

116TH CONGRESS
2D SESSION

H. R. 8603

To require the Securities and Exchange Commission to revise the definition of a qualifying investment to include an equity security issued by a qualifying portfolio company, whether acquired directly from the company or in a secondary acquisition, for purposes of the exemption from registration for venture capital fund advisers under the Investment Advisers Act of 1940, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2020

Mr. HOLLINGSWORTH (for himself and Mr. MCADAMS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

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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 2020”.

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.

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