

COLLECTIVE INVESTMENT FUNDS ACT (EXCERPT)
Act 174 of 1941

555.108 Common trust funds; assets valuation; admission and withdrawal; basis; distribution.

Sec. 8.

(1) A financial institution administering a fund that is not invested primarily in real estate or other assets that are not readily marketable shall determine the value of the fund's assets at least every 3 months. A financial institution administering a fund that is invested primarily in real estate or other assets that are not readily marketable shall determine the value of the fund's assets at least once a year. A financial institution administering a fund shall admit an account to or withdraw an account from the fund only on the basis of a valuation described in this section.

(2) A financial institution administering a fund may admit an account to or withdraw an account from the fund only if the financial institution has approved a notice for or a notice of intention of taking that action on or before the valuation date on which the admission or withdrawal is based. A request or notice shall not be canceled or countermanded after the valuation date.

(3) A financial institution administering a fund shall make distributions to accounts withdrawing from the fund in cash, ratably in kind, in a combination of cash and ratably in kind, or in any other manner consistent with applicable law in the state in which the financial institution maintains the fund. If an investment is withdrawn in kind from a fund for the benefit of all participants in the fund at the time of the withdrawal but the investment is not distributed ratably in kind, the financial institution shall segregate and administer the investment for the benefit ratably of all participants in the fund at the time of withdrawal.

History: 1941, Act 174, Eff. Jan. 10, 1942;—CL 1948, 555.108;—Am. 2004, Act 586, Imd. Eff. Jan. 4, 2005.

Popular name: Common Trust Fund Act