

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

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 Empow-*
5 *ering our Aspiring Leaders Act of 2025”.*

6 **SEC. 2. DEFINITIONS.**

7 *Not later than the end of the 180-day period beginning*
8 *on the date of the enactment of this Act, the Securities and*
9 *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 another*
18 *venture capital fund is a qualifying investment*
19 *under such definition; and*

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

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

1 *term holdings) shall consist of equity securities*
2 *acquired directly from a qualifying portfolio*
3 *company, including immediately after the acqui-*
4 *sition of any asset; and*

5 *(B) specify that up to 49 percent of the*
6 *fund's aggregate capital contributions and*
7 *uncalled committed capital (other than short*
8 *term holdings) may consist of investments in one*
9 *or more venture capital funds, as well as securi-*
10 *ties acquired in a secondary acquisition.*

Union Calendar No. 203

119TH CONGRESS
1ST Session

H. R. 4429

[Report No. 119-246]

A BILL

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.

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