

**CHAPTER 605. COMMISSIONERS AND COMMISSION
EMPLOYEES; RELATIONSHIP WITH LICENSED PERSONS
OR QUALIFIED ORGANIZATIONS**

Sec.

605.010. [Reserved].

605.020. Conflict of interest.

605.030. [Reserved].

§ 605.010. [Reserved].

§ 605.020. Conflict of interest.

(a) For the purpose of protecting the public interest and avoiding conflicts of interest, the Commission has determined, pursuant to section 605(b) of the act (70 P. S. § 1-605(b)), that the provisions of section 605(a) of the act (70 P. S. § 1-605(a)) shall not prohibit the holding or purchasing of any securities by any employe of the Commission if:

(1) the employe did not perform a principal review of the application for the registration of such securities or any other securities of the same issuer registered with the Commission under sections 205 or 206 of the act (70 P. S. §§ 1-205 or 1-206) or was not involved in an investigation, audit, or examination of the registration; or

(2) the securities to be held or purchased are those of an open-end or closed-end investment company, face amount certificate company, or unit investment trust, as those terms are defined in the Investment Company Act of 1940 (15 U.S.C. § 80a-2) which have been registered with the Commission under sections 205 or 206 of the act (70 P. S. §§ 1-205 or 1-206).

(b) If, under section 605(a) and (b) of the act, there may be a conflict of interest with an employe of the Commission not permitted by subsection (a), such employe may present a formal request to the Commission for permission to hold or purchase such securities. Such a request shall set forth the type and amount of securities to be held or purchased, the issuer of the securities, any other relationship between the employe and the issuer, the functions which the employe performed relative to the registration of the issuer, and all other pertinent reasons as to why the employe feels the Commission should grant the employe's request. The Commission may grant the employe's request if it finds that in doing so it would be protecting the public interest and avoiding conflicts of interest.

(c) No employe of the Commission shall hold or purchase a security which would otherwise be permitted by subsections (a) and (b) if the holding and purchasing of such security would be violative of any other applicable conflict-of-interest statute or regulation.

Authority

The provisions of this § 605.020 issued under the Pennsylvania Securities Act of 1972 (70 P. S. §§ 1-101—1-704).

Source

The provisions of this § 605.020 amended October 23, 1981, effective October 24, 1981, 11 Pa.B. 3628. Immediately preceding text appears at serial page (36358).

§ 605.030. [Reserved].

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