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**Order Under Sections 6(c), 12(d)(1)(J), 17(b), 17(d) AND 38(a) of
the Investment Company Act of 1940 and Rule 17d-1 Thereunder
Granting Exemptions from Specified Provisions of the Investment
Company Act and Certain Rules Thereunder**

United States: Securities and Exchange Commission (SEC)

Vanessa A. Countryman

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SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940

Release no. 33821 / March 23, 2020

ORDER UNDER SECTIONS 6(c), 12(d)(1)(J), 17(b), 17(d) AND 38(a) OF THE INVESTMENT COMPANY ACT OF 1940 AND RULE 17d-1 THEREUNDER GRANTING EXEMPTIONS FROM SPECIFIED PROVISIONS OF THE INVESTMENT COMPANY ACT AND CERTAIN RULES THEREUNDER

The current outbreak of coronavirus disease 2019 (COVID-19) has disrupted activities around the world. In light of the current situation, we are issuing this Order providing exemptions from certain requirements of the Investment Company Act. The exemptions provide additional flexibility for (1) registered open-end management investment companies other than money market funds (“open-end funds”) and (2) insurance company separate accounts registered as unit investment trusts (“separate accounts”) to obtain short-term funding.

In light of the current and potential effects of COVID-19, the Commission finds that the exemptions set forth below, as applicable:

are necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Investment Company Act;

permit transactions the terms of which, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned;

permit transactions under the terms of which the participation of each registered investment company is consistent with the provisions, policies, and purposes of

the Investment Company Act, and not on a basis different from or less advantageous than that of other participants; and

are necessary and appropriate to the exercise of the powers conferred on it by the Investment Company Act.

The necessity for prompt action of the Commission does not permit prior notice of the Commission's action.

I. TIME PERIOD FOR THE EXEMPTIVE RELIEF

The relief provided in each of the following Sections of this Order is limited to the period from (and including) the date of this Order to (and including) the date to be specified in a public notice from Commission staff stating that the relief will terminate, which date will be at least two weeks from the date of the notice and no earlier than June 30, 2020.

The Commission will continue to monitor the current situation and may issue other relief as necessary or appropriate.

II. ABILITY OF OPEN-END FUND OR SEPARATE ACCOUNT TO BORROW FROM AN AFFILIATED PERSON; ABILITY OF AN AFFILIATED PERSON TO MAKE COLLATERALIZED LOANS

It is ORDERED, pursuant to Sections 6(c), 17(b) and 38(a) of the Investment Company Act that:

For the period specified in Section I, an open-end fund or a separate account is exempt from section 12(d)(3) of the Investment Company Act to the extent necessary to permit it to borrow money from any affiliated person, or affiliated person of such affiliated person, that is not itself a

registered investment company, and an affiliated person of an open-end fund or separate account, or an affiliated person of such affiliated person, is exempt from section 17(a) to the extent necessary to permit it to make collateralized loans to such open-end fund or separate account, provided that the conditions below are satisfied.

For the period specified in Section I, an open-end fund is exempt from section 18(f)(1) of the Investment Company Act to the extent necessary to permit it to borrow money from any affiliated person, or affiliated person of such affiliated person, that is not a bank and is not itself a registered investment company, provided that the conditions below are satisfied.

Conditions.

- (a) The Board of Directors of the open-end fund, including a majority of the Directors who are not interested persons of the open-end fund, or the insurance company on behalf of the separate account, reasonably determines that such borrowing:
 - (i) is in the best interests of the registered investment company and its shareholders or unit holders; and
 - (ii) will be for the purpose of satisfying shareholder redemptions.
- (b) Prior to relying on the relief for the first time, the open-end fund or separate account notifies the Commission staff via email at IM-EmergencyRelief@sec.gov stating that it is relying on this Order.

III. INTERFUND LENDING ARRANGEMENTS FOR REGISTERED INVESTMENT COMPANIES WITH EXISTING INTERFUND LENDING ORDERS

It is ORDERED, pursuant to Sections 6(c), 12(d)(1)(J), 17(b),17(d) and 38(a) of the Investment Company Act and rule 17d-1 thereunder that:

For the period specified in Section I, any registered investment company currently able to rely on a Commission order permitting an interfund lending and borrowing facility (“existing IFL order”) may:

- (a) Make loans through the facility in an aggregate amount that does not exceed 25 percent of its current net assets at the time of the loan notwithstanding any lower limitation in the existing IFL order;
- (b) Borrow (if permitted under the existing IFL order to be a borrower) or make loans through the facility for any term notwithstanding any conditions limiting the term of such loans, provided that (i) the term of any interfund loan made in reliance on this Order does not extend beyond the expiration of this temporary relief, (ii) the Board of Directors of the registered investment company, including a majority of the Directors who are not interested persons of the registered investment company, reasonably determines that the maximum term for interfund loans to be made in reliance on this Order is appropriate, and (iii) the loans will remain callable and subject to early repayment on the terms described in the existing IFL order; and
- (c) Avail itself of the relief provided in Section V below notwithstanding any condition of the existing IFL order that incorporates limits set forth in its fundamental restrictions, limitations or non-fundamental policies;

provided that, in each case:

- (a) Any loan under the facility is otherwise made in accordance with the terms and conditions of the existing IFL order;
- (b) Prior to relying on the relief for the first time, the registered investment company notifies the Commission staff via email at IM-EmergencyRelief@sec.gov stating that it is relying on this Order; and
- (c) Prior to relying on the relief for the first time, the registered investment company discloses on its public website that it is relying on a Commission exemptive order that modifies the terms of its existing IFL order to permit additional flexibility to provide or obtain short-term funding from its interfund lending and borrowing facility.

IV. INTERFUND LENDING ARRANGEMENTS FOR REGISTERED INVESTMENT COMPANIES WITHOUT EXISTING INTERFUND LENDING ORDERS

It is ORDERED, pursuant to Sections 6(c), 12(d)(1)(J), 17(b), 17(d) and 38(a) of the Investment Company Act and rule 17d-1 thereunder that:

For the period specified in Section I, any registered management investment company that is not currently able to rely on a Commission order permitting an interfund lending and borrowing facility may establish and participate in such a facility as set forth in an exemptive order permitting such a facility that the Commission has issued within the twelve months preceding the date of this Order (“recent IFL precedent”); *provided that*:

- (a) The registered investment company must satisfy the terms and conditions for relief in the recent IFL precedent (including with respect to whether it may participate as a borrower), except:

- i. It may rely on the relief provided in Section III above subject to its terms and conditions (other than the notice requirement of condition (c) in Section III);
 - ii. It need not satisfy the condition in the recent IFL precedent requiring prior disclosure in its registration statement or shareholder report; and
 - iii. Money market funds may not participate as borrowers in the interfund facility;
- (b) Prior to relying on the relief for the first time, the registered investment company notifies the Commission staff via email at IM-EmergencyRelief@sec.gov stating that it is relying on this Order and identifying the recent IFL precedent that it is relying on; and
- (c) The registered investment company:
- i. Discloses on its public website, prior to relying on the relief for the first time, that it is relying on the relief to utilize an interfund lending and borrowing facility.
 - ii. To the extent it files a prospectus supplement, or a new or amended registration statement or shareholder report, while it is relying on this relief, updates its disclosure regarding the material facts about its participation or intended participation in the facility.

V. ABILITY OF A REGISTERED OPEN-END INVESTMENT COMPANY TO DEVIATE FROM ITS FUNDAMENTAL POLICY WITH RESPECT TO LENDING OR BORROWING

It is ORDERED, pursuant to Sections 6(c) and 38(a) of the Investment Company Act:

That for the period specified in Section I, an open-end fund is exempt from sections 13(a)(2) and 13(a)(3) of the Investment Company Act to the extent necessary to permit it to enter into

otherwise lawful lending or borrowing transactions that deviate from any relevant policy recited in its registration statement without prior shareholder approval; *provided that*:

- (a) The Board of Directors of the open-end fund, including a majority of the Directors who are not interested persons of the investment company, reasonably determines that such lending or borrowing is in the best interests of the registered investment company and its shareholders;
- (b) The open-end fund promptly notifies its shareholders of the deviation by filing a prospectus supplement and including a statement on the applicable fund's public website; and
- (c) Prior to relying on the relief for the first time, the registered investment company notifies the Commission staff via email at IM-EmergencyRelief@sec.gov stating that it is relying on this Order.

By the Commission.

Vanessa A. Countryman
Secretary