

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940
Release No. 27822 / May 22, 2007

In the Matter of

HSBC SECURITIES (USA) INC.
452 Fifth Avenue
New York, NY 10018

(812-13186)

ORDER UNDER SECTION 6(c) OF THE INVESTMENT COMPANY ACT OF 1940
GRANTING AN EXEMPTION FROM SECTION 18(f)(1) OF THE ACT AND
ERRATA

HSBC Securities (USA) Inc. ("HSBC Securities") filed an application on May 2, 2005, and an amendment to the application on April 24, 2007.¹ Applicant requested an order under section 6(c) of the Investment Company Act of 1940 (the "Act") granting an exemption from section 18(f)(1) of the Act. The order would permit registered open-end management investment companies to enter into secured loan transactions with commercial paper and medium-term note conduits administered by HSBC Securities.

On April 26, 2007, a notice of the filing of the application was issued (Investment Company Act Release No. 27805). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, as amended, that granting the requested exemption is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Accordingly,

¹ The notice listed April 26, 2007 as the filing date of the amendment. The correct filing date is April 24, 2007.

IT IS ORDERED, under section 6(c) of the Act, that the requested exemption from section 18(f)(1) is granted, effective immediately, subject to the conditions contained in the application, as amended.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon
Deputy Secretary