

such company, and every other registered investment company in the same investment company system, take such steps as are necessary or appropriate to effect an equitable redistribution of voting rights and privileges among the holders of the outstanding securities of such company or companies.

DIVIDENDS

SEC. 19. (a) It shall be unlawful for any registered investment company to declare or pay any dividend, or make any distribution in the nature of a dividend, wholly or partly from any source other than such company's aggregate undistributed net income from interest and dividends, unless—

(1) the payment of a dividend from such other source is either expressly permitted by the charter, certificate of incorporation, or other instrument pursuant to which such company is organized or such payment, not being prohibited by such instrument, has been approved by the vote of a majority of such company's outstanding voting securities; and

(2) the dividend check is accompanied by a written statement, in such form as the Commission may by rules and regulations prescribe, which (A) fully discloses the source or sources of such dividend, and (B) gives the recipient such reasonable opportunity to invest in securities of said company, without the payment of any sales load, such substantial portion of said dividend paid out of a source other than net income from interest and dividends, as the Commission shall prescribe by rules and regulations or order.

(b) It shall be unlawful for any registered management investment company to declare or pay a dividend on a security, unless immediately after such payment every class of the outstanding securities of such company senior to the security upon which such dividend is paid has the asset coverage hereinafter prescribed. For the purposes of this subsection, the "asset coverage" of a class of outstanding securities means the ratio which the value of the total assets of the issuer, as of the end of the period to which the dividend relates, less its liabilities not evidenced by securities, its liabilities evidenced by short-term paper and the total liquidation preferences of all outstanding securities senior to such class, bears to the total liquidation preferences of all outstanding securities of such class. The prescribed asset coverage for a class of senior securities other than evidences of indebtedness shall be 200 per centum; but the Commission, by rules and regulations or order for the protection of investors or to preserve the financial integrity of the company or companies concerned, may prescribe a higher asset coverage, in no event exceeding 300 per centum, or a lower asset coverage, in no event less than 150 per centum. The prescribed asset coverage for evidences of indebtedness shall be 300 per centum; but the Commission, by rules and regulations or order for the protection of investors or to preserve the financial integrity of the company or companies concerned, may prescribe a higher asset coverage, in no event exceeding 400 per centum, or a lower asset coverage, in no event less than 200 per centum.

(c) No provision of this section shall apply to a liquidating dividend declared or paid in connection with a plan of total or partial liquidation of the company concerned, which plan has been approved by the security holders of such company in accordance with State law.

PROXIES; VOTING TRUSTS; CIRCULAR OWNERSHIP

SEC. 20. (a) It shall be unlawful for any person to solicit or to permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, power of attorney, consent, or authorization regarding any security of a registered investment company in contravention of such rules and regulations or orders as the Commission may prescribe for the purpose of insuring to the persons solicited—

(1) a form of proxy, power of attorney, consent, or authorization which clearly presents the alternative choices available to such persons; and

(2) information sufficient to permit the exercise of an informed judgment in choosing between such alternatives.

(b) It shall be unlawful for any registered investment company or affiliated person thereof, any issuer of a voting trust certificate relating to any security of a registered investment company, or any underwriter of such a certificate, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to offer for sale, sell, or deliver after sale, in connection with a public offering, any such voting trust certificate.

(c) No registered investment company shall purchase or otherwise acquire any voting security if, to the knowledge of such registered company, cross-ownership or circular ownership exists, or after such acquisition will exist, between such registered company and the issuer of such security. Cross-ownership shall be deemed to exist between two companies when each of such companies beneficially owns more than 1 per centum of the outstanding voting securities of the other company. Circular ownership shall be deemed to exist between two companies if such companies are included within a group of three or more companies, each of which—

- (1) beneficially owns more than 1 per centum of the outstanding voting securities of one or more other companies of the group; and
- (2) has more than 1 per centum of its own outstanding voting securities beneficially owned by another company, or by each of two or more other companies, of the group.

(d) If on the effective date of this title cross-ownership or circular ownership exists between a registered investment company and any other company or companies, it shall be the duty of such registered company, within three years after such effective date, to eliminate such cross-ownership or circular ownership. If at any time after the effective date of this title cross-ownership or circular ownership between a registered investment company and any other company or companies comes into existence, it shall be the duty of such registered company within one year after it first knows of the existence of such cross-ownership or circular ownership, to eliminate the same.

LOANS

Sec. 21. (a) It shall be unlawful for any registered management investment company to lend money or property to any natural person, directly or indirectly.

(b) It shall be unlawful for any registered management investment company to lend money or property to any company, directly or indirectly, if—

- (1) the company receiving the loan is in control of or under common control with such registered company; or
- (2) the investment and management policies of such registered company, as recited in its registration statements and reports filed under this title, do not specifically authorize such a loan.

(c) It shall be unlawful for any registered management investment company to borrow money, directly or indirectly, except—

- (1) from a company which controls such registered company;
- (2) from a natural person who is an affiliated person of such company; or
- (3) from a bank or other person, for temporary purposes only and in an amount not exceeding 5 per centum of the value of such registered company's total assets.

A loan shall be presumed to be for temporary purposes if it is repaid within sixty days and is not renewed or extended; otherwise it shall be presumed not to be for temporary purposes. Any such presumption may be rebutted by evidence. The provisions of this subsection shall not apply to the extension or renewal until not later than July 1, 1945, of any loan made prior to March 1, 1940.

DISTRIBUTION, REDEMPTION, AND REPURCHASE OF REDEEMABLE SECURITIES

Sec. 22. (a) No registered investment company or principal underwriter therefor shall sell, redeem, or repurchase any redeemable security of which such a company is the issuer, except at a price bearing such relation to the current asset value of such security, computed as of such time, as the Commission shall prescribe by rules and regulations or orders, for the purpose of eliminating or reducing to a practical minimum any dilution of or accretion to the current asset value of any other securities of such company as a consequence of such sale, redemption, or repurchase.

(b) No underwriter or dealer, in connection with a primary distribution of redeemable securities of which any registered investment company is the issuer, shall purchase any such security from the issuer or from any underwriter except at the price at which he sells such security, less a commission or spread allowed him by the person selling to him.

(c) If at any time the Commission has reason to believe that any redeemable security is being offered for sale or sold to the public by the issuer or any underwriter at a price which includes an unconscionable or grossly excessive sales load,

the Commission shall cause to be served upon the issuer (or if the issuer is a unit investment trust, upon its depositor), and upon every principal underwriter for the issuer, a notice to appear and show cause why such sales load should not be prohibited. If, after hearing the evidence, the Commission finds that the issuer or any principal underwriter therefor is selling such securities to the public at a price including an unconscionable or grossly excessive sales load, the Commission shall order such company, underwriter, or underwriters, as the case may be, to cease and desist from selling at such price. In determining whether a sales load is unconscionable or grossly excessive, due weight shall be given to the incidents, denominations, and selling price of the securities involved, to the organization, investment policy, past and prospective earnings, management expenses, and management and sales methods of the issuer, its managers, depositors, underwriters, and dealers and its and their competitors, and to such other factors as are relevant in the particular proceeding.

(d) The Commission is authorized, by rules and regulations or order in the public interest or for the protection of investors, to prohibit---

- (1) the suspension, in whole or in part, of the redemption privileges of any redeemable security of which any registered investment company is the issuer; and
- (2) restrictions upon the transferability or negotiability of any redeemable security of which any registered investment company is the issuer.

DISTRIBUTION AND REPURCHASE OF SECURITIES: CLOSED-END MANAGEMENT
INVESTMENT COMPANIES

SEC. 23. (a) No registered closed-end management investment company shall issue any security, or sell any security of which it is the issuer, in contravention of such rules and regulations or orders as the Commission may prescribe in the public interest or for the protection of investors to prevent or limit such issuance or sale at a price below the current asset value of the security.

(b) No registered closed-end management investment company shall purchase, call, or retire any securities of which it is the issuer in contravention of such rules and regulations or orders as the Commission may prescribe in the public interest or for the protection of investors to prevent such purchase, call, or retirement in a manner or on a basis which unfairly discriminates against any security holders or any class of the security holders of such registered company.

REGISTRATION OF SECURITIES UNDER SECURITIES ACT OF 1933

SEC. 24. (a) No registered investment company or principal underwriter therefor 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 (other than short-term paper), unless such security is effectively registered under the Securities Act of 1933, any exemptive provision of said Act to the contrary notwithstanding.

(b) In registering under the Securities Act of 1933 any security of which it is the issuer, a registered investment company, in lieu of furnishing a registration statement containing the information and documents specified in Schedule A of said Act, may file a registration statement containing the following information and documents:

(1) such copies of the registration statement filed by such company under this title, and of such periodic and special reports filed by such company pursuant to section 30 (a) of this title, or such copies of portions of such registration statement and reports, as the Commission shall designate by rules and regulations or order; and

(2) such additional information and documents (including a prospectus) as the Commission shall prescribe by rules and regulations or order as necessary or appropriate in the public interest or for the protection of investors.

(c) It shall be unlawful for any of the following companies, or for any underwriter for such a company, to employ, in the sale of any security registered under the Securities Act of 1933 of which such company is the issuer, any pamphlet, circular, form letter, or other sales literature, unless such literature has been filed with the registration statement of said security under said Act, as an accompanying document or as an amendment of such registration statement:

- (1) any registered open-end management investment company;
- (2) any registered unit investment trust;
- (3) the issuer of any periodic-payment-plan certificate; or
- (4) any registered face-amount certificate company.

(d) In addition to the powers relative to prospectuses granted the Commission by section 10 of the Securities Act of 1933, the Commission is authorized and directed to require, by rules and regulations or order, that the information contained in any prospectus relating to a security registered under the Securities Act of 1933 on or after the effective date of this title, of which any of the companies enumerated in subsection (c) is the issuer, shall be presented in such form and order of items, and contain such summaries of any portion of such information, as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

PLANS OF REORGANIZATION AND DISSOLUTION AND OFFERS OF EXCHANGE

SEC. 25. (a) Except in accordance with a declaration filed under subsection (c) and an order of the Commission permitting such declaration to become effective, it shall be unlawful—

- (1) for any person to solicit or permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, consent, authorization, power of attorney, ratification, deposit, or dissent in respect of any plan of reorganization, or of voluntary dissolution or liquidation, or any plan for the restatement of the capital, of a registered investment company;
- (2) for any person, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, to issue, offer for sale, sell, or deliver after sale, pursuant to any such plan, any security or other property;
- (3) for any person to submit any such plan to any court of the United States for approval; or
- (4) for any court of the United States to approve any such plan.

Provided, That the provisions of this subsection shall not apply to a plan of voluntary dissolution or liquidation of a registered investment company more than 75 per centum of the value of whose assets consist of marketable securities, Government securities, and cash items.

(b) Except in accordance with a declaration filed under subsection (c) and an order of the Commission permitting such declaration to become effective, it shall be unlawful for any registered investment company or principal underwriter therefor to issue or sell for any consideration other than cash, any security (other than short-term paper) of which such company is the issuer.

(c) A declaration regarding any of the acts enumerated in subsections (a) and (b) shall be filed with the Commission in such form, and shall contain such information and documents, as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors. If the declaration relates to a reorganization or other plan in which the declarant has no bona fide interest, the Commission shall by order dismiss such declaration. Unless the declaration is so dismissed, or is withdrawn by the declarant, the Commission shall enter an order either permitting such declaration to become effective as filed or amended, or refusing to permit such declaration to become effective. Amendments to a declaration may be made upon such terms and conditions as the Commission may prescribe.

(d) An order under subsection (c) refusing to permit a declaration to become effective shall be entered by the Commission only if the Commission finds that the plan or offer of exchange to which the declaration relates—

- (1) is not fair and equitable to all persons and classes of persons affected thereby;
- (2) in the case of a plan of reorganization, is not feasible; or
- (3) is inconsistent with the purposes of this title.

(e) The Commission, by rules and regulations on its own motion, or by order on its own motion or upon application, shall conditionally or unconditionally exempt from any provision of this title or of section 5 of the Securities Act of 1933 any transaction or class of transactions provided for in a plan or offer of exchange for which a declaration is effective under this section, if the Commission finds that such exemption is consistent with the public interest and the interest of investors, that such transaction or transactions are necessary or appro-

priate to the effectuation of such plan or offer of exchange, and that such plan or offer of exchange will tend to effectuate the purposes of this title.

UNIT INVESTMENT TRUSTS

SEC. 26. (a) No principal underwriter for or depositor of a registered unit investment trust 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 any security of which such trust is the issuer (other than short-term paper), unless the trust indenture or other instrument pursuant to which such security is issued—

(1) designates a trustee or trustees, each of which is an institution incorporated and doing business under the laws of the United States or of a State, is authorized under such laws to exercise corporate trust powers, is subject to supervision or examination by Federal or State authority, and has a combined capital and surplus of such minimum amount as the Commission may specify by rules and regulations or order in the public interest or for the protection of investors:

(2) provides, in substance, (A) that during the life of the trust the trustee, if not otherwise remunerated, may charge against and collect from the income of the trust, and from the corpus thereof if no income is available, such fees for its services and such reimbursement for its expenses as are provided for in such instrument; (B) that no such charge or collection shall be made except for services theretofore performed or expenses theretofore incurred; (C) that no payment to the depositor or of a principal underwriter for such trust, or to any affiliated person or agent of such depositor or underwriter, shall be allowed the trustee as an expense; and (D) that the trustee shall have title to and possession of all securities and other property in which the funds of the trust are invested, all funds held for such investment, all equalization, redemption, and other special funds of the trust, and all income upon and accretions to such property and funds, and shall segregate and hold the same in trust (subject only to the charges and collections allowed under classes (A), (B), and (C)) until distribution thereof to the security holders of the trust; and

(3) provides, in substance, (A) that a record will be kept by the depositor or an agent of the depositor of the name and address of, and the shares issued by the trust and held by, every holder of any security issued pursuant to such instrument, insofar as such information is known to the depositor or agent; and (B) that whenever a security is deposited with the trustee in substitution for any security in which such security holder has an undivided interest, the depositor or the agent of the depositor will, within five days after such substitution, either deliver or mail to such security holder a notice of substitution, including an identification of the securities eliminated and the securities substituted, and a specification of the shares of such security holder affected by the substitution.

(b) It shall be unlawful for any trustee of a registered unit investment trust to resign, unless—

(1) the Commission, on application by such trustee, has by order consented to such resignation; or

(2) a successor trustee has been appointed by a court of competent jurisdiction.

(c) It shall be unlawful for any depositor of a registered unit investment trust voluntarily to resign as depositor, to make or attempt to make an assignment of any of his or its rights or duties with respect to such trust, to dissolve or to pay any liquidating dividend to its security holders, unless the Commission, upon application by such depositor, finds and by order declares that such action by the depositor will not substantially prejudice the interest of the security holders of such trust.

(d) Whenever the Commission has reason to believe that a unit investment trust is inactive and that its liquidation is necessary or appropriate in the public interest or for the protection of investors, the Commission may file a complaint seeking the liquidation of such trust in the district court of the United States in any district wherein any trustee of such trust resides or has its principal place of business. A copy of such complaint shall be served on every trustee of such trust, and notice of the proceeding shall be given such other interested persons in such manner and

at such times as the court may direct. If the court determines that such liquidation is necessary or appropriate in the public interest or for the protection of investors, the court shall order such liquidation and after payment of necessary expenses, the distribution of the proceeds to the security holders of the trust in such manner and on such terms as may to the court appear equitable.

PERIODIC PAYMENT PLANS

SEC. 27. (a) It shall be unlawful for any person to make use of the mails or any means or instrumentality of interstate commerce to engage in the business of selling periodic payment plan certificates, if—

- (1) the sales load on any such certificate exceeds 9 per centum of the total payments to be made thereon;
- (2) more than one-half of any payment during the first year of the plan is deducted for sales load;
- (3) the amount of sales load deducted from any payment during the first year of the plan exceeds the amount deducted from any other payment during such year, or the amount deducted from any payment during the subsequent years of the plan exceeds the amount deducted from any other payment during such years; or
- (4) either of the first two payments on any such certificate is less than \$20, or any subsequent payment is less than \$10.

(b) It shall be unlawful for any person, by use of the mails or any means or instrumentality of interstate commerce, to engage in the business of selling periodic payment plan certificates, unless—

- (1) each such certificate is a redeemable security; and
- (2) the proceeds of all payments on any such certificate (except such amounts as are deducted for sales load) are deposited with a trustee having the qualifications required by paragraph (1) of section 26 (a) for the trustees of unit investment trusts, and are held by such trustee under a trust indenture containing, in substance, the provisions required by paragraph (2) of section 26 (a) for the trust indentures of unit investment trusts.

(c) It shall be unlawful for any trustee with which the proceeds of payments on a periodic payment plan certificate have been deposited to resign, unless—

- (1) the Commission, on application by such trustee, has by order consented to such resignation; or
- (2) a successor trustee has been appointed by a court of competent jurisdiction.

FACE-AMOUNT CERTIFICATE COMPANIES

SEC. 28. (a) It shall be unlawful for any registered face-amount certificate company to issue or sell any face-amount certificate, or to collect or accept any payment on any such certificate issued by such company on or after the effective date of this title, unless—

- (1) capital stock of such company in an amount not less than \$250,000 has been bona fide subscribed and paid for in cash; and
- (2) such company maintains minimum certificate reserves on all its issued and outstanding face-amount certificates in an aggregate amount calculated and adjusted as follows:

(A) out of each payment required to be made by the holder of every such certificate of the installment type in order to complete one full year's installment payments, a portion of such payment equal to 50 per centum of the amount thereof;

(B) out of every other payment made on any such certificate by the holder thereof, such portion of the payment as will, together with similar portions of all other such payments on such certificate and any portions required by paragraph (A) hereof, with accumulations on all such portions at the rate of 3½ per centum per annum, compounded annually, attain upon the maturity of such certificate an amount equal to the maturity or face amount thereof;

(C) any portion of the profits of such company which such company has undertaken to hold for the account of the holder of any such certificate;

(D) an amount equal to accumulations at the rate of 3½ per centum per annum, compounded annually, on such portions of all past payments on, and such portions of profits credited to, any such certificate; and

(E) such appropriate reserves for contingencies for death and disability benefits, on any such certificate providing for such benefits, as the Commission shall prescribe by rules and regulations.

(b) It shall be unlawful for any registered face-amount certificate company to sell any face-amount certificate, or to collect or accept any payment on any such certificate issued by such company on or after the effective date of this title, unless such company has, in cash or qualified investments, assets having a value not less than the aggregate amount of the capital stock requirement and certificate reserve requirement provided for in subsection (a) hereof. As used in this subsection, "qualified investments" means investments of a kind in which life insurance companies are generally permitted to invest. The Commission is authorized, by rules and regulations or order in the public interest or for the protection of investors, to designate those investments which are qualified and to prescribe the basis of valuation of any such investment.

(c) The Commission is authorized, by rules and regulations or order in the public interest or for the protection of investors, to require any registered face-amount certificate company to deposit and maintain, with an institution having the qualifications required by paragraph (1) of section 26 (a) for the trustees of unit investment trusts, all investments maintained by such company pursuant to the requirements of subsection (b) hereof.

(d) It shall be unlawful for any registered face-amount certificate company to issue or sell any face-amount certificate, unless such certificate provides, in substance, that upon the surrender thereof to the company the holder thereof shall be entitled to receive from the company the following minimum amounts:

(1) an amount equal at all times to 50 per centum of the sum of all past payments on such certificate by the holder thereof; and

(2) such additional amounts, representing such percentages of the certificate reserves of such company, as the Commission shall have prescribed by rules and regulations or order for the purpose of providing an equitable graduation of surrender values.

Any such certificate may provide that the surrender value thereof shall be adjusted to take into account any unpaid balance on any loan made by such company to the holder of such certificate, and to make allowance for such other matters, including a reasonable surrender charge, as the Commission may permit or prescribe by rules and regulations or order in the public interest or for the protection of investors.

(e) It shall be unlawful for any registered face-amount certificate company to issue or sell any face-amount certificate which provides that the holder shall be liable for or charged with any unpaid amount on such certificate.

(f) It shall be unlawful for any registered face-amount certificate company, in the event of a default by the holder in any installment payment on a face-amount certificate of which such company is the issuer, to cancel such certificate, to suspend accumulations at the rate provided for in the certificate upon payments previously made by such holder, or to postpone the maturity date of such certificate, in contravention of such rules and regulations or orders as the Commission may prescribe in the public interest or for the protection of investors.

BANKRUPTCY OF FACE-AMOUNT CERTIFICATE COMPANIES

SEC. 29. (a) Section 67 of an Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended, is amended by adding at the end thereof the following:

"f. (1) For the purposes of, and exclusively applicable to, this subdivision f: (a) 'Debtor' shall mean a face-amount certificate company, as defined in section 4 of the Investment Company Act of 1940; (b) 'depository' is a person with whom securities or other property of a debtor is deposited, or to whom property of a debtor is transferred, in trust or otherwise, pursuant to a State law requiring such deposit or transfer and providing for the distribution of such property or its proceeds to creditors or security holders of the debtor in the event of the insolvency of the debtor or under other specified circumstances; and (c) 'State agency' is an official or agency of a State designated to act as depository or to distribute property, or the proceeds of property, held by a depository.

"(2) Every deposit or transfer of securities or other property made by or on behalf of a debtor with or to any depository or State agency for the benefit of the holder of any security sold by or on behalf of the debtor on or after October 1, 1940, shall be null and void as against the trustee of such debtor, and such deposit or transfer and every lien created thereby shall be avoided by the trustee for the benefit of the estate.

"(3) The court shall have summary jurisdiction of any proceeding to hear and determine the rights of any parties under this subdivision f. Due notice of any hearing in such proceeding shall be given to every depository and State agency which is a party in interest."

(b) Section 44 of said Act of July 1, 1898, as amended, is amended by adding at the end of subdivision a thereof the following sentence:

"If the bankrupt is a face-amount certificate company, as defined in section 4 of the Investment Company Act of 1940, the court alone shall make the appointment; but the court shall not make such appointment without first notifying the Securities and Exchange Commission and giving it an opportunity to be heard."

PERIODIC AND OTHER REPORTS

SEC. 30. (a) Every registered investment company, and every manager, investment adviser, principal underwriter, depositor, or distributor registered under section 9, shall file with the Commission such annual, semiannual, quarterly, and other periodic and special reports, the answers to such specific questions and the minutes of such directors', stockholders', and other meetings, as the Commission may by rules and regulations or order prescribe as necessary or appropriate in the public interest or for the protection of investors. The financial statements of such reports, if required by the rules and regulations of the Commission, shall be certified by an independent public accountant, and shall be made and filed at such time and in such form and detail as the Commission shall prescribe. The Commission may require that there be included in reports filed with it such information and documents as it deems necessary or appropriate to keep reasonably current the information filed by such persons under section 8 or 9, and such further information, of a kind which the Commission may require to be included in or to accompany a registration statement filed under section 8 or 9, as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

(b) The Commission shall provide by rules and regulations for the filing with the Commission and with any national securities exchange concerned of copies of periodic and special reports, or of portions of such reports, filed by any registered investment company pursuant to subsection (a), in lieu of any reports required of such company under section 13 or 15 (d) of the Securities Exchange Act of 1934.

(c) The Commission shall require by rules and regulations or order, if and to the extent that the Commission finds such action necessary or appropriate in the public interest or for the protection of investors, that a registered investment company transmit periodic and special reports or notices to the security holders, or specified classes of the security holders, of such company, at such times and in such form and detail as the Commission shall prescribe. Such reports and notices shall contain such of the information contained in registration statements, applications, reports, and other documents relating to such company filed under this title, as the Commission may prescribe by rules and regulations or order as necessary or appropriate in the public interest or for the protection of investors.

(d) Every person who is directly or indirectly the beneficial owner of more than 10 per centum of any class of outstanding securities (other than short-term paper) of which a registered investment company is the issuer, or who is a director or an officer of such a company, shall be subject to the same duties and liabilities as those imposed upon certain beneficial owners, directors, and officers by section 16 of the Securities Exchange Act of 1934.

(e) It shall be the duty of every person registered under section 9 as an affiliated person of any registered management investment company, within thirty days after the end of every fiscal quarter of such company, to submit to the board of directors of the company a statement showing the amounts and dates of every purchase or sale made directly or indirectly for the account of such person, during such fiscal quarter, of the securities of any issuer any outstanding security of which was purchased or sold by such registered company at any time during such fiscal quarter. The provisions of this subsection shall not apply to purchases or sales of Government securities or short-term paper.