

115TH CONGRESS
2D SESSION

S. 2765

To amend the Investment Advisers Act of 1940 to exempt investment advisers who solely advise certain rural business investment companies, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 26, 2018

Mr. KENNEDY (for himself and Mr. JONES) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Investment Advisers Act of 1940 to exempt investment advisers who solely advise certain rural business investment companies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “RBIC Advisers Relief
5 Act of 2018”.

6 **SEC. 2. ADVISERS OF RBICS.**

7 Section 203 of the Investment Advisers Act of 1940
8 (15 U.S.C. 80b–3(b)) is amended—

9 (1) in subsection (b)—

1 (A) in paragraph (6)(B)—

2 (i) by adjusting the margins accord-
3 ingly; and

4 (ii) by striking the period at the end
5 and inserting a semicolon;

6 (B) in paragraph (7)(C), by striking the
7 period at the end and inserting “; or”; and

8 (C) by adding at the end the following:

9 “(8) any investment adviser, other than an enti-
10 ty that has elected to be regulated or is regulated as
11 a business development company pursuant to section
12 54 of the Investment Company Act of 1940 (15
13 U.S.C. 80a–53), who solely advises—

14 “(A) rural business investment companies
15 (as defined in section 384A of the Consolidated
16 Farm and Rural Development Act (7 U.S.C.
17 2009cc)); or

18 “(B) companies that have submitted to the
19 Secretary of Agriculture an application in ac-
20 cordance with section 384D(b) of the Consoli-
21 dated Farm and Rural Development Act (7
22 U.S.C. 2009cc–3(b)) that—

23 “(i) have received from the Secretary
24 of Agriculture a letter of conditions, which
25 has not been revoked; or

1 “(ii) are affiliated with 1 or more
2 rural business investment companies de-
3 scribed in subparagraph (A).”;

4 (2) in subsection (l), by adding at the end the
5 following:

6 “(3) ADVISERS OF RBICS.—For purposes of
7 this subsection, a venture capital fund includes an
8 entity described in subparagraph (A) or (B) of sub-
9 section (b)(8) (other than an entity that has elected
10 to be regulated as a business development company
11 pursuant to section 54 of the Investment Company
12 Act of 1940 (15 U.S.C. 80a–53)).”; and

13 (3) in subsection (m), by adding at the end the
14 following:

15 “(4) ADVISERS OF RBICS.—For purposes of
16 this subsection, the assets under management of a
17 private fund that is an entity described in subpara-
18 graph (A) or (B) of subsection (b)(8) (other than an
19 entity that has elected to be regulated or is regu-
20 lated as a business development company pursuant
21 to section 54 of the Investment Company Act of
22 1940 (15 U.S.C. 80a–53)) shall be excluded from
23 the limit set forth in paragraph (1).”.

1 **SEC. 3. RELATIONSHIP TO STATE LAW.**

2 Section 203A(b)(1) of the Investment Advisers Act
3 of 1940 (15 U.S.C. 80b–3a(b)(1)) is amended—

4 (1) in subparagraph (C), by striking the period
5 at the end and inserting “; or”; and

6 (2) by adding at the end the following:

7 “(D) that is not registered under section
8 203 because that person is exempt from reg-
9 istration as provided in subsection (b)(8) of
10 such section, or is a supervised person of such
11 person.”.

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