

119TH CONGRESS
1ST SESSION

H. R. 3383

To amend the Investment Company Act of 1940 with respect to the authority of closed-end companies to invest in private funds.

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2025

Mrs. WAGNER (for herself, Mr. MEEKS, Mr. TORRES of New York, Mr. DAVID SCOTT of Georgia, and Mr. SESSIONS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Investment Company Act of 1940 with respect to the authority of closed-end companies to invest in private funds.

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 “Increasing Investor
5 Opportunities Act”.

1 **SEC. 2. CLOSED-END COMPANY AUTHORITY TO INVEST IN**
2 **PRIVATE FUNDS.**

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

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

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

14 “(2) OTHER RESTRICTIONS ON COMMISSION AU-
15 THORITY.—Except as otherwise prohibited or re-
16 stricted by this Act (or any rule issued under this
17 Act), the Commission may not impose any condition
18 on, restrict, or otherwise limit—

19 “(A) the offer to sell, or the sale of, securi-
20 ties issued by a closed-end company that in-
21 vests, or proposes to invest, in securities issued
22 by private funds; or

23 “(B) the listing of the securities of a
24 closed-end company described in subparagraph
25 (A) on a national securities exchange.

1 “(3) UNRELATED RESTRICTIONS.—The Com-
 2 mission may impose a condition on, restrict, or oth-
 3 erwise limit an activity described in paragraph (1) or
 4 subparagraph (A) or (B) of paragraph (2) if that
 5 condition, restriction, or limitation is unrelated to
 6 the underlying characteristics of a private fund or
 7 the status of a private fund as a private fund.

8 “(4) APPLICATION.—Notwithstanding section
 9 6(f), this subsection shall also apply to a closed-end
 10 company that elects to be treated as a business de-
 11 velopment company pursuant to section 54.”.

12 (b) DEFINITION OF PRIVATE FUND.—Section 2(a) of
 13 the Investment Company Act of 1940 (15 U.S.C. 80a–
 14 2(a)) is amended by adding at the end the following:

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

18 (c) TREATMENT BY NATIONAL SECURITIES EX-
 19 CHANGES.—Section 6 of the Securities Exchange Act of
 20 1934 (15 U.S.C. 78f) is amended by adding at the end
 21 the following:

22 “(m)(1) Except as otherwise prohibited or restricted
 23 by rules of the exchange that are consistent with section
 24 5(d) of the Investment Company Act of 1940 (15 U.S.C.
 25 80a–5(d)), an exchange may not prohibit, condition, re-

1 strict, or impose any other limitation on the listing or
 2 trading of the securities of a closed-end company when
 3 the closed-end company invests, or may invest, some or
 4 all of the assets of the closed-end company in securities
 5 issued by private funds.

6 “(2) In this subsection—

7 “(A) the term ‘closed-end company’—

8 “(i) has the meaning given the term in sec-
 9 tion 5(a) of the Investment Company Act of
 10 1940 (15 U.S.C. 80a–5(a)); and

11 “(ii) includes a closed-end company that
 12 elects to be treated as a business development
 13 company pursuant to section 54 of the Invest-
 14 ment Company Act of 1940 (15 U.S.C. 80a–
 15 53); and

16 “(B) the term ‘private fund’ has the meaning
 17 given in section 202(a) of the Investment Advisers
 18 Act of 1940 (15 U.S.C. 80b–2(a)).”.

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

22 (1) in paragraph (1), in the matter preceding
 23 subparagraph (A), in the second sentence, by strik-
 24 ing “subparagraphs (A)(i) and (B)(i)” and inserting
 25 “subparagraphs (A)(i), (B)(i), and (C)”; and

(2) in paragraph (7)(D), by striking “subparagraphs (A)(i) and (B)(i)” and inserting “subparagraphs (A)(i), (B)(i), and (C)”.

(e) RULES OF CONSTRUCTION.—

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

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

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