I

115TH CONGRESS
1ST SESSION

H. R. 4279

To direct the Securities and Exchange Commission to revise any rules necessary to enable closed-end companies to use the securities offering and proxy rules that are available to other issuers of securities.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 7, 2017

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

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A BILL

To direct the Securities and Exchange Commission to revise any rules necessary to enable closed-end companies to use the securities offering and proxy rules that are available to other issuers of securities.

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 ''Expanding Investment Opportunities Act''.

SEC. 2. PARITY FOR CLOSED-END COMPANIES REGARDING OFFERING AND PROXY RULES.

(a) REVISION TO RULES.—Not later than 1 year after the date of enactment of this Act, the Securities and Exchange Commission shall revise any rules to the extent necessary to allow any closed-end company, as defined in section 5(a)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–5), that is registered as an investment company under such Act to use the securities offering and proxy rules that are available to other issuers that are required to file reports under section 13 or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m; 78o(d)). Any action that the Commission takes pursuant to this subsection shall include the following:

(1) The Commission shall revise section 230.405 of title 17, Code of Federal Regulations, to—

(A) remove the exclusion of a registered closed-end company from the definition of a well-known seasoned issuer provided by that section; and

(B) add registration statements filed on Form N–2 to the definition of automatic shelf registration statement provided by that section.

(2) The Commission shall revise sections 230.168 and 230.169 of title 17, Code of Federal

Regulations, to remove the exclusion of a registered closed-end company from the list of issuers that can use the exemptions provided by those sections.

(3) The Commission shall revise sections 230.163 and 230.163A of title 17, Code of Federal Regulations, to remove a registered closed-end company from the list of issuers that are ineligible to use the exemptions provided by those sections.

(4) The Commission shall revise section 230.134 of title 17, Code of Federal Regulations, to remove the exclusion of a registered closed-end company from that section.

(5) The Commission shall revise sections 230.138 and 230.139 of title 17, Code of Federal Regulations, to specifically include any registered closed-end company as an issuer to which those sections apply.

(6) The Commission shall revise section 230.164 of title 17, Code of Federal Regulations, to remove a registered closed-end company from the list of issuers that are excluded from that section.

(7) The Commission shall revise section 230.433, of title 17, Code of Federal Regulations, to specifically include any registered closed-end com-

pany that is a well-known seasoned issuer as an issuer to which that section applies.

(8) The Commission shall revise section 230.415 of title 17, Code of Federal Regulations, to—

(A) state that the registration for securities provided by that section includes securities registered by any registered closed-end company on Form N–2; and

(B) eliminate the requirement that a Form N–2 registrant must furnish the undertakings required by item 34.4 of Form N–2.

(9) The Commission shall revise section 230.497 of title 17, Code of Federal Regulations, to include a process for any registered closed-end company to file a form of prospectus that is parallel to the process for filing a form of prospectus under section 230.424(b) of such title.

(10) The Commission shall revise sections 230.172 and 230.173 of title 17, Code of Federal Regulations, to remove the exclusion of an offering of any registered closed-end company from those sections.

(11) The Commission shall revise section 230.418 of title 17, Code of Federal Regulations, to

provide that any registered closed-end company that would otherwise meet the eligibility requirements of General Instruction I.A of Form S–3 shall be exempt from paragraph (a)(3) of that section.

(12) The Commission shall revise section 240.14a–101 of title 17, Code of Federal Regulations, to provide that any registered closed-end company that would otherwise meet the requirements of General Instruction I.A of Form S–3 shall be deemed to meet the requirements of Form S–3 for purposes of Schedule 14A.

(13) The Commission shall revise section 243.103 of title 17, Code of Federal Regulations, to provide that paragraph (a) of that section applies for purposes of Form N–2.

(b) REVISIONS TO FORM N–2.—Not later than 1 year after the date of enactment of this Act, the Commission shall revise Form N–2 to—

(1) include an item or instruction that is similar to item 12 on Form S–3 to provide that any registered closed-end company that would otherwise meet the requirements of Form S–3 shall incorporate by reference its reports and documents filed under the Securities Exchange Act of 1934 into its registration statement filed on Form N–2; and

(2) include an item or instruction that is similar to the instruction regarding automatic shelf offerings by well-known seasoned issuers on Form S–3 to provide that any registered closed-end company that is a well-known seasoned issuer may file automatic shelf offerings on Form N–2.

(c) TREATMENT IF REVISIONS NOT COMPLETED IN A TIMELY MANNER.—If the Commission fails to complete the revisions required by subsections (a) and (b) by the time required by such subsections, any registered closed-end company shall be entitled to treat such revisions as having been completed in accordance with the actions required to be taken by the Commission by such subsections until such time as such revisions are completed by the Commission.

(d) RULES OF CONSTRUCTION.—

(1) NO EFFECT ON RULE 482.—(1) Nothing in this section or the amendments made by this section shall be construed to impair or limit in any way a registered closed-end company from using section 230.482 of title 17, Code of Federal Regulations, to distribute sales material.

(2) REFERENCES.—Any reference in this section to a section of title 17, Code of Federal Regulations, or to any form or schedule means such rule,

section, form, or schedule, or any successor to any such rule, section, form, or schedule.

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