

Update on California's Venture Capital Companies Diversity Reporting Program

January 29, 2026

California's Fair Investment Practices by Venture Capital Companies Law (FIPVCC), commonly referred to as SB 54, as amended by SB 164, requires certain venture capital companies (including venture capital funds) with a California nexus to register with the Department of Financial Protection and Innovation (DFPI), and to collect and annually report anonymized, aggregated demographic data about the founding team members of businesses in which they invest. The first registration is due March 1, 2026, and the first annual report is due April 1, 2026. (For more information on covered entities, data collection and reporting, public disclosure, and enforcement, please refer to our [December 23, 2024, alert on California's Venture Capital Diversity Reporting Law](#).)

In preparation for the upcoming deadlines, DFPI recently established a [web page](#) with information and resources to help covered entities comply. A standardized demographic survey for covered entities to deliver to founding team members is now available on that page. While DFPI's new page is a long-awaited update, there remain open questions and interpretive issues. Most notably, the annual reporting provision in FIPVCC repeatedly references businesses "in which the covered entity made a venture capital investment" (a defined term tied to obtaining management rights), while the survey provision states that the survey must be provided to each founding team member of a "business that has received funding from a covered entity," which could be read more broadly than "venture capital investment."

DFPI has not yet issued clarifying guidance on whether surveys should be sent to all portfolio companies that receive any funding or only those investments that qualify as "venture capital investments." In addition, terms such as "significant presence" and "significant operations" remain undefined. Finally, as of the publication of this client alert, the report form and registration portal are not yet posted; both are listed as "coming soon" on DFPI's web page. We will continue to monitor updates from DFPI.

Covered entities should begin taking steps to comply with the March 1 registration and April 1 reporting deadlines, including distributing the standardized survey to founding team members and establishing internal data collection processes. However, given the remaining interpretive uncertainties and the evolving nature of this regulatory framework, we recommend maintaining a flexible approach that can be adjusted as additional guidance becomes available or as the legal landscape develops. We are available to assist with compliance questions and strategy.

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