

115TH CONGRESS  
2D SESSION

# S. 2765

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2018

Referred to the Committee on Financial Services

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## AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “RBIC Advisers Relief  
3 Act of 2018”.

4 **SEC. 2. ADVISERS OF RBICS.**

5       Section 203 of the Investment Advisers Act of 1940  
6 (15 U.S.C. 80b–3(b)) is amended—

7           (1) in subsection (b)—

8               (A) in paragraph (6)(B)—

9                   (i) by adjusting the margins accord-  
10                   ingly; and

11                  (ii) by striking the period at the end  
12                  and inserting a semicolon;

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

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

16               “(8) any investment adviser, other than an enti-  
17               ty that has elected to be regulated or is regulated as  
18               a business development company pursuant to section  
19               54 of the Investment Company Act of 1940 (15  
20               U.S.C. 80a–53), who solely advises—

21                   “(A) rural business investment companies  
22                   (as defined in section 384A of the Consolidated  
23                   Farm and Rural Development Act (7 U.S.C.  
24                   2009cc)); or

25                   “(B) companies that have submitted to the  
26               Secretary of Agriculture an application in ac-

cordance with section 384D(b) of the Consoli-  
dated Farm and Rural Development Act (7  
U.S.C. 2009cc–3(b)) that—

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has not been revoked; or

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

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

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

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

“(4) ADVISERS OF RBICS.—For purposes of  
this subsection, the assets under management of a  
private fund that is an entity described in subpara-  
graph (A) or (B) of subsection (b)(8) (other than an  
entity that has elected to be regulated or is regu-

1       lated as a business development company pursuant  
 2       to section 54 of the Investment Company Act of  
 3       1940 (15 U.S.C. 80a–53)) shall be excluded from  
 4       the limit set forth in paragraph (1).”.

5   **SEC. 3. RELATIONSHIP TO STATE LAW.**

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

8           (1) in subparagraph (C), by striking the period  
 9       at the end and inserting “; or”; and

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

11           “(D) that is not registered under section  
 12       203 because that person is exempt from reg-  
 13       istration as provided in subsection (b)(8) of  
 14       such section, or is a supervised person of such  
 15       person.”.

Passed the Senate October 11, 2018.

Attest:

JULIE E. ADAMS,  
*Secretary.*