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113TH CONGRESS
2D SESSION

H. R. 4200

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 2014

Mr. LUETKEMEYER introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘SBIC Advisers Relief Act of 2014’’.

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

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

(1) by striking ‘‘No investment adviser’’ and inserting the following:

"(1) IN GENERAL.—No investment adviser"; and

(2) by adding at the end the following:

"(2) ADVISERS OF SBICS.—For purposes of this subsection, a venture capital fund includes an entity described in subparagraph (A), (B), or (C) of subsection (b)(7) (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).".

SEC. 3. ADVISERS OF SBICS AND PRIVATE FUNDS.

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

"(3) ADVISERS OF SBICS.—For purposes of this subsection, the assets under management of a private fund that is an entity described in subparagraph (A), (B), or (C) of subsection (b)(7) (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) shall be excluded from the limit set forth in paragraph (1).".

SEC. 4. RELATIONSHIP TO STATE LAW.

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

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(C) that is not registered under section 203 because that person is exempt from registration as provided in subsection (b)(7) of such section, or is a supervised person of such person.".

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