

# Union Calendar No. 687

115TH CONGRESS  
2D SESSION

# H. R. 6177

[Report No. 115–889]

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.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 2018

Mr. HOLLINGSWORTH introduced the following bill; which was referred to the Committee on Financial Services

AUGUST 3, 2018

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on June 21, 2018]

# **A BILL**

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.

1       *Be it enacted by the Senate and House of Representa-*  
 2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       *This Act may be cited as the “Developing and Empow-*  
 5       *ering our Aspiring Leaders Act of 2018”.*

6       **SEC. 2. DEFINITIONS.**

7       *Not later than the end of the 180-day period beginning*  
 8       *on the date of the enactment of this Act, the Securities and*  
 9       *Exchange Commission shall—*

10           *(1) revise the definition of a qualifying invest-*  
 11           *ment under paragraph (c) of section 275.203(l)–1 of*  
 12           *title 17, Code of Federal Regulations, to include an*  
 13           *equity security issued by a qualifying portfolio com-*  
 14           *pany, whether acquired directly from the company or*  
 15           *in a secondary acquisition; and*

16           *(2) revise paragraph (a) of such section to re-*  
 17           *quire, as a condition of a private fund qualifying as*  
 18           *a venture capital fund under such paragraph, that*  
 19           *the qualifying investments of the private fund are*  
 20           *predominantly qualifying investments that were ac-*  
 21           *quired directly from a qualifying portfolio company.*

Amend the title so as to read: “A bill 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.”.



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