

115TH CONGRESS  
2D SESSION

# S. 2765

To amend the Investment Advisers Act of 1940 to exempt investment advisers who solely advise certain rural business investment companies, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 26, 2018

Mr. KENNEDY (for himself and Mr. JONES) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Investment Advisers Act of 1940 to exempt investment advisers who solely advise certain rural business investment companies, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “RBIC Advisers Relief  
5 Act of 2018”.

6 **SEC. 2. ADVISERS OF RBICS.**

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

9 (1) in subsection (b)—

1 (A) in paragraph (6)(B)—

2 (i) by adjusting the margins accord-  
3 ingly; and

4 (ii) by striking the period at the end  
5 and inserting a semicolon;

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

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

9 “(8) any investment adviser, other than an enti-  
10 ty that has elected to be regulated or is regulated as  
11 a business development company pursuant to section  
12 54 of the Investment Company Act of 1940 (15  
13 U.S.C. 80a-53), who solely advises—

14 “(A) rural business investment companies  
15 (as defined in section 384A of the Consolidated  
16 Farm and Rural Development Act (7 U.S.C.  
17 2009cc)); or

18 “(B) companies that have submitted to the  
19 Secretary of Agriculture an application in ac-  
20 cordance with section 384D(b) of the Consoli-  
21 dated Farm and Rural Development Act (7  
22 U.S.C. 2009cc-3(b)) that—

23 “(i) have received from the Secretary  
24 of Agriculture a letter of conditions, which  
25 has not been revoked; or

1                   “(ii) are affiliated with 1 or more  
2                   rural business investment companies de-  
3                   scribed in subparagraph (A).”;

4                   (2) in subsection (l), by adding at the end the  
5                   following:

6                   “(3) ADVISERS OF RBICS.—For purposes of  
7                   this subsection, a venture capital fund includes an  
8                   entity described in subparagraph (A) or (B) of sub-  
9                   section (b)(8) (other than an entity that has elected  
10                  to be regulated as a business development company  
11                  pursuant to section 54 of the Investment Company  
12                  Act of 1940 (15 U.S.C. 80a-53)).”; and

13                  (3) in subsection (m), by adding at the end the  
14                  following:

15                  “(4) ADVISERS OF RBICS.—For purposes of  
16                  this subsection, the assets under management of a  
17                  private fund that is an entity described in subpara-  
18                  graph (A) or (B) of subsection (b)(8) (other than an  
19                  entity that has elected to be regulated or is regu-  
20                  lated as a business development company pursuant  
21                  to section 54 of the Investment Company Act of  
22                  1940 (15 U.S.C. 80a-53)) shall be excluded from  
23                  the limit set forth in paragraph (1).”.

1 **SEC. 3. 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 (C), by striking the period  
5 at the end and inserting “; or”; and

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

7 “(D) that is not registered under section  
8 203 because that person is exempt from reg-  
9 istration as provided in subsection (b)(8) of  
10 such section, or is a supervised person of such  
11 person.”.

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