

**[DISCUSSION DRAFT]**

119<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R.** \_\_\_\_\_

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.

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IN THE HOUSE OF REPRESENTATIVES

Mrs. WAGNER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Developing and Em-  
3 powering our Aspiring Leaders Act of 2025”.

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—

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

15 (B) to specify that an investment in an-  
16 other venture capital fund is a qualifying in-  
17 vestment under such definition; and

18 (2) revise paragraph (a) of such section to re-  
19 quire, as a condition of a private fund qualifying as  
20 a venture capital fund under such paragraph, that  
21 the qualifying investments of the private fund are ei-  
22 ther—

23 (A) predominantly qualifying investments  
24 that were acquired directly from a qualifying  
25 portfolio company; or

1                   (B) predominantly qualifying investments  
2                   in another venture capital fund or other venture  
3                   capital funds.