

## **Rule 18f-1 -- Exemption From Certain Requirements of Section 18(f)(1) (of the Act) for Registered Open-End Investment Companies Which Have the Right to Redeem in Kind**

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- a. A registered open-end investment company which has the right to redeem securities of which it is the issuer in assets other than cash may file with the Commission at any time a notification of election on Form N-18F-1 committing itself to pay in cash all requests for redemption by any shareholder of record, limited in amount with respect to each shareholder during any 90-day period to the lesser of
    - 1. \$250,000 or
    - 2. 1 percent of the net asset value of such company at the beginning of such period.
  - b. An election pursuant to paragraph (a) of this section:
    - 1. Shall be described in either the prospectus or the Statement of Additional Information, at the discretion of the investment company, and
    - 2. Shall be irrevocable while this **Rule 18f-1** is in effect unless the Commission by order upon application permits the withdrawal of such notification of election as being appropriate in the public interest and consistent with the protection of investors.
  - c. Upon making the election described in paragraph (a) of this section, an investment company shall be exempt from the requirements of **section 18(f)(1)** (of the Act) to the extent necessary for such company to effectuate redemptions in the manner set forth in such paragraph.
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### **Regulatory History**

36 FR 11919, June 23, 1971, as amended at 48 FR 37940, Aug. 22, 1983