

**MEMO# 8667**

February 25, 1997

## **SUMMARY OF NON-1940 ACT INVESTMENT RESTRICTIONS**

February 25, 1997 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 4-97  
COMPLIANCE ADVISORY COMMITTEE No. 6-97 SEC RULES COMMITTEE No. 22-97 UNIT  
INVESTMENT TRUST COMMITTEE No. 12-97 RE: SUMMARY OF NON-1940 ACT INVESTMENT  
RESTRICTIONS

\_\_\_\_\_ At the  
suggestion of a member of the Institutes Compliance Advisory Committee, the Institute has prepared the attached summary of various federal and state laws and regulations that may restrict investments by registered investment companies in, for example, certain regulated industries. The provisions described in the Summary generally limit, prohibit, or require prior regulatory approval of, acquisitions of shares of particular types of issuers in excess of specified percentage amounts. The consequences of exceeding the specified amounts can include, for example, subjecting the acquiror to an additional regulatory scheme (e.g., the Bank Holding Company Act). The Summary is not comprehensive but rather highlights some areas in which it may be necessary or advisable to monitor the level of fund investments for compliance with applicable limits. As indicated in the preface to the Summary, we plan to update the Summary periodically, and we encourage members to comment on how it might be expanded or otherwise improved. If you have any comments or questions on the Summary, please call me at (202) 326-5822. Frances M. Stadler  
Associate Counsel Attachment (in .pdf format)

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