

AMENDMENT TO H.R. 1800
OFFERED BY MS. MALONEY

Page 2, line 6, strike “Section 60” and insert the following:

1 (a) IN GENERAL.—Section 60

Page 2, after line 17, insert the following:

2 (b) RULE OF CONSTRUCTION.—Section 60 of the In-
3 vestment Company Act of 1940 (15 U.S.C. 80a–59) is fur-
4 ther amended by adding at the end the following:
5 “Nothing in this section shall prevent the Commission
6 from addressing potential conflicts of interest between
7 business development companies and investment advis-
8 ers.”.

Page 2, strike lines 22 and 23 and insert the fol-
lowing:

9 (1) by amending paragraph (1) to read as fol-
10 lows:

11 “(1)(A) Subject to subparagraph (B), the asset
12 coverage requirements of section 18(a)(1) (A) and
13 (B) applicable to business development companies
14 shall be 200 per centum.

1 “(B) The asset coverage requirements applica-
2 ble to a business development company shall be 150
3 per centum, if—

4 “(i) the business development company dis-
5 closes in its periodic filings made under section
6 13 or 15 of the Securities Exchange Act of
7 1934 (15 U.S.C. 78m; 78o) any additional dis-
8 closures reasonably designed to ensure that
9 shareholders are informed of the amount of its
10 debt then outstanding, its asset coverage ratio
11 and any risks associated with such indebted-
12 ness, and any other such measures as the Com-
13 mission shall determine as necessary to ade-
14 quately differentiate these funds from others;
15 and

16 “(ii) for an existing business development
17 company, the business development company
18 shall obtain permission of a majority of all
19 shares outstanding, or two-thirds of share-
20 holders voting.”;

Page 3, strike lines 1 and 2 and insert the following:

21 “(5) Section 18(a)(2) shall not apply to a busi-
22 ness development company, except that, for the pur-
23 poses of this section, all preferred stock, regardless
24 of how classified under United States generally ac-

1 cepted accounting principles, shall be classified as a
2 senior security. Preferred stock issued to an investor
3 that is not a qualified institutional buyer shall be
4 covered by the provisions of subparagraphs (B)
5 through (E) of such section.”.

