**Section 204.50 Regulation Under Subsection (e) of the Act**

Arbitrage transactions under subsection (e) of the Act

It shall be unlawful for any director or officer of a company to effect any foreign or domestic arbitrage transaction in any equity security of such company, unless he shall include such transaction in the statements required by subsection (a) of the Act and shall account to such company for the profits arising from such transaction, as provided in subsection (b) thereof. The provisions of subsection (c) shall not apply to such arbitrage transactions. The provisions of the Act shall not apply to any bona fide foreign or domestic arbitrage transaction insofar as it is effected by any person other than such director or officer of the company.