

115TH CONGRESS  
1ST SESSION

# H. R. 4279

To direct the Securities and Exchange Commission to revise any rules necessary to enable closed-end companies to use the securities offering and proxy rules that are available to other issuers of securities.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 7, 2017

Mr. HOLLINGSWORTH introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To direct the Securities and Exchange Commission to revise any rules necessary to enable closed-end companies to use the securities offering and proxy rules that are available to other issuers of securities.

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 “Expanding Investment  
5       Opportunities Act”.

1 **SEC. 2. PARITY FOR CLOSED-END COMPANIES REGARDING**  
2 **OFFERING AND PROXY RULES.**

3 (a) REVISION TO RULES.—Not later than 1 year  
4 after the date of enactment of this Act, the Securities and  
5 Exchange Commission shall revise any rules to the extent  
6 necessary to allow any closed-end company, as defined in  
7 section 5(a)(2) of the Investment Company Act of 1940  
8 (15 U.S.C. 80a-5), that is registered as an investment  
9 company under such Act to use the securities offering and  
10 proxy rules that are available to other issuers that are re-  
11 quired to file reports under section 13 or section 15(d)  
12 of the Securities Exchange Act of 1934 (15 U.S.C. 78m;  
13 78o(d)). Any action that the Commission takes pursuant  
14 to this subsection shall include the following:

15 (1) The Commission shall revise section  
16 230.405 of title 17, Code of Federal Regulations,  
17 to—

18 (A) remove the exclusion of a registered  
19 closed-end company from the definition of a  
20 well-known seasoned issuer provided by that  
21 section; and

22 (B) add registration statements filed on  
23 Form N-2 to the definition of automatic shelf  
24 registration statement provided by that section.

25 (2) The Commission shall revise sections  
26 230.168 and 230.169 of title 17, Code of Federal

1 Regulations, to remove the exclusion of a registered  
2 closed-end company from the list of issuers that can  
3 use the exemptions provided by those sections.

4 (3) The Commission shall revise sections  
5 230.163 and 230.163A of title 17, Code of Federal  
6 Regulations, to remove a registered closed-end com-  
7 pany from the list of issuers that are ineligible to  
8 use the exemptions provided by those sections.

9 (4) The Commission shall revise section  
10 230.134 of title 17, Code of Federal Regulations, to  
11 remove the exclusion of a registered closed-end com-  
12 pany from that section.

13 (5) The Commission shall revise sections  
14 230.138 and 230.139 of title 17, Code of Federal  
15 Regulations, to specifically include any registered  
16 closed-end company as an issuer to which those sec-  
17 tions apply.

18 (6) The Commission shall revise section  
19 230.164 of title 17, Code of Federal Regulations, to  
20 remove a registered closed-end company from the  
21 list of issuers that are excluded from that section.

22 (7) The Commission shall revise section  
23 230.433, of title 17, Code of Federal Regulations, to  
24 specifically include any registered closed-end com-

1 pany that is a well-known seasoned issuer as an  
2 issuer to which that section applies.

3 (8) The Commission shall revise section  
4 230.415 of title 17, Code of Federal Regulations,  
5 to—

6 (A) state that the registration for securi-  
7 ties provided by that section includes securities  
8 registered by any registered closed-end company  
9 on Form N-2; and

10 (B) eliminate the requirement that a Form  
11 N-2 registrant must furnish the undertakings  
12 required by item 34.4 of Form N-2.

13 (9) The Commission shall revise section  
14 230.497 of title 17, Code of Federal Regulations, to  
15 include a process for any registered closed-end com-  
16 pany to file a form of prospectus that is parallel to  
17 the process for filing a form of prospectus under sec-  
18 tion 230.424(b) of such title.

19 (10) The Commission shall revise sections  
20 230.172 and 230.173 of title 17, Code of Federal  
21 Regulations, to remove the exclusion of an offering  
22 of any registered closed-end company from those  
23 sections.

24 (11) The Commission shall revise section  
25 230.418 of title 17, Code of Federal Regulations, to

1 provide that any registered closed-end company that  
2 would otherwise meet the eligibility requirements of  
3 General Instruction I.A of Form S-3 shall be ex-  
4 empt from paragraph (a)(3) of that section.

5 (12) The Commission shall revise section  
6 240.14a-101 of title 17, Code of Federal Regula-  
7 tions, to provide that any registered closed-end com-  
8 pany that would otherwise meet the requirements of  
9 General Instruction I.A of Form S-3 shall be  
10 deemed to meet the requirements of Form S-3 for  
11 purposes of Schedule 14A.

12 (13) The Commission shall revise section  
13 243.103 of title 17, Code of Federal Regulations, to  
14 provide that paragraph (a) of that section applies  
15 for purposes of Form N-2.

16 (b) REVISIONS TO FORM N-2.—Not later than 1 year  
17 after the date of enactment of this Act, the Commission  
18 shall revise Form N-2 to—

19 (1) include an item or instruction that is simi-  
20 lar to item 12 on Form S-3 to provide that any reg-  
21 istered closed-end company that would otherwise  
22 meet the requirements of Form S-3 shall incor-  
23 porate by reference its reports and documents filed  
24 under the Securities Exchange Act of 1934 into its  
25 registration statement filed on Form N-2; and

1           (2) include an item or instruction that is simi-  
2           lar to the instruction regarding automatic shelf of-  
3           ferings by well-known seasoned issuers on Form S-  
4           3 to provide that any registered closed-end company  
5           that is a well-known seasoned issuer may file auto-  
6           matic shelf offerings on Form N-2.

7           (c) TREATMENT IF REVISIONS NOT COMPLETED IN  
8           A TIMELY MANNER.—If the Commission fails to complete  
9           the revisions required by subsections (a) and (b) by the  
10          time required by such subsections, any registered closed-  
11          end company shall be entitled to treat such revisions as  
12          having been completed in accordance with the actions re-  
13          quired to be taken by the Commission by such subsections  
14          until such time as such revisions are completed by the  
15          Commission.

16          (d) RULES OF CONSTRUCTION.—

17               (1) NO EFFECT ON RULE 482.—(1) Nothing in  
18               this section or the amendments made by this section  
19               shall be construed to impair or limit in any way a  
20               registered closed-end company from using section  
21               230.482 of title 17, Code of Federal Regulations, to  
22               distribute sales material.

23               (2) REFERENCES.—Any reference in this sec-  
24               tion to a section of title 17, Code of Federal Regula-  
25               tions, or to any form or schedule means such rule,

- 1 section, form, or schedule, or any successor to any
- 2 such rule, section, form, or schedule.

