

**AMENDMENT TO H.R. 2799, AS REPORTED  
OFFERED BY MRS. WAGNER OF MISSOURI**

Add at the end the following:

1           **DIVISION D—INCREASING**  
2           **INVESTOR OPPORTUNITIES**

3   **SEC. 4001. CLOSED-END COMPANY AUTHORITY TO INVEST**  
4           **IN PRIVATE FUNDS.**

5           (a) IN GENERAL.—Section 5 of the Investment Com-  
6   pany Act of 1940 (15 U.S.C. 80a–5) is amended by add-  
7   ing at the end the following:

8           “(d) CLOSED-END COMPANY AUTHORITY TO INVEST  
9   IN PRIVATE FUNDS.—

10           “(1) IN GENERAL.—Except as otherwise pro-  
11   hibited or restricted by this Act (or any rule issued  
12   under this Act), the Commission may not prohibit or  
13   otherwise limit a closed-end company from investing  
14   any or all of the assets of the closed-end company  
15   in securities issued by private funds.

16           “(2) OTHER RESTRICTIONS ON COMMISSION AU-  
17   THORITY.—

18           “(A) IN GENERAL.—Except as otherwise  
19   prohibited or restricted by this Act (or any rule  
20   issued under this Act) or to the extent per-

1           mitted by subparagraph (B), the Commission  
2           may not impose any condition on, restrict, or  
3           otherwise limit—

4                   “(i) the offer to sell, or the sale of, se-  
5                   curities issued by a closed-end company  
6                   that invests, or proposes to invest, in secu-  
7                   rities issued by private funds; or

8                   “(ii) the listing of the securities of a  
9                   closed-end company described in clause (i)  
10                  on a national securities exchange.

11                 “(B) UNRELATED RESTRICTIONS.—The  
12                 Commission may impose a condition on, re-  
13                 strict, or otherwise limit an activity described in  
14                 clause (i) or (ii) of subparagraph (A) if that  
15                 condition, restriction or limitation is unrelated  
16                 to the underlying characteristics of a private  
17                 fund or the status of a private fund as a private  
18                 fund.

19                 “(3) APPLICATION.—Notwithstanding section  
20                 6(f), this subsection shall also apply to a closed-end  
21                 company that elects to be treated as a business de-  
22                 velopment company pursuant to section 54.”.

23                 (b) DEFINITION OF PRIVATE FUND.—Section 2(a) of  
24                 the Investment Company Act of 1940 (15 U.S.C. 80a-  
25                 2(a)) is amended by adding at the end the following:

1           “(55) The term ‘private fund’ has the meaning  
2           given in section 202(a) of the Investment Advisers  
3           Act of 1940 (15 U.S.C. 80b–2(a)).”.

4           (c) TREATMENT BY NATIONAL SECURITIES EX-  
5 CHANGES.—Section 6 of the Securities Exchange Act of  
6 1934 (15 U.S.C. 78f) is amended by adding at the end  
7 the following:

8           “(m)(1) Except as otherwise prohibited or restricted  
9 by rules of the exchange that are consistent with section  
10 5(d) of the Investment Company Act of 1940 (15 U.S.C.  
11 80a–5(d)), an exchange may not prohibit, condition, re-  
12 strict, or impose any other limitation on the listing or  
13 trading of the securities of a closed-end company when  
14 the closed-end company invests, or may invest, some or  
15 all of the assets of the closed-end company in securities  
16 issued by private funds.

17           “(2) In this subsection—

18           “(A) the term ‘closed-end company’—

19           “(i) has the meaning given the term in sec-  
20 tion 5(a) of the Investment Company Act of  
21 1940 (15 U.S.C. 80a–5(a)); and

22           “(ii) includes a closed-end company that  
23 elects to be treated as a business development  
24 company pursuant to section 54 of the Invest-

1           ment Company Act of 1940 (15 U.S.C. 80a–  
2           53); and

3           “(B) the term ‘private fund’ has the meaning  
4           given the term in section 2(a) of the Investment  
5           Company Act of 1940 (15 U.S.C. 80a–2(a)).”.

6           (d) INVESTMENT LIMITATION.—Section 3(c) of the  
7           Investment Company Act of 1940 (15 U.S.C. 80a–3(c))  
8           is amended—

9           (1) in paragraph (1), in the matter preceding  
10          subparagraph (A), in the second sentence, by strik-  
11          ing “subparagraphs (A)(i) and (B)(i)” and inserting  
12          “subparagraphs (A)(i), (B)(i), and (C)”; and

13          (2) in paragraph (7)(D), by striking “subpara-  
14          graphs (A)(i) and (B)(i)” and inserting “subpara-  
15          graphs (A)(i), (B)(i), and (C)”.

16          (e) RULES OF CONSTRUCTION.—

17          (1) Nothing in this section or the amendments  
18          made by this section may be construed to limit or  
19          amend any fiduciary duty owed to a closed-end com-  
20          pany (as defined in section 5(a)(2) of the Investment  
21          Company Act of 1940 (15 U.S.C. 80a–5(a)(2))) or  
22          by an investment adviser (as defined under section  
23          2(a) of the Investment Company Act of 1940 (15  
24          U.S.C. 80a–2(a))) to a closed-end company.

1           (2) Nothing in this section or the amendments  
2           made by this section may be construed to limit or  
3           amend the valuation, liquidity, or redemption re-  
4           quirements or obligations of a closed-end company  
5           (as defined in section 5(a)(2) of the Investment  
6           Company Act of 1940 (15 U.S.C. 80a-5(a)(2))) as  
7           required by the Investment Company Act of 1940.

