

subsection” and struck out “clause (1) or (2) of” before “section 80a-11(b) of this title”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-547 effective Dec. 14, 1970, see section 30 of Pub. L. 91-547, set out as a note under section 80a-52 of this title.

Executive Documents

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-23. Closed-end companies

(a) Issuance of securities

No registered closed-end company shall issue any of its securities (1) for services; or (2) for property other than cash or securities (including securities of which such registered company is the issuer), except as a dividend or distribution to its security holders or in connection with a reorganization.

(b) Sale of common stock at price below current net asset value

No registered closed-end company shall sell any common stock of which it is the issuer at a price below the current net asset value of such stock, exclusive of any distributing commission or discount (which net asset value shall be determined as of a time within forty-eight hours, excluding Sundays and holidays, next preceding the time of such determination), except (1) in connection with an offering to the holders of one or more classes of its capital stock; (2) with the consent of a majority of its common stockholders; (3) upon conversion of a convertible security in accordance with its terms; (4) upon the exercise of any warrant outstanding on August 22, 1940, or issued in accordance with the provisions of section 80a-18(d) of this title; or (5) under such other circumstances as the Commission may permit by rules and regulations or orders for the protection of investors.

(c) Purchase of securities of which it is issuer; exceptions

No registered closed-end company shall purchase any securities of any class of which it is the issuer except—

(1) on a securities exchange or such other open market as the Commission may designate by rules and regulations or orders: *Provided*, That if such securities are stock, such registered company shall, within the preceding six months, have informed stockholders of its intention to purchase stock of such class by letter or report addressed to stockholders of such class; or

(2) pursuant to tenders, after reasonable opportunity to submit tenders given to all holders of securities of the class to be purchased; or

(3) under such other circumstances as the Commission may permit by rules and regulations or orders for the protection of investors

in order to insure that such purchases are made in a manner or on a basis which does not unfairly discriminate against any holders of the class or classes of securities to be purchased.

(Aug. 22, 1940, ch. 686, title I, §23, 54 Stat. 825.)

Statutory Notes and Related Subsidiaries

PARITY FOR CLOSED-END COMPANIES REGARDING OFFERING AND PROXY RULES

Pub. L. 115-174, title V, §509, May 24, 2018, 132 Stat. 1364, provided that:

“(a) REVISION TO RULES.—Not later than the end of the 1-year period beginning on the date of enactment of this Act [May 24, 2018], the Securities and Exchange Commission shall propose and, not later than 2 years after the date of enactment of this Act, the Securities and Exchange Commission shall finalize any rules, as appropriate, to allow any closed-end company, as defined in section 5(a)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a-5), that is registered as an investment company under such Act [15 U.S.C. 80a-1 et seq.], and is listed on a national securities exchange or that makes periodic repurchase offers pursuant to section 270.23c-3 of title 17, Code of Federal Regulations, to use the securities offering and proxy rules, subject to conditions the Commission determines appropriate, that are available to other issuers that are required to file reports under section 13 or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m; 78o(d)). Any action that the Commission takes pursuant to this subsection shall consider the availability of information to investors, including what disclosures constitute adequate information to be designated as a ‘well-known seasoned issuer’.

“(b) TREATMENT IF REVISIONS NOT COMPLETED IN A TIMELY MANNER.—If the Commission fails to complete the revisions required by subsection (a) by the time required by such subsection, any registered closed-end company that is listed on a national securities exchange or that makes periodic repurchase offers pursuant to section 270.23c-3 of title 17, Code of Federal Regulations, shall be deemed to be an eligible issuer under the final rule of the Commission titled ‘Securities Offering Reform’ (70 Fed. Reg. 44722; published August 3, 2005).

“(c) RULES OF CONSTRUCTION.—

“(1) NO EFFECT ON RULE 482.—Nothing in this section or the amendments made by this section shall be construed to impair or limit in any way a registered closed-end company from using section 230.482 of title 17, Code of Federal Regulations, to distribute sales material.

“(2) REFERENCES.—Any reference in this section to a section of title 17, Code of Federal Regulations, or to any form or schedule means such rule, section, form, or schedule, or any successor to any such rule, section, form, or schedule.”

[For definition of “company” as used in section 509 of Pub. L. 115-174, set out above, see section 2 of Pub. L. 115-174, set out as a Definitions note under section 5365 of Title 12, Banks and Banking.]

Executive Documents

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-24. Registration of securities under Securities Act of 1933

(a) Registration statement; contents

In registering under the Securities Act of 1933 [15 U.S.C. 77a et seq.], any security of which it