

ALABAMA SECURITIES COMMISSION

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ALABAMA SECURITIES COMMISSION ISSUES ADVISORY ON OPPORTUNITY ZONE INVESTMENTS

Montgomery, AL (July 29, 2019) — The Alabama Securities Commission (ASC) today issued an advisory raising awareness of the risks associated with investments in opportunity zones, economically distressed communities where new investments, under certain conditions, may be eligible for preferential tax treatment as part of the 2017 Tax Cuts and Jobs Act.

“This new program provides an opportunity to strengthen investments in low-income communities and rural areas that traditionally struggled to attract the capital necessary to spur economic growth and job creation,” Director Joseph Borg said.

Investors attracted to opportunity zone investments for the potential tax benefits and promise of return on investment should weigh various factors before deciding to invest. The advisory discusses how opportunity zone investments work, the risks investors should understand when considering opportunity zone investments, and steps investors can take to protect themselves.

The full advisory is available on the ASC website at www.asc.alabama.gov.

Separately, the North American Securities Administrators Association (NASAA), of which ASC is a member, and the U.S. Securities and Exchange Commission (SEC) recently issued a summary that explains the application of the federal and state securities laws to opportunity zone investments.

The summary also provides an overview of the SEC and state requirements relating to qualified opportunity funds and their securities offerings, broker-dealer registration, and considerations for advisers to a qualified opportunity fund. The summary is available on the NASAA website here; <http://www.nasaa.org/wp-content/uploads/2019/07/Opportunity-Zones-NASAA-SEC-Staff-Statement.pdf>

Before making any financial decisions, ask questions and do your homework.

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