

## Section 30-- Reports and Financial Statements of Investment Companies and Affiliated Persons

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- a. Annual report by company. Every registered investment company shall file annually with the Commission such information, documents, and reports as investment companies having securities registered on a national securities exchange are required to file annually pursuant to section 13(a) of the Securities Exchange Act of 1934 [15 USCS § 78m(a)] and the rules and regulations issued thereunder.
- b. Semi-annual or quarterly filing of information; copies of periodic or interim reports sent to security holders. Every registered investment company shall file with the Commission--
  1. such information, documents, and reports (other than financial statements), as the Commission may require to keep reasonably current the information and documents contained in the registration statement of such company filed under this title; and
  2. copies of every periodic or interim report or similar communication containing financial statements and transmitted to any class of such company's security holders, such copies to be filed not later than ten days after such transmission.

Any information or documents contained in a report or other communication to security holders filed pursuant to paragraph (2) may be incorporated by reference in any report subsequently or concurrently filed pursuant to paragraph (1).

- c. Minimizing reporting burdens.
  1. The Commission shall take such action as it deems necessary or appropriate, consistent with the public interest and the protection of investors, to avoid unnecessary reporting by, and minimize the compliance burdens on, registered investment companies and their affiliated persons in exercising its authority--
    - A. under subsection (f); and
    - B. under subsection (b)(1), if the Commission requires the filing of information, documents, and reports under that subsection on a basis more frequently than semiannually.
  2. Action taken by the Commission under paragraph (1) shall include considering, and requesting public comment on--
    - A. feasible alternatives that minimize the reporting burdens on registered investment companies; and
    - B. the utility of such information, documents, and reports to the Commission in relation to the costs to registered investment companies and their affiliated persons of providing such information, documents, and reports.
- d. Reports under this section in lieu of reports under other provisions of law. The Commission shall issue rules and regulations permitting the filing with the Commission, and with any national securities exchange concerned, of copies of periodic reports, or of extracts therefrom, filed by any registered investment company pursuant to subsections (a) and (b), in lieu of any reports and documents required of such company under section 13 or 15(d) of the Securities Exchange Act of 1934 [15 USCS § § 78m, 78o(d)].
- e. Semiannual reports to stockholders. Every registered investment company shall transmit to its stockholders, at least semiannually, reports containing such of the following information and financial statements or their equivalent, as of a reasonably current date, as the Commission may prescribe by rules and

regulations for the protection of investors, which reports shall not be misleading in any material respect in the light of the reports required to be filed pursuant to subsections (a) and (b):

1. a balance sheet accompanied by a statement of the aggregate value of investments on the date of such balance sheet;
2. a list showing the amounts and values of securities owned on the date of such balance sheet;
3. a statement of income, for the period covered by the report, which shall be itemized at least with respect to each category of income and expense representing more than 5 per centum of total income or expense;
4. a statement of surplus, which shall be itemized at least with respect to each charge or credit to the surplus account which represents more than 5 per centum of the total charges or credits during the period covered by the report;
5. a statement of the aggregate remuneration paid by the company during the period covered by the report (A) to all directors and to all members of any advisory board for regular compensation; (B) to each director and to each member of an advisory board for special compensation; (C) to all officers; and (D) to each person of whom any officer or director of the company is an affiliated person; and
6. a statement of the aggregate dollar amounts of purchases and sales of investment securities, other than Government securities, made during the period covered by the report:

Provided, That if in the judgment of the Commission any item required under this subsection is inapplicable or inappropriate to any specified type or types of investment company, the Commission may by rules and regulations permit in lieu thereof the inclusion of such item of a comparable character as it may deem applicable or appropriate to such type or types of investment company.

- f. Additional information requirements for semiannual reports. The Commission may, by rule, require that semiannual reports containing the information set forth in subsection (e) include such other information as the Commission deems necessary or appropriate in the public interest or for the protection of investors.
- g. Certificate of independent public accountants. Financial statements contained in annual reports required pursuant to subsections (a) and (e), if required by the rules and regulations of the Commission, shall be accompanied by a certificate of independent public accountants. The certificate of such independent public accountants shall be based upon an audit not less in scope or procedures followed than that which independent public accountants would ordinarily make for the purpose of presenting comprehensive and dependable financial statements, and shall contain such information as the Commission may prescribe, by rules and regulations in the public interest or for the protection of investors, as to the nature and scope of the audit and the findings and opinion of the accountants. Each such report shall state that such independent public accountants have verified securities owned, either by actual examination, or by receipt of a certificate from the custodian, as the Commission may prescribe by rules and regulations.
- h. Duties and liabilities of affiliated persons. 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 closed-end company is the issuer or who is an officer, director, member of any advisory board, investment adviser, or affiliated person of an investment adviser of such a company shall in respect of his transactions in any securities of such company (other than short-term paper) be subject to the same duties and liabilities as those imposed by section 16 of the Securities Exchange Act of 1934 [15 USCS § 78p] upon certain beneficial owners, directors, and officers in respect of their transactions in certain equity securities.
- i. Disclosure to church plan participants. A person that maintains a church plan that is excluded from the definition of an investment company solely by reason of section 3(c)(14) [15 USCS § 80a-3(c)(14)] shall provide disclosure to plan

participants, in writing, and not less frequently than annually, and for new participants joining such a plan after May 31, 1996, as soon as is practicable after joining such plan, that--

1. the plan, or any company or account maintained to manage or hold plan assets and interests in such plan, company, or account, are not subject to registration, regulation, or reporting under this title, the Securities Act of 1933 [15 USCS § § 77a et seq.], the Securities Exchange Act of 1934, or State securities laws; and
  2. plan participants and beneficiaries therefore will not be afforded the protections of those provisions.
- j. Notice to Commission. The Commission may issue rules and regulations to require any person that maintains a church plan that is excluded from the definition of an investment company solely by reason of section 3(c)(14) [15 USCS § 80a-3(c)(14)] to file a notice with the Commission containing such information and in such form as the Commission may prescribe as necessary or appropriate in the public interest or consistent with the protection of investors.

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## **Legislative History**

Aug. 22, 1940, ch 686, Title I, § 30, 54 Stat. 836; Oct. 11, 1996, P.L. 104-290, Title II, § 206, Title V, § 508(g), 110 Stat. 3430, 3449; Nov. 3, 1998, P.L. 105-353, Title III, § 301(c)(5), 112 Stat. 3237.

## Rule 30e-1 -- Reports to Stockholders of Management Companies

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- a. Every registered management company shall transmit to each stockholder of record, at least semi-annually, a report containing the information required to be included in such reports by the company's registration statement form under the 1940 Act, except that the initial report of a newly registered company shall be made as of a date not later than the close of the fiscal year or half-year occurring on or after the date on which the company's notification of registration under the 1940 Act is filed with the Commission.
- b. If any matter was submitted during the period covered by the shareholder report to a vote of shareholders, through the solicitation of proxies or otherwise, furnish the following information:
  1. The date of the meeting and whether it was an annual or special meeting.
  2. If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.
  3. A brief description of each matter voted upon at the meeting and the number of votes cast for, against or withheld, as well as the number of abstentions and broker non-votes as to each such matter, including a separate tabulation with respect to each matter or nominee for office.

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**Instruction.** The solicitation of any authorization or consent (other than a proxy to vote at a shareholders' meeting) with respect to any matter shall be deemed a submission of such matter to a vote of shareholders within the meaning of this paragraph (b).

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- c. Each report shall be transmitted within 60 days after the close of the period for which such report is being made.
- d. An open-end company may transmit a copy of its currently effective prospectus or Statement of Additional Information, or both, under the Securities Act, in place of any report required to be transmitted to shareholders by this section, provided that the prospectus or Statement of Additional Information, or both, include all the information that would otherwise be required to be contained in the report by this section. Such prospectus or Statement of Additional Information, or both, shall be transmitted within 60 days after the close of the period for which the report is being made.
- e. The period of time within which any report prescribed by this rule shall be transmitted may be extended by the Commission upon written request showing good cause therefor. **Rule 0-5** shall not apply to such requests.
- f.
  1. A company will be considered to have transmitted a report to shareholders who share an address if:

- i. The company transmits a report to the shared address;
  - ii. The company addresses the report to the shareholders as a group (for example, "ABC Fund [or Corporation] Shareholders," "Jane Doe and Household," "The Smith Family") or to each of the shareholders individually (for example, "John Doe and Richard Jones"); and
  - iii. The shareholders consent in writing to delivery of one report.
2. The company need not obtain written consent from a shareholder under paragraph (f)(1)(iii) of this section if all of the following conditions are met:
  - i. The shareholder has the same last name as the other shareholders, or the company reasonably believes that the shareholders are members of the same family;
  - ii. The company has transmitted a notice to the shareholder at least 60 days before the company begins to rely on this section concerning transmission of reports to that shareholder. The notice must be a separate written statement and:
    - A. State that only one report will be delivered to the shared address unless the company receives contrary instructions;
    - B. Include a toll-free telephone number or be accompanied by a reply form that is pre-addressed with postage provided, that the shareholder can use to notify the company that he or she wishes to receive a separate report;
    - C. State the duration of the consent;
    - D. Explain how a shareholder can revoke consent;
    - E. State that the company will begin sending individual copies to a shareholder within 30 days after the company receives revocation of the shareholder's consent; and
    - F. Contain the following prominent statement, or similar clear and understandable statement, in bold-face type: "Important Notice Regarding Delivery of Shareholder Documents." This statement also must appear on the envelope in which the notice is delivered. Alternatively, if the notice is delivered separately from other communications to investors, this statement may appear either on the notice or on the envelope in which the notice is delivered;

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**Note: to paragraph (f)(2)(ii):** The notice should be written in plain English. See [Rule 421\(d\)\(2\)](#) for a discussion of plain English principles.

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- iii. The company has not received the reply form or other notification indicating that the shareholder wishes to continue to receive an individual copy of the report, within 60 days after the company sent the notice; and
  - iv. The company transmits the report to a post office box or to a residential street address. The company can assume a street address is a residence unless it has information that indicates it is a business.

3. At least once a year, the company must explain to shareholders who have consented under paragraph (f)(1)(iii) or paragraph (f)(2) of this section how they can revoke their consent. The explanation must be reasonably designed to reach these investors. If a shareholder, orally or in writing, revokes consent to delivery of one report to a shared address, the company must begin sending individual copies to that shareholder within 30 days after the company receives the revocation.
  4. For purposes of this section, address means a street address, a post office box number, an electronic mail address, a facsimile telephone number, or other similar destination to which paper or electronic documents are transmitted, unless otherwise provided in this section. If the company has reason to believe that the address is a street address of a multi-unit building, the address must include the unit number.
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## **Regulatory History**

46 FR 36126, July 14, 1981, as amended at 48 FR 37940, Aug. 22, 1983; 48 FR 44477, Sept. 29, 1983; 50 FR 26160, June 25, 1985; 57 FR 56836, Dec. 1, 1992; 59 FR 52700, Oct. 19, 1994; 61 FR 24652, 24657, May 15, 1996; 64 FR 62540, 62547, Nov. 16, 1999; redesignated and amended at 66 FR 3734, 3757, 3759, Jan. 16, 2001