

115TH CONGRESS
2D 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.

IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 2018

Mr. HOLLINGSWORTH 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”.

4 **SEC. 2. DEFINITIONS.**

5 (a) IN GENERAL.—Not later than the end of the 180-
6 day period beginning on the date of the enactment of this
7 Act, the Securities and Exchange Commission shall—

8 (1) revise the definition of a qualifying invest-
9 ment under section 275.203(l)–1(c) of title 17, Code
10 of Federal Regulations, to include an equity security
11 of an emerging growth company (as defined under
12 section 2(a) of the Securities Act of 1933), whether
13 acquired directly from the company or in a sec-
14 ondary acquisition; and

15 (2) revise the definition of a qualifying portfolio
16 company under section 275.203(l)–1(c) of title 17,
17 Code of Federal Regulations, to include an emerging
18 growth company.

19 (b) TREATMENT IF REVISIONS NOT COMPLETED IN
20 A TIMELY MANNER.—If the Commission fails to complete
21 the revisions required by subsection (a) by the time re-
22 quired by such subsection—

23 (1) an equity security of an emerging growth
24 company, whether acquired directly from the com-
25 pany or in a secondary acquisition, shall be deemed

1 a qualifying investment under section 275.203(l)–
2 1(c) of title 17, Code of Federal Regulations; and
3 (2) an emerging growth company shall be
4 deemed a qualifying portfolio company under section
5 275.203(l)–1(c) of title 17, Code of Federal Regula-
6 tions.

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