

108TH CONGRESS
1ST SESSION

H. R. 3170

To amend the Investment Company Act of 1940 to provide incentives for small business investment, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 24, 2003

Mrs. KELLY (for herself and Ms. VELÁZQUEZ) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Investment Company Act of 1940 to provide incentives for small business investment, 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 “Increased Capital Ac-
5 cess for Growing Business Act”.

6 **SEC. 2. AMENDMENTS TO THE INVESTMENT COMPANY ACT**
7 **OF 1940.**

8 (a) DEFINITION OF ELIGIBLE PORTFOLIO COM-
9 PANY.—Section 2(a)(46)(C) of the Investment Company
10 Act of 1940 (15 U.S.C. 80a–2(a)(46)(C)) is amended—

1 (1) by striking clause (i) and inserting the fol-
2 lowing:

3 “(i) it does not have any class of eq-
4 quity securities listed for trading on a na-
5 tional securities exchange or traded
6 through the facilities of a national securi-
7 ties association as described in Section
8 15A of the Securities Exchange Act of
9 1934;”;

10 (2) by striking “or” at the end of clause (iii);

11 (3) by redesignating clause (iv) as clause (v);

12 and

13 (4) by inserting after clause (iii) the following
14 new clause:

15 “(iv) the aggregate value of its out-
16 standing publicly traded equity securities is
17 not more than \$250,000,000, except that
18 the Commission may adjust such amounts
19 by rule, regulation, or order to reflect
20 changes in one or more generally accepted
21 indices or other indicators for small busi-
22 ness, consistent with the public interest,
23 the protection of investors, and the pur-
24 poses fairly intended by the policy and pro-
25 visions of this title; or”.

1 (b) ASSETS OF BUSINESS DEVELOPMENT COMPA-
2 NIES.—Section 55(a)(1) of the Investment Company Act
3 of 1940 (15 U.S.C. 80a–55(a)(1)) is amended—

4 (1) in subparagraph (B), by striking “securities
5 with respect to which a member of a national securi-
6 ties exchange, broker, or dealer may extend or main-
7 tain credit to or for a customer pursuant to rules or
8 regulations adopted by the Board of Governors of
9 the Federal Reserve System under Section 7 of the
10 Securities Exchange Act of 1934” and inserting the
11 following: “equity securities listed for trading on a
12 national securities exchange or traded through the
13 facilities of a national securities association as de-
14 scribed in Section 15A of the Securities Exchange
15 Act of 1934”; and

16 (2) by striking “or” at the end of subparagraph
17 (A), by inserting “or” after the semicolon at the end
18 of subparagraph (B), and by inserting after sub-
19 paragraph (B) the following new subparagraph:

20 “(C) from the issuer of such securities,
21 which issuer is described in section 2(a)(46)(A)
22 and (B) but is not an eligible portfolio company
23 because the aggregate value of its outstanding
24 publicly traded equity securities is more than
25 \$250,000,000 but not more than \$500,000,000,

1 if such securities represent not more than 10
2 per centum of the total assets of the business
3 development company invested in securities de-
4 scribed in paragraphs (1) through (6) of this
5 section;”.

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