

119TH CONGRESS
1ST SESSION

H. R. 4429

IN THE SENATE OF THE UNITED STATES

DECEMBER 2, 2025

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To require the Securities and Exchange Commission to revise the definition of a qualifying investment, for purposes of the exemption from registration for venture capital fund advisers under the Investment Advisers Act of 1940, to include an equity security issued by a qualifying portfolio company and to include an investment in another venture capital fund, 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 “Developing and Em-
5 powering our Aspiring Leaders Act of 2025”.

6 **SEC. 2. DEFINITIONS.**

7 Not later than the end of the 180-day period begin-
8 ning on the date of the enactment of this Act, the Securi-
9 ties and Exchange Commission shall—

10 (1) revise the definition of a qualifying invest-
11 ment under paragraph (c) of section 275.203(l)–1 of
12 title 17, Code of Federal Regulations—

13 (A) to include an equity security issued by
14 a qualifying portfolio company, whether ac-
15 quired directly from the company or in a sec-
16 ondary acquisition; and

17 (B) to specify that an investment in an-
18 other venture capital fund (as defined in para-
19 graph (a) section 275.203(l)–1 of title 17, Code
20 of Federal Regulations) is a qualifying invest-
21 ment under such definition; and

22 (2) revise paragraph (a) of such section to re-
23 quire, as a condition of a private fund qualifying as
24 a venture capital fund under such paragraph, that,
25 immediately after the acquisition of any asset, such

1 fund holds no more than 49 percent of the amount
2 of the fund's aggregate capital contributions and
3 uncalled committed capital (excluding short-term
4 holdings) in—

5 (A) one or more venture capital funds; or

6 (B) qualifying investments acquired in a
7 secondary acquisition, valued at cost or fair
8 value, consistently applied by the fund.

Passed the House of Representatives December 1,
2025.

Attest:

KEVIN F. MCCUMBER,

Clerk.