

Suspend the Rules and Pass the Bill, H.R. 4429, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

119TH CONGRESS
1ST SESSION

H. R. 4429

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

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 (as defined in para-
17 graph (a) section 275.203(l)–1 of title 17, Code
18 of Federal Regulations) is a qualifying invest-
19 ment under such definition; and

20 (2) revise paragraph (a) of such section to re-
21 quire, as a condition of a private fund qualifying as
22 a venture capital fund under such paragraph, that,
23 immediately after the acquisition of any asset, such
24 fund holds no more than 49 percent of the amount
25 of the fund’s aggregate capital contributions and

1 uncalled committed capital (excluding short-term
2 holdings) in—
3 (A) one or more venture capital funds; or
4 (B) qualifying investments acquired in a
5 secondary acquisition, valued at cost or fair
6 value, consistently applied by the fund.