

V. Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the FCA hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities. Each of the banks in the System, considered together with its affiliated associations, has assets and annual income in excess of the amounts that would qualify them as small entities. Therefore, System institutions are not “small entities” as defined in the Regulatory Flexibility Act.

List of Subjects in 12 CFR Part 622

Administrative practice and procedure, Crime, Investigations, Penalties.

For the reasons stated in the preamble, part 622 of chapter VI, title 12 of the Code of Federal Regulations is amended as follows:

PART 622—RULES OF PRACTICE AND PROCEDURE

- 1. The authority citation for part 622 continues to read as follows:

Authority: Secs. 5.9, 5.10, 5.17, 5.25–5.37 of the Farm Credit Act (12 U.S.C. 2243, 2244, 2252, 2261–2273); 28 U.S.C. 2461 note; and 42 U.S.C. 4012a(f).

- 2. Revise § 622.61 to read as follows:

§ 622.61 Adjustment of civil money penalties by the rate of inflation under the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended.

(a) The maximum amount of each civil money penalty within FCA’s jurisdiction is adjusted in accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended (28 U.S.C. 2461 **note**), as follows:

(1) Amount of civil money penalty imposed under section 5.32 of the Act for violation of a final order issued under section 5.25 or 5.26 of the Act: The maximum daily amount is \$2,269 for violations that occur on or after January 15, 2018.

(2) Amount of civil money penalty for violation of the Act or regulations: The maximum daily amount is \$1,026 for each violation that occurs on or after January 15, 2018.

(b) The maximum civil money penalty amount assessed under 42 U.S.C. 4012a(f) is: \$385 for each violation that occurs on or after January 16, 2009, but before July 1, 2013, with total penalties under such statute not to exceed \$120,000 for any single institution during any calendar year; \$2,000 for each violation that occurs on or after July 1, 2013, but before August 1, 2016, with no cap on the total amount of penalties that can be assessed against any single institution during any calendar year; and \$2,133 for each violation that occurs on or after January 15, 2018, with no cap on the total amount of penalties that can be assessed against any single institution during any calendar year.

Dated: January 8, 2018.

Dale L. Aultman,
Secretary, Farm Credit Administration Board.
[FR Doc. 2018–00336 Filed 1–10–18; 8:45 am]

BILLING CODE 6705–01–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 211

[Release No. SAB 117]

Staff Accounting Bulletin No. 117

AGENCY: Securities and Exchange Commission.

ACTION: Publication of Staff Accounting Bulletin.

SUMMARY: This staff accounting bulletin modifies portions of the interpretive guidance included in the Staff Accounting Bulletin Series in order to make the relevant interpretive guidance consistent with authoritative accounting guidance and Securities and Exchange Commission rules and regulations. Specifically, the staff is updating the Series in order to bring existing guidance into conformity with the

Financial Accounting Standards Board Accounting Standards Codification Topic 321, *Investments—Equity Securities*.

DATES: *Effective:* January 11, 2018.

FOR FURTHER INFORMATION CONTACT: Brian Staniszewski, Professional Accounting Fellow, Office of the Chief Accountant at (202) 551–5300 or Lindsay McCord, Associate Chief Accountant, Division of Corporation Finance at (202) 551–3400, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The statements in staff accounting bulletins are not rules or interpretations of the Commission, nor are they published as bearing the Commission’s official approval. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the federal securities laws.

List of Subjects in 17 CFR Part 211

Accounting, Reporting and recordkeeping requirements, Securities.

Dated: November 29, 2017.

Brent J. Fields,
Secretary.

Accordingly, part 211 of title 17 of the Code of Federal Regulations is amended as follows:

PART 211—INTERPRETATIONS RELATING TO FINANCIAL REPORTING MATTERS

- 1. Add an authority citation for part 211 to read as follows:

Authority: 15 U.S.C. 77g, 15 U.S.C. 77s(a), 15 U.S.C. 77aa(25) and (26), 15 U.S.C. 78c(b), 17 CFR 78l(b) and 13(b), 17 CFR 78m(b) and 15 U.S.C. 80a–8, 30(e) 15 U.S.C. 80a–29(e), 15 U.S.C. 80a–30, and 15 U.S.C. 80a–37(a).

- 2. Amend the table in subpart B by adding an entry for Staff Accounting Bulletin No. 117 at the end of the table to read as follows:

Subpart B—Staff Accounting Bulletins

Subject	Release No.	Date	Fed. Reg. Vol. and page
Publication of Staff Accounting Bulletin No. 117	SAB–117	1/11/2018	[INSERT Federal Register CITATION].

Note: The text of SAB 117 will not appear in the Code of Federal Regulations.

Staff Accounting Bulletin No. 117

This staff accounting bulletin modifies portions of the interpretive guidance included in the Staff Accounting Bulletin Series in order to

make the relevant interpretive guidance consistent with current authoritative accounting and auditing guidance and Securities and Exchange Commission (“Commission”) rules and regulations.

Specifically, the staff is updating the Series in order to bring existing guidance into conformity with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 321, *Investments—Equity Securities* (“ASC Topic 321”). The FASB adopted ASC Topic 321 through its issuance of Accounting Standards Update No. 2016–01, *Financial Instruments—Overall (Subtopic 825–10): Recognition and Measurement of Financial Assets and Financial Liabilities*.

The following describes the changes made to the Staff Accounting Bulletin Series that are presented at the end of this release:

1. Topic 5: Miscellaneous Accounting

a. Topic 5.M in the Staff Accounting Bulletin Series entitled *Other Than Temporary Impairment of Certain Investments in Equity Securities* (“Topic 5.M”) is no longer applicable upon a registrant’s adoption of ASC Topic 321. Topic 5.M provided the staff’s views on evaluating whether an impairment loss should be recognized in net income for investments in equity securities that were measured at fair value with changes in fair value presented in other comprehensive income.¹ ASC Topic 321 establishes new guidance that eliminates the ability to present changes in the fair value of investments in equity securities within other comprehensive income. After a registrant adopts ASC Topic 321, investments in equity securities that previously qualified for presenting changes in fair value within other comprehensive income will be measured at fair value with changes in fair value presented immediately in net income. Therefore, ASC Topic 321 eliminates the need for Topic 5.M.

Accordingly, the staff hereby amends the Staff Accounting Bulletin Series as follows:

* * * * *

Topic 5: Miscellaneous Accounting

* * * * *

M.1. Impact of a Registrant’s Adoption of FASB ASC Topic 321, Investments—Equity Securities—Overall

Topic 5.M is no longer applicable upon a registrant’s adoption of ASC Topic 321. Topic 5.M provided the staff’s views on evaluating whether an

¹ Prior to the adoption of ASC Topic 321, FASB ASC Topic 320, *Investments—Debt and Equity Securities*, permitted investments in equity securities with readily determinable fair values to be classified as (1) available-for-sale, with changes in fair value recognized in other comprehensive income, or as (2) trading securities, with changes in fair value recognized in net income.

impairment loss should be recognized in net income for investments in equity securities that were measured at fair value with changes in fair value presented in other comprehensive income. ASC Topic 321 establishes new guidance that eliminates the ability to present changes in the fair value of investments in equity securities within other comprehensive income, which eliminates the need for Topic 5.M. Registrants that have not yet adopted ASC Topic 321 should continue to refer to Topic 5.M.

* * * * *

[FR Doc. 2018–00352 Filed 1–10–18; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 275

[Release No. IA–4839; File No. S7–05–17]

RIN 3235–AM02

Exemptions From Investment Adviser Registration for Advisers to Small Business Investment Companies

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: We are adopting amendments to the rule that defines a venture capital fund (rule 203(l)–1) and the rule that implements the private fund adviser exemption (rule 203(m)–1) under the Investment Advisers Act of 1940 (the “Advisers Act”) in order to reflect changes made by title LXXIV, sections 74001 and 74002 of the Fixing America’s Surface Transportation Act of 2015 (the “FAST Act”), which amended sections 203(l) and 203(m) of the Advisers Act. Title LXXIV, section 74001 of the FAST Act amended the exemption from investment adviser registration for any adviser solely to one or more “venture capital funds” in Advisers Act section 203(l) by deeming “small business investment companies” to be “venture capital funds” for purposes of the exemption.

Accordingly, we are amending the definition of a venture capital fund to include “small business investment companies.” Title LXXIV, section 74002 of the FAST Act amended the exemption from investment adviser registration for any adviser solely to “private funds” with less than \$150 million in assets under management in Advisers Act section 203(m) by excluding the assets of “small business investment companies” when calculating “private fund assets”

towards the registration threshold of \$150 million. Accordingly, we are amending the definition of “assets under management” in the rule that implements the private fund adviser exemption to exclude the assets of “small business investment companies.”

DATES: Effective March 12, 2018.

FOR FURTHER INFORMATION CONTACT: Jennifer Songer, Senior Counsel, or Sara Cortes, Assistant Director, at (202) 551–6787 or *IArules@sec.gov*, Investment Adviser Regulation Office, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–8549.

SUPPLEMENTARY INFORMATION: The Commission is adopting amendments to rules 203(l)–1 [17 CFR 275.203(l)\1] and 203(m)–1 [17 CFR 275.203(m)–1] under the Investment Advisers Act of 1940 [15 U.S.C. 80b].¹

Table of Contents

I. Background
II. Discussion
A. Amendment to Rule 203(l)–1
B. Amendment to Rule 203(m)–1
III. Effective Date
IV. Economic Analysis
A. Introduction and Economic Justification
B. Costs and Benefits
C. Efficiency, Competition, and Capital Formation
V. Paperwork Reduction Act Analysis
VI. Regulatory Flexibility Act Certification
VII. Statutory Authority

I. Background

Prior to the enactment of the Fixing America’s Surface Transportation Act of 2015 (the “FAST Act”),² we believe that investment advisers to small business investment companies (“SBICs”)³ primarily relied upon an exemption

¹ Unless otherwise noted, when we refer to the Advisers Act, or any paragraph of the Advisers Act, we are referring to 15 U.S.C. 80b of the United States Code [15 U.S.C. 80b], at which the Advisers Act is codified, and when we refer to Advisers Act rules, or any paragraph of these rules, we are referring to title 17, part 275 of the Code of Federal Regulations [17 CFR part 275], in which these rules are published.

² Public Law 114–94, 129 Stat. 1312 (Dec. 4, 2015).

³ An SBIC is (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940): (A) a small business investment company that is licensed under the Small Business Investment Act of 1958 (“SBIA”), (B) an entity that has received from the Small Business Administration notice to proceed to qualify for a license as a small business investment company under the SBIA, which notice or license has not been revoked, or (C) an applicant that is affiliated with 1 or more licensed small business investment companies described in subparagraph (A) and that has applied for another license under the SBIA, which application remains pending. Advisers Act section 203(b)(7).