



§ 275.204A-1 Investment adviser codes of ethics.

(a) Adoption of code of ethics. If you are an investment adviser registered or required to be registered under section 203 of the Act ([15 U.S.C. 80b-3](#)), you must establish, maintain and enforce a written code of ethics that, at a minimum, includes:

- (1)** A standard (or standards) of business conduct that you require of your supervised persons, which standard must reflect your fiduciary obligations and those of your supervised persons;
- (2)** Provisions requiring your supervised persons to comply with applicable Federal securities laws;
- (3)** Provisions that require all of your access persons to report, and you to review, their personal securities transactions and holdings periodically as provided below;
- (4)** Provisions requiring supervised persons to report any violations of your code of ethics promptly to your chief compliance officer or, provided your chief compliance officer also receives reports of all violations, to other persons you designate in your code of ethics; and
- (5)** Provisions requiring you to provide each of your supervised persons with a copy of your code of ethics and any amendments, and requiring your supervised persons to provide you with a written acknowledgment of their receipt of the code and any amendments.

(b) Reporting requirements -

(1) Holdings reports. The code of ethics must require your access persons to submit to your chief compliance officer or other persons you designate in your code of ethics a report of the access person's current securities holdings that meets the following requirements:

(i) Content of holdings reports. Each holdings report must contain, at a minimum:

- (A)** The title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares, and principal amount of each reportable security in which the access person has any direct or indirect beneficial ownership;
- (B)** The name of any broker, dealer or bank with which the access person maintains an account in which any securities are held for the access person's direct or indirect benefit; and
- (C)** The date the access person submits the report.

(ii) Timing of holdings reports. Your access persons must each submit a holdings report:

- (A)** No later than 10 days after the person becomes an access person, and the information must be current as of a date no more than 45 days prior to the date the person becomes an access person.
- (B)** At least once each 12-month period thereafter on a date you select, and the information must be current as of a date no more than 45 days prior to the date the report was submitted.

(2) Transaction reports. The code of ethics must require access persons to submit to your chief compliance officer or other persons you designate in your code of ethics quarterly securities transactions reports that meet the following requirements:

(i) Content of transaction reports. Each transaction report must contain, at a minimum, the following information about each transaction involving a reportable security in which the access person had, or as a result of the transaction acquired, any direct or indirect beneficial ownership:

- (A)** The date of the transaction, the title, and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and principal amount of each reportable security involved;
- (B)** The nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition);

- (C) The price of the security at which the transaction was effected;
- (D) The name of the broker, dealer or bank with or through which the transaction was effected; and
- (E) The date the access person submits the report.

(ii) **Timing of transaction reports.** Each access person must submit a transaction report no later than 30 days after the end of each calendar quarter, which report must cover, at a minimum, all transactions during the quarter.

(3) **Exceptions from reporting requirements.** Your code of ethics need not require an access person to submit:

- (i) Any report with respect to securities held in accounts over which the access person had no direct or indirect influence or control;
- (ii) A transaction report with respect to transactions effected pursuant to an automatic investment [plan](#);
- (iii) A transaction report if the report would duplicate information contained in broker trade confirmations or account statements that you hold in your records so long as you receive the confirmations or statements no later than 30 days after the end of the applicable calendar quarter.

(c) **Pre-approval of certain investments.** Your code of ethics must require your access persons to obtain your approval before they directly or indirectly acquire beneficial ownership in any security in an initial public offering or in a limited offering.

(d) **Small advisers.** If you have only one access person (i.e., yourself), you are not required to submit reports to yourself or to obtain your own approval for investments in any security in an initial public offering or in a limited offering, if you maintain records of all of your holdings and transactions that this section would otherwise require you to report.

(e) **Definitions.** For the purpose of this section:

(1) **Access person** means:

- (i) Any of your supervised persons:
 - (A) Who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or
 - (B) Who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic.
- (ii) If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

(2) **Automatic investment plan** means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation. An automatic investment [plan](#) includes a dividend reinvestment [plan](#).

(3) **Beneficial ownership** is interpreted in the same manner as it would be under [§ 240.16a-1\(a\)\(2\)](#) of this chapter in determining whether a person has beneficial ownership of a security for purposes of section 16 of the [Securities Exchange Act](#) of 1934 ([15 U.S.C. 78p](#)) and the [rules and regulations](#) thereunder. Any report required by [paragraph \(b\)](#) of this section may contain a statement that the report will not be construed as an admission that the person making the report has any direct or indirect beneficial ownership in the security to which the report relates.

(4) **Federal securities laws** means the [Securities Act](#) of 1933 ([15 U.S.C. 77a-aa](#)), the [Securities Exchange Act](#) of 1934 ([15 U.S.C. 78a-mm](#)), the Sarbanes-Oxley Act of 2002 ([Pub. L. 107-204, 116 Stat. 745](#) (2002)), the [Investment Company Act](#) of 1940 ([15 U.S.C. 80a](#)), the [Investment Advisers Act](#) of 1940 ([15 U.S.C. 80b](#)), title V of the Gramm-Leach-Bliley Act ([Pub. L. 106-102, 113 Stat. 1338](#) (1999)), any rules adopted by the Commission under any of these statutes, the [Bank Secrecy Act](#) ([31 U.S.C. 5311-5314](#); 5316-5332) as it applies to funds and investment advisers, and any rules adopted thereunder by the Commission or the Department of the Treasury.

(5) **Fund** means an investment company registered under the [Investment Company Act](#).

(6) **Initial public offering** means an offering of securities registered under the [Securities Act](#) of 1933 ([15 U.S.C. 77a](#)), the [issuer](#) of which, immediately before the registration, was not subject to the reporting requirements of sections 13 or 15(d) of the [Securities Exchange Act](#) of 1934 ([15 U.S.C. 78m](#) or [78o\(d\)](#)).

(7) **Limited offering** means an offering that is exempt from registration under the [Securities Act](#) of 1933 pursuant to section 4(a)(2) or section 4(a)(5) ([15 U.S.C. 77d\(a\)\(2\)](#) or [77d\(a\)\(5\)](#)) or pursuant to §§ [230.504](#) or [230.506](#) of this chapter.

(8) Purchase or sale of a security includes, among other things, the writing of an option to purchase or sell a security.

(9) Reportable fund means:

(i) Any fund for which you serve as an investment adviser as defined in section 2(a)(20) of the [Investment Company Act of 1940 \(15 U.S.C. 80a-2\(a\)\(20\)\)](#) (i.e., in most cases you must be approved by the fund's board of directors before you can serve); or

(ii) Any fund whose investment adviser or principal [underwriter](#) controls you, is controlled by you, or is under common control with you. For purposes of this section, *control* has the same meaning as it does in section 2(a)(9) of the [Investment Company Act of 1940 \(15 U.S.C. 80a-2\(a\)\(9\)\)](#).

(10) Reportable security means a security as defined in section 202(a)(18) of the Act [\(15 U.S.C. 80b-2\(a\)\(18\)\)](#), except that it does not include:

(i) Direct obligations of the Government of the United States;

(ii) Bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements;

(iii) [Shares](#) issued by money market funds;

(iv) [Shares](#) issued by open-end funds other than reportable funds; and

(v) [Shares](#) issued by unit investment trusts that are invested exclusively in one or more open-end funds, none of which are reportable funds.

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