Proskauer

Proskauer Submits Letter to the California Department of Financial Protection and Innovation Regarding Proposed Rulemaking Under the Fair Investment Practices by Venture Capital Companies Law

July 17, 2026

Proskauer submitted a comment letter to the California Department of Financial Protection and Innovation (the "Department") regarding proposed regulations implementing the Fair Investment Practices by Venture Capital Companies Act. Proskauer recommends revisions that would improve the accuracy and usefulness of the reporting framework while reducing unnecessary compliance burdens, protecting founder privacy, and making the regulations more practical to administer.

Proskauer recommends that the Department:

- Reconsider the reporting regime to the maximum extent permitted by statute to improve data quality and reduce the risk of inaccurate or misleading public reporting.
- Create a centralized, state-operated reporting portal to reduce compliance costs, strengthen data security, and better preserve the neutrality of the survey process.
- Relieve covered entities of any obligation to obtain founder contact information they do not already possess.
- Adopt clear, objective definitions for key terms, including "primarily engages," "startup, early-stage, or emerging growth company," "significant presence," "significant operations," and "solicits."
- Permit fully consolidated reporting at the investment adviser level, allowing advisers managing multiple funds to submit a single survey, report, and filing fee.
- Make additional technical clarifications and refinements to improve the implementation and administration of the regulations.

Related Professionals

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