IIB

119TH CONGRESS
1ST SESSION

H. R. 4429

IN THE SENATE OF THE UNITED STATES

DECEMBER 2, 2025

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, for purposes of the exemption from registration for venture capital fund advisers under the Investment Advisers Act of 1940, to include an equity security issued by a qualifying portfolio company and to include an investment in another venture capital fund, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Developing and Empowering our Aspiring Leaders Act of 2025".

SEC. 2. DEFINITIONS.

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

(1) revise the definition of a qualifying investment under paragraph (c) of section 275.203(l)–1 of title 17, Code of Federal Regulations—

(A) to include an equity security issued by a qualifying portfolio company, whether acquired directly from the company or in a secondary acquisition; and

(B) to specify that an investment in another venture capital fund (as defined in paragraph (a) section 275.203(l)–1 of title 17, Code of Federal Regulations) is a qualifying investment under such definition; and

(2) revise paragraph (a) of such section to require, as a condition of a private fund qualifying as a venture capital fund under such paragraph, that, immediately after the acquisition of any asset, such

fund holds no more than 49 percent of the amount of the fund's aggregate capital contributions and uncalled committed capital (excluding short-term holdings) in—

(A) one or more venture capital funds; or

(B) qualifying investments acquired in a secondary acquisition, valued at cost or fair value, consistently applied by the fund.

Passed the House of Representatives December 1, 2025.

Attest: KEVIN F. MCCUMBER,

Clerk.