

**Suspend the Rules And Pass the Bill, H. R. 6177, with Amendments**

**(The amendments strike all after the enacting clause and insert a new text and a new title)**

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6177

To require the Securities and Exchange Commission to revise the definitions of a qualifying portfolio company and a qualifying investment to include an emerging growth company and the equity securities of an emerging growth company, respectively, for purposes of the exemption from registration for venture capital fund advisers under the Investment Advisers Act of 1940.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 2018

Mr. HOLLINGSWORTH introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To require the Securities and Exchange Commission to revise the definitions of a qualifying portfolio company and a qualifying investment to include an emerging growth company and the equity securities of an emerging growth company, respectively, for purposes of the exemption from registration for venture capital fund advisers under the Investment Advisers Act of 1940.

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. SHORT TITLE.**

2 This Act may be cited as the “Developing and Em-  
3 powering our Aspiring Leaders Act of 2018”.

4 **SEC. 2. DEFINITIONS.**

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

8 (1) revise the definition of a qualifying invest-  
9 ment under paragraph (c) of section 275.203(l)–1 of  
10 title 17, Code of Federal Regulations, to include an  
11 equity security issued by a qualifying portfolio com-  
12 pany, whether acquired directly from the company or  
13 in a secondary acquisition; and

14 (2) revise paragraph (a) of such section to re-  
15 quire, as a condition of a private fund qualifying as  
16 a venture capital fund under such paragraph, that  
17 the qualifying investments of the private fund are  
18 predominantly qualifying investments that were ac-  
19 quired directly from a qualifying portfolio company.

Amend the title so as to read: “A bill to require the  
Securities and Exchange Commission to revise the defini-  
tion of a qualifying investment to include an equity secu-  
rity issued by a qualifying portfolio company, whether ac-  
quired directly from the company or in a secondary ac-  
quisition, for purposes of the exemption from registration  
for venture capital fund advisers under the Investment  
Advisers Act of 1940, and for other purposes.”.