

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To permit a registered investment company to omit certain fees from the calculation of Acquired Fund Fees and Expenses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN (for himself and Mr. HUIZENGA) introduced the following bill; which was referred to the Committee on _____

A BILL

To permit a registered investment company to omit certain fees from the calculation of Acquired Fund Fees and Expenses, 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 “Access to Small Busi-
5 ness Investor Capital Act”.

1 **SEC. 2. AMENDMENTS TO ACQUIRED FUND FEES AND EX-**
2 **PENSES REPORTING ON INVESTMENT COM-**
3 **PANY REGISTRATION STATEMENTS.**

4 (a) DEFINITIONS.—In this section:

5 (1) ACQUIRED FUND.—The term “Acquired
6 Fund” has the meaning given the term in Forms N-
7 1A, N-2, and N-3.

8 (2) ACQUIRED FUND FEES AND EXPENSES.—
9 The term “Acquired Fund Fees and Expenses”
10 means the Acquired Fund Fees and Expenses sub-
11 caption in the Fee Table Disclosure.

12 (3) BUSINESS DEVELOPMENT COMPANY.—The
13 term “business development company” has the
14 meaning given the term in section 2(a) of the Invest-
15 ment Company Act of 1940 (15 U.S.C. 80a-2(a)).

16 (4) FEE TABLE DISCLOSURE.—The term “Fee
17 Table Disclosure” means the fee table described in
18 Item 3 of Form N-1A, Item 3 of Form N-2, or
19 Item 4 of Form N-3 (as applicable, and with respect
20 to each, in any successor fee table disclosure that
21 the Securities and Exchange Commission adopts).

22 (5) FORM N-1A.—The term “Form N-1A”
23 means the form described in section 274.11A of title
24 17, Code of Federal Regulations, or any successor
25 regulation.

1 (6) FORM N-2.—The term “Form N-2” means
2 the form described in section 274.11a-1 of title 17,
3 Code of Federal Regulations, or any successor regu-
4 lation.

5 (7) FORM N-3.—The term “Form N-3” means
6 the form described in section 274.11b of title 17,
7 Code of Federal Regulations, or any successor regu-
8 lation.

9 (8) REGISTERED INVESTMENT COMPANY.—The
10 term “registered investment company” means an in-
11 vestment company, as defined under section 2(a) of
12 the Investment Company Act of 1940, registered
13 with the Securities and Exchange Commission under
14 such Act.

15 (b) EXCLUDING BUSINESS DEVELOPMENT COMPA-
16 NIES FROM ACQUIRED FUND FEES AND EXPENSES.—A
17 registered investment company may, on any investment
18 company registration statement filed pursuant to section
19 8(b) of the Investment Company Act of 1940 (15 U.S.C.
20 80a-8(b))—

21 (1) omit from the calculation of Acquired Fund
22 Fees and Expenses those fees and expenses that the
23 investment company incurred indirectly as a result
24 of investment in shares of one or more Acquired
25 Funds that is a business development company; and

1 (2) instead disclose in a footnote to the Fee
2 Table Disclosure those fees and expenses that para-
3 graph (1) describes, calculated according to the Ac-
4 quired Fund Fees and Expenses formula.