

114TH CONGRESS
1ST SESSION

S. 1978

To amend the Investment Advisers Act of 1940 to prevent duplicative regulation of advisers of small business investment companies.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 2015

Mr. KIRK (for himself and Mr. DONNELLY) 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 prevent duplicative regulation of advisers of small business investment companies.

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 “SBIC Advisers Relief
5 Act of 2015”.

6 **SEC. 2. ADVISERS OF SBICS AND VENTURE CAPITAL FUNDS.**

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

1 (1) by striking “No investment adviser” and in-
 2 serting the following:

3 “(1) IN GENERAL.—No investment adviser”;
 4 and

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

6 “(2) ADVISERS OF SBICS.—For purposes of this
 7 subsection, a venture capital fund includes an entity
 8 described in subparagraph (A), (B), or (C) of sub-
 9 section (b)(7) (other than an entity that has elected
 10 to be regulated or is regulated as a business develop-
 11 ment company pursuant to section 54 of the Invest-
 12 ment Company Act of 1940).”.

13 **SEC. 3. ADVISERS OF SBICS AND PRIVATE FUNDS.**

14 Section 203(m) of the Investment Advisers Act of
 15 1940 (15 U.S.C. 80b–3(m)) is amended by adding at the
 16 end the following:

17 “(3) ADVISERS OF SBICS.—For purposes of this
 18 subsection, the assets under management of a pri-
 19 vate fund that is an entity described in subpara-
 20 graph (A), (B), or (C) of subsection (b)(7) (other
 21 than an entity that has elected to be regulated or is
 22 regulated as a business development company pursu-
 23 ant to section 54 of the Investment Company Act of
 24 1940) shall be excluded from the limit set forth in
 25 paragraph (1).”.

1 **SEC. 4. 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 (A), by striking “or” at
5 the end;

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

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

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

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