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 > Title 17 - Commodity and Securities Exchanges  
 > CHAPTER II - SECURITIES AND EXCHANGE COMMISSION  
 > PART 270 - RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940  
 > **§ 270.17a-9 Purchase of certain securities from a money market fund by an affiliate, or an affiliate of an affiliate.**

17 CFR § 270.17a-9 - Purchase of certain securities from a money market fund by an affiliate, or an affiliate of an affiliate.

CFR

**§ 270.17a-9 Purchase of certain securities from a money market fund by an affiliate, or an affiliate of an affiliate.**

The purchase of a security from the portfolio of an open-end investment company holding itself out as a money market fund by any affiliated person or promoter of or principal underwriter for the money market fund or any affiliated person of such person shall be exempt from section 17(a) of the Act (15 U.S.C. 80a-17(a)); provided that:

**(a)** In the case of a portfolio security that has ceased to be an Eligible Security (as defined in § 270.2a-7(a)(12)), or has defaulted (other than an immaterial default unrelated to the financial condition of the issuer):

- (1)** The purchase price is paid in cash; and
- (2)** The purchase price is equal to the greater of the amortized cost of the security or its market price (in each case, including accrued interest).

**(b)** In the case of any other portfolio security:



**(2)** In the event that the purchaser thereafter sells the security for a higher price than the purchase price paid to the money market fund, the purchaser shall promptly pay to the fund the amount by which the subsequent sale price exceeds the purchase price paid to the fund.

[75 FR 10117, Mar. 4, 2010]

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