IB

Union Calendar No. 203

119TH CONGRESS
1ST SESSION

H. R. 4429

[Report No. 119–246]

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.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2025

Mrs. WAGNER introduced the following bill; which was referred to the Committee on Financial Services

SEPTEMBER 8, 2025

Additional sponsor: Mr. CASTEN

SEPTEMBER 8, 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 July 16, 2025]

A BILL

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Developing and Empowering our Aspiring Leaders Act of 2025".

SEC. 2. DEFINITIONS.

Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Securities and Exchange Commission shall—

(1) revise the definition of a qualifying investment under paragraph (c) of section 275.203(l)–1 of title 17, Code of Federal Regulations—

(A) to include an equity security issued by a qualifying portfolio company, whether acquired directly from the company or in a secondary acquisition; and

(B) to specify that an investment in another venture capital fund is a qualifying investment under such definition; and

(2) revise paragraph (a) of such section to—

(A) require, as a condition of a private fund qualifying as a venture capital fund under such paragraph, that not less than 51 percent of the fund's aggregate capital contributions and uncalled committed capital (other than short

term holdings) shall consist of equity securities acquired directly from a qualifying portfolio company, including immediately after the acquisition of any asset; and

(B) specify that up to 49 percent of the fund's aggregate capital contributions and uncalled committed capital (other than short term holdings) may consist of investments in one or more venture capital funds, as well as securities acquired in a secondary acquisition.

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