

68A Stat. 357;
75 Stat. 536.
26 USC 1441.

Effective date.

(c) **WITHHOLDING OF TAX ON CERTAIN NONRESIDENT ALIENS.**—Subsections (a) and (b) of section 1441 (relating to withholding of tax on nonresident aliens) are amended by striking out “18 percent” and inserting in lieu thereof “14 percent”.

(d) **EFFECTIVE DATES.**—The amendments made by subsections (a) and (b) of this section shall apply with respect to remuneration paid after the seventh day following the date of the enactment of this Act. The amendment made by subsection (c) of this section shall apply with respect to payments made after the seventh day following the date of the enactment of this Act.

Approved February 26, 1964.

Public Law 88-273

February 28, 1964
[S. 298]

AN ACT

To amend the Small Business Investment Act of 1958.

Small Business
Investment Act
Amendments of
1963.

72 Stat. 692;
75 Stat. 752.
15 USC 682.

Borrowing
power.
15 USC 683.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Small Business Investment Act Amendments of 1963”.

SEC. 2. The second sentence of section 302(a) of the Small Business Investment Act of 1958 is amended by striking out “\$400,000” and inserting in lieu thereof “\$700,000”, by striking out “three years” and inserting in lieu thereof “five years”, and by striking out “1961” and inserting in lieu thereof “1963”.

SEC. 3. Section 303(b) of the Small Business Investment Act of 1958 is amended to read as follows:

“(b) To encourage the formation and growth of small business investment companies, the Administration is authorized (but only to the extent that the necessary funds are not available to the company involved from private sources on reasonable terms) to lend funds to such companies either directly or by loans made or effected in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (standby) basis. Such loans shall bear interest at such rate (in no case lower than the average investment yield, as determined by the Secretary of the Treasury, on marketable obligations of the United States outstanding at the time of the loan involved) and contain such other terms as the Administration may fix, and shall be subject to the following restrictions and limitations:

“(1) The total amount of obligations of any one company which may be purchased and outstanding at any one time by the Administration under this subsection (including commitments to purchase such obligations) shall not exceed 50 per centum of the paid-in capital and surplus of such company or \$4,000,000, whichever is less.

“(2) All loans made under this subsection (b) shall be of such sound value as reasonably to assure repayment.”

SEC. 4. Section 306 of the Small Business Investment Act of 1958 is amended to read as follows:

“AGGREGATE LIMITATIONS

“SEC. 306. Without the approval of the Administration, the aggregate amount of obligations and securities acquired and for which commitments may be issued by any small business investment company

Assistance;
limitations.
15 USC 686.

under the provisions of this Act for any single enterprise shall not exceed 20 per centum of the combined capital and surplus of such small business investment company authorized by this Act."

SEC. 5. The last sentence of section 308(b) of the Small Business Investment Act of 1958 is amended to read as follows: "Such companies may invest funds not reasonably needed for their current operations in direct obligations of, or obligations guaranteed as to principal and interest by, the United States, or in insured savings accounts (up to the amount of the insurance) in any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation."

Investment of
funds.
15 USC 687.

SEC. 6. (a) The Small Business Investment Act of 1958 is further amended by adding at the end of title III a new section as follows:

72 Stat. 691;
75 Stat. 753.
15 USC 681-
687c.

"CONFLICTS OF INTEREST"

"SEC. 312. For the purpose of controlling conflicts of interest which may be detrimental to small business concerns, to small business investment companies, to the shareholders of either, or to the purposes of this Act, the Administration shall adopt regulations to govern transactions with any officer, director, or shareholder of any small business investment company, or with any person or concern, in which any interest, direct or indirect, financial or otherwise, is held by any officer, director, or shareholder of (1) any small business investment company, or (2) any person or concern with an interest, direct or indirect, financial or otherwise, in any small business investment company. Such regulations shall include appropriate requirements for public disclosure (including disclosure in the locality most directly affected by the transaction) necessary to the purposes of this section."

(b) That part of the Table of Contents of such Act which describes the matter included in title III is amended by adding at the end thereof the following:

"Sec. 312. Conflicts of interest."

Approved February 28, 1964.

Public Law 88-274

AN ACT

February 29, 1964
[S. 2064]

To relieve the Veterans' Administration from paying interest on the amount of capital funds transferred in fiscal year 1962 from the direct loan revolving fund to the loan guaranty revolving fund.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1823(b) of title 38, United States Code, is amended by adding at the end thereof the following sentence: "The Administrator shall not be required to pay interest on transfers made pursuant to the Act of February 13, 1962 (76 Stat. 8), from the capital of the 'direct loans to veterans and reserves revolving fund' to the 'loan guaranty revolving fund' and adjustments shall be made for payments of interest on such transfers before the date of enactment of this sentence."

Veterans' Ad-
ministration.
Interest on cap-
ital funds.
72 Stat. 1214.

Approved February 29, 1964.