

108TH CONGRESS
2D SESSION

H. R. 3170

IN THE SENATE OF THE UNITED STATES

APRIL 29, 2004

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To amend the Investment Company Act of 1940 to provide
incentives for small business investment, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Increased Capital Ac-
3 cess for Growing Business Act”.

4 **SEC. 2. AMENDMENTS TO THE INVESTMENT COMPANY ACT**
5 **OF 1940.**

6 (a) DEFINITION OF ELIGIBLE PORTFOLIO COM-
7 PANY.—Section 2(a)(46)(C) of the Investment Company
8 Act of 1940 (15 U.S.C. 80a–2(a)(46)(C)) is amended—

9 (1) by striking clause (i) and inserting the fol-
10 lowing:

11 “(i) it does not have any class of eq-
12 uity securities listed for trading on a na-
13 tional securities exchange or traded
14 through the facilities of a national securi-
15 ties association as described in Section
16 15A of the Securities Exchange Act of
17 1934;”;

18 (2) by striking “or” at the end of clause (iii);

19 (3) by redesignating clause (iv) as clause (v);

20 and

21 (4) by inserting after clause (iii) the following
22 new clause:

23 “(iv) the aggregate value of its out-
24 standing publicly traded equity securities is
25 not more than \$250,000,000, except that
26 the Commission may adjust such amounts

1 by rule, regulation, or order to reflect
2 changes in one or more generally accepted
3 indices or other indicators for small busi-
4 ness, consistent with the public interest,
5 the protection of investors, and the pur-
6 poses fairly intended by the policy and pro-
7 visions of this title; or”.

8 (b) ASSETS OF BUSINESS DEVELOPMENT COMPA-
9 NIES.—Section 55(a)(1) of the Investment Company Act
10 of 1940 (15 U.S.C. 80a–55(a)(1)) is amended—

11 (1) in subparagraph (B), by striking “securities
12 with respect to which a member of a national securi-
13 ties exchange, broker, or dealer may extend or main-
14 tain credit to or for a customer pursuant to rules or
15 regulations adopted by the Board of Governors of
16 the Federal Reserve System under Section 7 of the
17 Securities Exchange Act of 1934” and inserting the
18 following: “equity securities listed for trading on a
19 national securities exchange or traded through the
20 facilities of a national securities association as de-
21 scribed in Section 15A of the Securities Exchange
22 Act of 1934”; and

23 (2) by striking “or” at the end of subparagraph
24 (A), by inserting “or” after the semicolon at the end

1 of subparagraph (B), and by inserting after sub-
2 paragraph (B) the following new subparagraph:

3 “(C) from the issuer of such securities,
4 which issuer is described in section 2(a)(46)(A)
5 and (B) but is not an eligible portfolio company
6 because the aggregate value of its outstanding
7 publicly traded equity securities is more than
8 \$250,000,000 but not more than \$500,000,000,
9 if such securities represent not more than 10
10 per centum of the total assets of the business
11 development company invested in securities de-
12 scribed in paragraphs (1) through (6) of this
13 section;”.

Passed the House of Representatives April 28, 2004.

Attest:

JEFF TRANDAHL,

Clerk.