

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.

- 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
- of Federal Regulations, to include an equity security
- of an emerging growth company (as defined under
- section 2(a) of the Securities Act of 1933), whether
- acquired directly from the company or in a sec-
- ondary acquisition; and
- 15 (2) revise the definition of a qualifying portfolio
- 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
- company, whether acquired directly from the com-
- pany or in a secondary acquisition, shall be deemed

a qualifying investment under section 275.203(l)–

1(c) of title 17, Code of Federal Regulations; and

(2) an emerging growth company shall be deemed a qualifying portfolio company under section 275.203(l)–1(c) of title 17, Code of Federal Regulations.

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