of registration

Any investment company organized or otherwise created under the laws of the United States or of a State may register for the purposes of this subchapter by filing with the Commission a notification of registration, in such form as the Commission shall by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors. An investment company shall be deemed to be registered upon receipt by the Commission of such notification of registration.

(b) Registration statement; contents

Every registered investment company shall file with the Commission, within such reasonable time after registration as the Commission shall fix by rules and regulations, an original and such copies of a registration statement, in such form and containing such of the following information and documents as the Commission shall by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors:

(1) a recital of the policy of the registrant in respect of each of the following types of activities, such recital consisting in each case of a statement whether the registrant reserves freedom of action to engage in activities of