

By Mr. Honan of Boston, petition of Kevin G. Honan relative to the use of collective investment funds and common trust funds. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT RELATIVE TO THE USE OF COLLECTIVE INVESTMENT FUNDS AND COMMON TRUST FUNDS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 3 of Chapter 167G of the General Laws, as appearing
2 in the 1988 Official Edition, is hereby amended by striking out
3 paragraph ten-A and inserting in place thereof the following:
4 10A. Any association or corporation authorized to do a
5 banking business and to exercise trust powers in the common-
6 wealth may invest funds which it holds in a fiduciary capacity in
7 any collective investment fund or common trust fund established
8 by any affiliate of such association or corporation, and any such
9 association or corporation may invest in any collective investment
10 fund or common trust fund established by it pursuant to the
11 provisions of this chapter or chapter two hundred and three A
12 funds held by any such affiliate in a fiduciary capacity; provided,
13 however, that any such investment is not prohibited by the
14 instrument, judgment, decree or order creating such fiduciary
15 relationship. As used in this paragraph, the term "affiliate" shall
16 mean any banking institution as defined in subsection (a) of
17 section one of chapter one hundred and sixty-seven A which is
18 connected through stock ownership with any other such banking
19 institution, as so defined, or any two or more such banking
20 institutions which are connected through stock ownership by a
21 bank holding company, as defined in said chapter one hundred
22 and sixty-seven A, or any two or more banking institutions which
23 exercise trust powers and which are connected through stock

24 ownership with a common parent; provided, however, that said
25 banking institution or said bank holding company or said
26 common parent owns, directly or indirectly, stock possessing at
27 least eighty percent of the total voting power and at least eighty
28 percent of the total value of the stock of the respective banking
29 institutions.