

Union Calendar No. 135

119TH CONGRESS
1ST SESSION

H. R. 3383

[Report No. 119–169]

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

JUNE 25, 2025

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on May 14, 2025]

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 Op-*
 5 *portunities Act”.*

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

8 *(a) IN GENERAL.—Section 5 of the Investment Com-*
 9 *pany Act of 1940 (15 U.S.C. 80a–5) is amended by adding*
 10 *at the end the following:*

11 *“(d) CLOSED-END COMPANY AUTHORITY TO INVEST IN*
 12 *PRIVATE FUNDS.—*

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

19 *“(2) OTHER RESTRICTIONS ON COMMISSION AU-*
 20 *THORITY.—Except as otherwise prohibited or re-*
 21 *stricted by this Act (or any rule issued under this*
 22 *Act), the Commission may not impose any condition*
 23 *on, restrict, or otherwise limit—*

24 *“(A) the offer to sell, or the sale of, securi-*
 25 *ties issued by a closed-end company that invests,*

1 or proposes to invest, in securities issued by pri-
 2 vate funds; or

3 “(B) the listing of the securities of a closed-
 4 end company described in subparagraph (A) on
 5 a national securities exchange.

6 “(3) *UNRELATED RESTRICTIONS.*—The Commis-
 7 sion may impose a condition on, restrict, or otherwise
 8 limit an activity described in paragraph (1) or sub-
 9 paragraph (A) or (B) of paragraph (2) if that condi-
 10 tion, restriction, or limitation is unrelated to the un-
 11 derlying characteristics of a private fund or the status
 12 of a private fund as a private fund.

13 “(4) *RULE OF APPLICATION.*—Notwithstanding
 14 section 6(f), this subsection shall also apply to a
 15 closed-end company that elects to be treated as a busi-
 16 ness development company pursuant to section 54.”.

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

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

23 (c) *TREATMENT BY NATIONAL SECURITIES EX-*
 24 *CHANGES.*—Section 6 of the Securities Exchange Act of

1 1934 (15 U.S.C. 78f) is amended by adding at the end the
2 following:

3 “(m)(1) Except as otherwise prohibited or restricted by
4 rules of the exchange that are consistent with section 5(d)
5 of the Investment Company Act of 1940 (15 U.S.C. 80a–
6 5(d)), an exchange may not prohibit, condition, restrict, or
7 impose any other limitation on the listing or trading of
8 the securities of a closed-end company when the closed-end
9 company invests, or may invest, some or all of the assets
10 of the closed-end company in securities issued by private
11 funds.

12 “(2) In this subsection—

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

14 “(i) has the meaning given the term in sec-
15 tion 5(a) of the Investment Company Act of 1940
16 (15 U.S.C. 80a–5(a)); and

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

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

1 (d) *INVESTMENT LIMITATION.*—Section 3(c) of the In-
 2 vestment Company Act of 1940 (15 U.S.C. 80a–3(c)) is
 3 amended—

4 (1) in paragraph (1), in the matter preceding
 5 subparagraph (A), in the second sentence, by striking
 6 “subparagraphs (A)(i) and (B)(i)” and inserting
 7 “subparagraphs (A)(i), (B)(i), and (C)”; and

8 (2) in paragraph (7)(D), by striking “subpara-
 9 graphs (A)(i) and (B)(i)” and inserting “subpara-
 10 graphs (A)(i), (B)(i), and (C)”.

11 (e) *RULES OF CONSTRUCTION.*—

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

20 (2) Nothing in this section or the amendments
 21 made by this section may be construed to limit or
 22 amend the valuation, liquidity, or redemption re-
 23 quirements or obligations of a closed-end company (as
 24 defined in section 5(a)(2) of the Investment Company

- 1 *Act of 1940 (15 U.S.C. 80a-5(a)(2))) as required by*
- 2 *the Investment Company Act of 1940.*

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