

117TH CONGRESS
2D SESSION

H. R. 4227

IN THE SENATE OF THE UNITED STATES

JULY 27, 2022

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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.

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 Em-
5 powering our Aspiring Leaders Act of 2022”.

6 **SEC. 2. DEFINITIONS.**

7 Not later than the end of the 180-day period begin-
8 ning on the date of the enactment of this Act, if the Secu-
9 rities and Exchange Commission determines the revisions
10 would facilitate capital formation without compromising
11 investor protection, the Commission shall—

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

18 (2) revise paragraph (a) of such section to re-
19 quire, as a condition of a private fund qualifying as
20 a venture capital fund under such paragraph, that
21 the qualifying investments of the private fund are

1 predominantly qualifying investments that were ac-
2 quired directly from a qualifying portfolio company.

Passed the House of Representatives July 26, 2022.

Attest: **CHERYL L. JOHNSON,**
Clerk.