

Update on California's Venture Capital Companies Diversity Reporting Program

March 6, 2026

California's Fair Investment Practices by Venture Capital Companies Law (FIPVCC), commonly referred to as Senate Bill 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 period began 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 see our [December 2024 alert on California's Venture Capital Diversity Reporting Law](#) and our [February 2026 webinar](#) on complying with the law.

In preparation for the upcoming deadlines, the [DFPI recently established a webpage](#) with information and resources to help covered entities comply. The posted resources include:

- A [standardized demographic data survey](#) to deliver to founding team members.
- The [venture capital demographic data report](#) to complete based on survey responses and submit to the DFPI.
- A [guide on determining whether a business is a covered entity](#) for purposes of registration and reporting.
- A link to the [VCC Reporting Portal](#) and an [accompanying portal user guide](#) outlining how to register, update information, submit reports and manage points of contact.

Covered entities may register beginning **March 1, 2026**, and should be registered before filing their first reports by **April 1, 2026**.

Remaining open questions

While these DFPI resources and the registration portal are long-awaited updates, many significant open questions and interpretive issues remain. Three with immediate practical impact are:

1. Whether each entity qualifying as a "covered entity" must register and file a separate report (incurring a separate filing fee for each entity), or whether a controlling entity such as a management company may file a single consolidated report on behalf of all covered entities under its common control, as contemplated by California Corporations Code Section 27501(d)(3).
2. Whether a venture capital company that meets the definition of "covered entity" but made no venture capital investments during the prior calendar year is required to register with the DFPI, even if it has no reporting obligation for that year.
3. Whether covered entities need to survey only the founding team members of businesses that received venture capital investments (with associated management rights) or if they must survey all businesses that received funding, even if only venture capital investments are subject to reporting.

Clarification on these points is critical given the imminent April 1, 2026, filing deadline. Businesses must determine how to organize their submissions, how many filings to prepare and how much to budget for compliance. [Cooley has submitted a letter to the DFPI](#) seeking clarification on these questions.

Beyond these three questions, additional open questions that covered entities must navigate ahead of the April 1 deadline include:

- How to interpret undefined terms such as “significant presence” and “significant operations” for purposes of determining which entities must register and report.
- Who must receive the demographic surveys, including whether former CEOs, presidents and founding team members should be included.
- Whether covered entities may distribute surveys using a survey platform rather than the PDF version provided by the DFPI (and, if they are required to use the DFPI’s form PDF, how to do so in a manner that does not associate responses with individual founding team members, as required in the statute).
- How to account for survey nonresponses when preparing reports, including whether nonresponses should be treated differently from respondents who expressly decline to answer demographic questions.
- How to define a “principal place of business” for purposes of the report’s requirement that covered entities list as principal place of business for each business that received venture capital investments during the prior calendar year.

Next steps

Covered entities should begin registering on the DFPI’s portal, distributing the survey to founding team members, establishing internal data collection processes, and preparing to file a report by April 1, 2026. Given the remaining interpretive uncertainties, we recommend maintaining a flexible compliance approach that can be adjusted as additional guidance becomes available. We are available to assist with compliance questions and strategy.

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