

ing such terms, in par. (2) heading substituted “Commission” for “Financial responsibility rules”, and in text substituted provisions defining such terms, in par. (3) heading substituted “Customer” for “Examining authority”, and in text substituted provisions defining such terms, and added pars. (4) to (15).

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as an Effective Date note under section 5301 of Title 12, Banks and Banking.

##### EFFECTIVE DATE OF 1978 AMENDMENT

Amendment of section 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.

### CHAPTER 2C—PUBLIC UTILITY HOLDING COMPANIES

#### §§ 79 to 79z-6. Repealed. Pub. L. 109-58, title XII, § 1263, Aug. 8, 2005, 119 Stat. 974

Section 79, acts Aug. 26, 1935, ch. 687, title I, §36, formerly §33, 49 Stat. 838; renumbered §35, Pub. L. 102-486, title VII, §711, Oct. 24, 1992, 106 Stat. 2905; renumbered §36, Pub. L. 104-104, title I, §103, Feb. 8, 1996, 110 Stat. 81, provided that this chapter could be cited as the “Public Utility Holding Company Act of 1935”.

Section 79a, act Aug. 26, 1935, ch. 687, title I, §1, 49 Stat. 803, related to necessity for control of holding companies and set forth policy of chapter.

Section 79b, act Aug. 26, 1935, ch. 687, title I, §2, 49 Stat. 804, defined terms.

Section 79c, act Aug. 26, 1935, ch. 687, title I, §3, 49 Stat. 810, related to exemption of holding companies from provisions of chapter.

Section 79d, act Aug. 26, 1935, ch. 687, title I, §4, 49 Stat. 812, related to transactions by unregistered holding companies.

Section 79e, act Aug. 26, 1935, ch. 687, title I, §5, 49 Stat. 812, related to registration of holding companies.

Section 79f, act Aug. 26, 1935, ch. 687, title I, §6, 49 Stat. 814, related to unlawful transactions by registered companies.

Section 79g, act Aug. 26, 1935, ch. 687, title I, §7, 49 Stat. 815, related to declarations by registered companies in respect to security transactions.

Section 79h, acts Aug. 26, 1935, ch. 687, title I, §8, 49 Stat. 817; Pub. L. 100-181, title IV, §401, Dec. 4, 1987, 101 Stat. 1259, related to acquisition of interest in electric and gas companies serving the same territory.

Section 79i, act Aug. 26, 1935, ch. 687, title I, §9, 49 Stat. 817, prohibited acquisition of securities and utility assets and other interests prior to approval.

Section 79j, act Aug. 26, 1935, ch. 687, title I, §10, 49 Stat. 818, related to approval of acquisition of securities and utility assets and other interests.

Section 79k, acts Aug. 26, 1935, ch. 687, title I, §11, 49 Stat. 820; Pub. L. 95-598, title III, §309, Nov. 6, 1978, 92 Stat. 2676, related to simplification of holding company systems.

Section 79l, act Aug. 26, 1935, ch. 687, title I, §12, 49 Stat. 823, related to intercompany and other transactions relating to registered companies.

Section 79m, act Aug. 26, 1935, ch. 687, title I, §13, 49 Stat. 825, related to service, sales, and construction contracts.

Section 79n, act Aug. 26, 1935, ch. 687, title I, §14, 49 Stat. 827, related to periodic and other reports.

Section 79o, act Aug. 26, 1935, ch. 687, title I, §15, 49 Stat. 828, related to keeping of accounts and records.

Section 79p, act Aug. 26, 1935, ch. 687, title I, §16, 49 Stat. 829, related to penalty for misleading statements and rights and remedies in addition to those under other laws.

Section 79q, act Aug. 26, 1935, ch. 687, title I, §17, 49 Stat. 830, related to officers and directors of registered holding companies.

Section 79r, acts Aug. 26, 1935, ch. 687, title I, §18, 49 Stat. 831; June 25, 1936, ch. 804, 49 Stat. 1921; June 25, 1948, ch. 646, §32(b), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107; Pub. L. 91-452, title II, §214, Oct. 15, 1970, 84 Stat. 929; Pub. L. 100-181, title IV, §402, Dec. 4, 1987, 101 Stat. 1259, related to investigations, injunctions, and enforcement of law.

Section 79s, act Aug. 26, 1935, ch. 687, title I, §19, 49 Stat. 832, related to hearings before Securities and Exchange Commission.

Section 79t, act Aug. 26, 1935, ch. 687, title I, §20, 49 Stat. 833, related to rules, regulations, and orders to carry out provisions of chapter.

Section 79u, act Aug. 26, 1935, ch. 687, title I, §21, 49 Stat. 834, related to effect of chapter on other laws.

Section 79v, act Aug. 26, 1935, ch. 687, title I, §22, 49 Stat. 834, related to public disclosure of information filed with Securities and Exchange Commission.

Section 79w, act Aug. 26, 1935, ch. 687, title I, §23, 49 Stat. 834, related to annual report to Congress by Securities and Exchange Commission.

Section 79x, acts Aug. 26, 1935, ch. 687, title I, §24, 49 Stat. 834; June 25, 1948, ch. 646, §32(a), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107; Pub. L. 85-791, §15, Aug. 28, 1958, 72 Stat. 946; Pub. L. 100-181, title IV, §403, Dec. 4, 1987, 101 Stat. 1259, related to judicial review of orders.

Section 79y, acts Aug. 26, 1935, ch. 687, title I, §25, 49 Stat. 835; June 25, 1936, ch. 804, 49 Stat. 1921; June 25, 1948, ch. 646, §32(b), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107; Pub. L. 100-181, title IV, §404, Dec. 4, 1987, 101 Stat. 1260, related to court jurisdiction of violations of chapter.

Section 79z, act Aug. 26, 1935, ch. 687, title I, §26, 49 Stat. 835, related to validity of contracts.

Section 79z-1, act Aug. 26, 1935, ch. 687, title I, §27, 49 Stat. 836, related to liability of controlling persons for unlawful acts or prevention of compliance.

Section 79z-2, act Aug. 26, 1935, ch. 687, title I, §28, 49 Stat. 836, related to representation of guaranty or recommendation by United States.

Section 79z-3, acts Aug. 26, 1935, ch. 687, title I, §29, 49 Stat. 836; Pub. L. 94-29, §27(c), June 4, 1975, 89 Stat. 163, related to penalties for violations of provisions, false statements, or destruction of records.

Section 79z-4, acts Aug. 26, 1935, ch. 687, title I, §30, 49 Stat. 837; Pub. L. 100-181, title IV, §405, Dec. 4, 1987, 101 Stat. 1260, related to studies and investigations of public utility companies.

Section 79z-5, acts Aug. 26, 1935, ch. 687, title I, §31, 49 Stat. 837; Oct. 28, 1949, ch. 782, title XI, §1106(a), 63 Stat. 972; Pub. L. 101-550, title I, §104(a), Nov. 15, 1990, 104 Stat. 2713, related to hiring and leasing authority of Securities and Exchange Commission.

Section 79z-5a, act Aug. 26, 1935, ch. 687, title I, §32, as added Pub. L. 102-486, title VII, §711, Oct. 24, 1992, 106 Stat. 2905, related to exempt wholesale generators of electrical energy.

Section 79z-5b, act Aug. 26, 1935, ch. 687, title I, §33, as added Pub. L. 102-486, title VII, §715, Oct. 24, 1992, 106 Stat. 2912, related to treatment of foreign utilities.

Section 79z-5c, act Aug. 26, 1935, ch. 687, title I, §34, as added Pub. L. 104-104, title I, §103, Feb. 8, 1996, 110 Stat. 81, related to exempt telecommunications companies.

Section 79z-6, acts Aug. 26, 1935, ch. 687, title I, §35, formerly §32, 49 Stat. 837; renumbered §34, Pub. L. 102-486, title VII, §711, Oct. 24, 1992, 106 Stat. 2905; renumbered §35, Pub. L. 104-104, title I, §103, Feb. 8, 1996, 110 Stat. 81, set forth separability clause.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF REPEAL

Repeal effective 6 months after Aug. 8, 2005, with provisions relating to effect of compliance with certain

regulations approved and made effective prior to such date, see section 1274 of Pub. L. 109-58, set out as an Effective Date note under section 16451 of Title 42, The Public Health and Welfare.

## CHAPTER 2D—INVESTMENT COMPANIES AND ADVISERS

### SUBCHAPTER I—INVESTMENT COMPANIES

Sec.	
80a-1.	Findings and declaration of policy.
80a-2.	Definitions; applicability; rulemaking considerations.
80a-3.	Definition of investment company.
80a-3a.	Protection of philanthropy under State law.
80a-4.	Classification of investment companies.
80a-5.	Subclassification of management companies.
80a-6.	Exemptions.
80a-7.	Transactions by unregistered investment companies.
80a-8.	Registration of investment companies.
80a-9.	Ineligibility of certain affiliated persons and underwriters.
80a-10.	Affiliations or interest of directors, officers, and employees.
80a-11.	Offers to exchange securities.
80a-12.	Functions and activities of investment companies.
80a-13.	Changes in investment policy.
80a-14.	Size of investment companies.
80a-15.	Contracts of advisers and underwriters.
80a-16.	Board of directors.
80a-17.	Transactions of certain affiliated persons and underwriters.
80a-18.	Capital structure of investment companies.
80a-19.	Payments or distributions.
80a-20.	Proxies; voting trusts; circular ownership.
80a-21.	Loans by management companies.
80a-22.	Distribution, redemption, and repurchase of securities; regulations by securities associations.
80a-23.	Closed-end companies.
80a-24.	Registration of securities under Securities Act of 1933.
80a-25.	Reorganization plans; reports by Commission.
80a-26.	Unit investment trusts.
80a-27.	Periodic payment plans.
80a-28.	Face-amount certificate companies.
80a-29.	Reports and financial statements of investment companies and affiliated persons.
80a-30.	Accounts and records.
80a-31.	Accountants and auditors.
80a-32.	Filing of documents with Commission in civil actions.
80a-33.	Destruction and falsification of reports and records.
80a-34.	Unlawful representations and names.
80a-35.	Breach of fiduciary duty.
80a-36.	Larceny and embezzlement.
80a-37.	Rules, regulations, and orders.
80a-38.	Procedure for issuance of rules and regulations.
80a-39.	Procedure for issuance of orders.
80a-40.	Hearings by Commission.
80a-41.	Enforcement of subchapter.
80a-42.	Court review of orders.
80a-43.	Jurisdiction of offenses and suits.
80a-44.	Disclosure of information filed with Commission; copies.
80a-45.	Reports by Commission; hiring and leasing authority.
80a-46.	Validity of contracts.
80a-47.	Liability of controlling persons; preventing compliance with subchapter.
80a-48.	Penalties.
80a-49.	Construction with other laws.
80a-50.	Separability.
80a-51.	Short title.
80a-52.	Effective date.

Sec.	
80a-53.	Election to be regulated as business development company.
80a-54.	Acquisition of assets by business development companies.
80a-55.	Qualifications of directors.
80a-56.	Transactions with certain affiliates.
80a-57.	Changes in investment policy.
80a-58.	Incorporation of subchapter provisions.
80a-59.	Functions and activities of business development companies.
80a-60.	Capital structure.
80a-61.	Loans.
80a-62.	Distribution and repurchase of securities.
80a-63.	Accounts and records.
80a-64.	Preventing compliance with subchapter; liability of controlling persons.

### SUBCHAPTER II—INVESTMENT ADVISERS

80b-1.	Findings.
80b-2.	Definitions.
80b-3.	Registration of investment advisers.
80b-3a.	State and Federal responsibilities.
80b-4.	Reports by investment advisers.
80b-4a.	Prevention of misuse of nonpublic information.
80b-5.	Investment advisory contracts.
80b-6.	Prohibited transactions by investment advisers.
80b-6a.	Exemptions.
80b-7.	Material misstatements.
80b-8.	General prohibitions.
80b-9.	Enforcement of subchapter.
80b-10.	Disclosure of information by Commission.
80b-10a.	Consultation.
80b-11.	Rules, regulations, and orders of Commission.
80b-12.	Hearings.
80b-13.	Court review of orders.
80b-14.	Jurisdiction of offenses and suits.
80b-15.	Validity of contracts.
80b-16.	Omitted.
80b-17.	Penalties.
80b-18.	Hiring and leasing authority of Commission.
80b-18a.	State regulation of investment advisers.
80b-18b.	Custody of client accounts.
80b-18c.	Rule of construction relating to the Commodities Exchange Act.
80b-19.	Separability.
80b-20.	Short title.
80b-21.	Effective date.

### SUBCHAPTER I—INVESTMENT COMPANIES

#### § 80a-1. Findings and declaration of policy

##### (a) Findings

Upon the basis of facts disclosed by the record and reports of the Securities and Exchange Commission made pursuant to section 79z-4<sup>1</sup> of this title, and facts otherwise disclosed and ascertained, it is found that investment companies are affected with a national public interest in that, among other things—

(1) the securities issued by such companies, which constitute a substantial part of all securities publicly offered, are distributed, purchased, paid for, exchanged, transferred, redeemed, and repurchased by use of the mails and means and instrumentalities of interstate commerce, and in the case of the numerous companies which issue redeemable securities this process of distribution and redemption is continuous;

(2) the principal activities of such companies—investing, reinvesting, and trading in se-

<sup>1</sup> See References in Text note below.