

115TH CONGRESS
2D SESSION

S. 3576

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 SENATE OF THE UNITED STATES

OCTOBER 11, 2018

Mr. ROUNDS introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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 Empow-
3 ering our Aspiring Leaders Act of 2018.

4 **SEC. 2. DEFINITIONS.**

5 Not later than 180 days after the date of enactment
6 of this Act, the Securities and Exchange Commission
7 shall—

8 (1) revise paragraph (a) of section 275.203(l)–
9 1 of title 17, Code of Federal Regulations, to re-
10 quire, as a condition of a private fund qualifying as
11 a venture capital fund under that paragraph, that
12 the qualifying investments of the private fund are
13 predominantly qualifying investments that were ac-
14 quired directly from a qualifying portfolio company;
15 and

16 (2) revise the definition of a qualifying invest-
17 ment under section 275.203(l)–1(c) of title 17, Code
18 of Federal Regulations, to include an equity security
19 issued by a qualifying portfolio company, whether
20 acquired directly from the company or in a sec-
21 ondary acquisition.

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