

Securities and Exchange Commission

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to involve a series of appearances or activities, if such employment or retainer does not contemplate any expenses other than ordinary personal, traveling or sustenance expenses, stationery, postage, telephone, telecopier and telegraphic service, stenographic and clerical assistance, expenditures for the printing of briefs or other documents to be submitted to any agencies specified in section 12(i) of the Act, and similar items.

(c) *Supplemental statement.* Any person filing an advance statement on Form U-12(I)-B shall file a supplement to such advance statement within 30 days after the end of the period covered thereby, and in no event later than January 30 of the following year, giving the information specified in Items 5 and 6 thereof. Any such person renewing such advance statement may combine the renewal and supplement in the same statement.

[Rule U, 6 FR 2015, Apr. 19, 1941, as amended at 6 FR 5950, Nov. 25, 1941; 59 FR 21928, Apr. 28, 1994]

§ 250.72 Filing of statements pursuant to section 17(a).

(a) The filing of initial statements of beneficial ownership of securities and statements of changes in such beneficial ownership, as prescribed under section 16(a) of the Securities Exchange Act of 1934, shall satisfy the corresponding requirements of section 17(a) of the Public Utility Holding Company Act of 1935.

(b) The rules under section 16 (a) and (b) of the Securities Exchange Act of 1934, including any rules which exempt a transaction from the duties or liabilities of section 16 (a) or (b), shall apply to any duty or liability imposed with respect to a transaction involving any security of a registered holding company or subsidiary thereof under section 17 (a) or (b) of the Act.

(Sec. 17(a), 49 Stat. 830; 15 U.S.C. 79q)

[26 FR 2466, Mar. 23, 1961, as amended at 46 FR 2036, Jan. 8, 1981; 47 FR 5224, Feb. 4, 1982]

SERVICE, SALES AND CONSTRUCTION CONTRACTS

§ 250.80 Definitions of terms used in rules under section 13.

As used in the rules and regulations under section 13 of the Act (49 Stat. 825; 15 U.S.C. 79m), unless the context otherwise requires:

(a) *Service* means any managerial, financial, legal, engineering, purchasing, marketing, auditing, statistical, advertising, publicity, tax, research, or any other service (including supervision or negotiation of construction or of sales), information or data, which is sold or furnished for a charge.

(b) *Goods* means any goods, equipment (including machinery), materials, supplies, appliances, or similar property (including coal, oil, or steam, but not including electric energy, natural or manufactured gas, or utility assets) which is sold, leased, or furnished, for a charge.

(c) *Construction* means any construction, extension, improvement, maintenance, or repair of the facilities or any part thereof of a company, which is performed for a charge.

§ 250.81 Exempted transactions.

Unless otherwise expressly provided, the rules, regulations, and orders of the Commission pertaining to the performance of services or construction or the sale of goods shall not be applicable to the sale of water, telephone service, transportation, or a similar commodity or service, the sale of which is normally subject to public regulation, or to the furnishing of services, construction, or goods, to a customer incidentally to such a sale; and such transactions shall be exempt from the provisions of section 13 of the Act (49 Stat. 825; 15 U.S.C. 79m) and the rules and regulations thereunder: *Provided*, That, where any such transaction is with an associate company in its capacity as a consumer, comparable services, construction, or goods are offered to customers other than associate companies on terms which are comparable having

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due regard to any differences of quality or quantity.

§ 250.82 Temporary exemption from section 13.

(a) Every registered holding company shall be exempt from the provisions of section 13 (49 Stat. 825; 15 U.S.C. 79m) and the rules and regulations adopted thereunder for a period of 30 days after the date when such company shall first become a registered holding company, and every subsidiary of such a registered holding company and every company principally engaged in performing services or construction for, or making sales to, associates of such registered holding company shall likewise be exempt from such provisions for said period: *Provided*, That, during such period, such company shall comply with the provisions of § 250.90 with respect to the performance of services or construction for associate companies on the basis of cost and with the provisions of § 250.92 with respect to sales of goods produced by the seller. As to any company principally engaged in performing services or construction for, or selling goods to, associate companies, such exemption shall expire on the first day of the calendar month immediately succeeding the effective date of such registration unless on and after the first day of such month all accounts and records of such company with respect to such matters shall be maintained in accordance with the provisions of § 250.93 or other rule of the Commission with respect to the accounts and records of mutual service companies and subsidiary service companies.

(b) If, within said period of 30 days after registration of any such holding company, or 30 days after the date of its becoming a holding company in the event of such company filing a notification prior to becoming a holding company, an application or a declaration pursuant to § 250.88 shall be filed with the Commission by or on behalf of any company desiring to perform services or construction for, or make sales of goods to, associate companies in such holding company system, such applicant or declarant may, to the extent set forth in such document, perform services or construction for, or make

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sales of goods to, such companies until the Commission shall take final action on such application or declaration: *Provided, however*, That, during such period such applicant or declarant shall comply with all provisions of the act and of the rules and regulations thereunder that would have been applicable to it if the Commission had previously taken favorable action on such application or declaration.

§ 250.83 Exemption in the case of transactions with foreign associates.

(a) Any subsidiary company of a registered holding company, which subsidiary is or is about to become engaged in the performance of any service, sales, or construction contract for any associate company which does not derive, directly or indirectly, any material part of its income from sources within the United States and which is not a public utility company operating within the United States, may make application to the Commission for exemption, in whole or in part, from the standards established by section 13(b) of the Act (49 Stat. 825; 15 U.S.C. 79m), and the rules and regulations promulgated thereunder, relating to the performance of any service, sales, or construction contract for such associate companies.

(b) No form is prescribed therefor, but every such application shall comply with the provisions of § 250.20. Every such application shall fully set forth information regarding ownership of security issues, servicing activities of the applicant, and such other data as may be necessary to enable the Commission to determine if, by reason of the lack of any major interest of holders of securities offered in the United States in servicing arrangements affecting such serviced subsidiaries, or for any other reason, such an application for exemption should be granted as necessary or appropriate in the public interest or for the protection of investors.

(c) Upon filing such an application in good faith, the applicant shall be entitled to a temporary exemption from all provisions of section 13(b) of the Act,