

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Investment Advisers Act of 1940 to codify certain Securities and Exchange Commission no-action letters that exclude brokers and dealers compensated for certain research services from the definition of investment adviser, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Investment Advisers Act of 1940 to codify certain Securities and Exchange Commission no-action letters that exclude brokers and dealers compensated for certain research services from the definition of investment adviser, 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,*

1 **SECTION 1. DEFINITION OF INVESTMENT ADVISER AMEND-**
2 **ED TO EXCLUDE BROKERS AND DEALERS**
3 **COMPENSATED FOR CERTAIN RESEARCH**
4 **SERVICES.**

5 Section 202(a)(11) of the Investment Advisers Act of
6 1940 (15 U.S.C. 80b-2(a)(11)) is amended—

7 (1) by striking “(C) any” and inserting “(C)(i)
8 any”;

9 (2) by striking “dealer and who receives” and
10 inserting “dealer; and (ii)(I) who receives”; and

11 (3) by inserting “; or (II) who provides research
12 services (as described in section 28(e)(1) of the Se-
13 curities Exchange Act of 1934 (15 U.S.C.
14 78bb(e)(1))) to a fiduciary and accepts payment for
15 those services from the resources of that fiduciary or
16 a client of such fiduciary” after “compensation
17 therefor”.