n date of the period prescribed by section 4(3) of the Act and Rule 174 may be inserted in the prospectuses to be used in the sales of the securities to participating in a distribution in a transaction in a security as to which a registration statement has been filed taking place prior to the expiration of the 40 or 90 day period specified in section 4(3) of the act after the first effective date of such registration statement or prior to the expiration of such period after the first date upon which a security is proposed to be delivered to the public by the issuer or by or through an underwriter after such effective date, whichever is later, shall be subject to the following provisions:

(a) No prospectus need be delivered if the registration statement is on Forms S-3 (17 CFR 239.16b), S-9 (17 CFR 239.22), S-12 (17 CFR 239.19), or F-1 (17 CFR 239.9). Provided, In the case of a registration statement on Forms S-12 (17 CFR 239.19) or F-1 (17 CFR 239.9), this provision shall not apply if registration of the deposited securities is also required.

(b) If the issuer has a class of securities listed and registered on a national securities exchange pursuant to section 12(b) of the Securities Exchange Act of 1934, the period during which a prospectus must be delivered shall be 40 days.

(c) Where a registration statement relates to offerings to be made from time to time no prospectus need be delivered after the expiration of the initial prospectus delivery period specified in section 4(3) of the act or in paragraphs (a) or (b) of this section following the foregoing, the period during which a prospectus must be delivered by a dealer shall be:

(1) As specified in section 4(3) of the act if the registration statement was the subject of a stop order issued under section 8 of the act; or

(2) As the Commission may provide upon application or on its own motion in a particular case.

(d) Nothing in this section shall affect the obligation to deliver a prospectus pursuant to the provisions of section 5 of the act by a dealer who is acting as an underwriter with respect to the securities involved or who is engaged in a transaction as to securities constituting the whole or a part of an unsold allotment to or subscription by such dealer as a participant in the distribution of such securities by the issuer or by or through an underwriter.


By the Commission.

[SEAL] ORVAL L. DEBOIS, Secretary.

December 28, 1964.

[FR Doc. 64-22393 Filed, Dec. 29, 1964; 8:46 a.m.]

[Release 40-4105]

PART 270—RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940

Periodic Calculation of Current Net Asset Value of Redeemable Security

On July 2, 1964, in Investment Company Act Release No. 4068, and in the Federal Register, on July 2, 1964 (29 F.R. 9468), the Securities and Exchange Commission published notice that it had under consideration the adoption of a rule: 270.14—(Rule 270.1-4 under the Investment Company Act of 1940 ("Act") and invited the comments of
interested persons. Upon consideration of the comments received, the Commis-
sion has determined to adopt § 270.2a-4 in the form set forth below.

Section 270.2a-4 authorizes the Commission to make rules and regulations, inter-
alia, defining "accounting, technical, and trade terms" used in the Act. "Current net net-
settlement of the registered company resulting from distributions, re-
demptions, and repurchases shall be reflected no later than in the first calcu-
sation on the first business day following such change.

(4) Expenses, including any investment advisory fees, shall be included in the date of calculation.

(5) Dividends receivable shall be in-
cluded to date of calculation either as ex-
dividend dates or record dates, as appropriate.

(6) Interest income and other income shall be included to date of calculation.

(b) The items which would otherwise be required to be reflected by paragraph (a) (4) and (5) of this section need not be so reflected if cumulatively, when netted, they do not amount to as much one cent per outstanding share.

(c) Notwithstanding the requirements of paragraph (a) of this section, any interim determination of current net asset value since the closing calculation on the preceding business day and the current business day may be esti-
mated so as to reflect any change in current net asset value since the closing calculation on the preceding business day.

The Commission has considered that the public interest and the interest of in-
voters require that the rule be effective as promptly as is reasonably prac-
ticable in order that the current net asset value of redeemable securities cur-
rently being distributed, redeemed, and repurchased by registered investment 
companies be appropriately calculated. Consideration has also been given to the obligations of registered investment companies to file reports under the provi-
sions of the Act and the rules thereunder relating to the fiscal periods of said com-
panies, and to the substantial number of registered investment companies which will begin new fiscal periods on January 1, 1965. The Commission there-
fore finds that there is good cause for the rule to become effective on January 1, 1965. Accordingly, the effective date of the rule shall be January 1, 1965.

The text of § 270.2a-4 is as follows:

§ 270.2a-4 Definition of "Current Net Asset Value" for use in computing periodically the current price of re-
deemable security.

(a) The current net asset value of any redeemable security issued by a regis-
tered investment company used in comput-
ing periodically the current price for the purpose of distribution, redemption, and repurchase means an amount which reflects calculations, whether or not re-
corded in the books of account, made substance of the company's experience since the following, with estimates used where necessary or appropriate:

(1) Portfolio securities with respect to which market quotations are readily available shall be valued at current market value, and other securities and as-
sets shall be valued at fair value as de-
termined in good faith by the board of directors of the registered company.

(2) Changes in holdings of portfolio securities shall be reflected no later than in the first calculation on the first business day following the trade date.

(3) Changes in the number of out-
standing shares of the registered com-
pany resulting from distributions, re-
demptions, and repurchases shall be calculated on the basis of the close of the New York Stock Ex-

change on the preceding business day and the current business day may be esti-
mated so as to reflect any change in current net asset value since the closing calculation on the preceding business day.

Title 20—EMPLOYEES' BENEFITS
Chapter V—Bureau of Employment Security, Department of Labor

PART 602—COOPERATION OF UNITED STATES EMPLOYMENT SERVICE AND STATES IN ESTAB-
LISHING AND MAINTAINING A NATIONAL SYSTEM OF PUBLIC EMPLOYMENT OFFICES

Foreign Agricultural Labor

Expiration of Public Law 78 on December 31, 1964, thereby indicating a Congressional intent to abandon reliance on Mexican Braceros for agricultural work in the United States, requires regulations effecting an orderly transition to the use of United States workers in areas where reliance has previously been placed upon foreign workers. These regulations, hereafter set forth, are issued to carry out the provisions of the Secretary of Labor in advising the Attorney General, in accordance with his request under section 214 of the Immigration and Nationality Act of 1952, as to whether