

Emerging Companies & Venture Capital Investment Management

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Flash Alert: California DFPI Pauses VC Diversity Reporting – April 1 Deadline Lifted

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Yesterday evening, the California Department of Financial Protection and Innovation (DFPI) announced that it is suspending the implementation and enforcement of the Fair Investment Practices by Venture Capital Companies Law (FIPVCC) pending rulemaking. The DFPI stated that it “will not require covered entities to submit further registrations or file reports by the April 1, 2026, deadline.” A link to the DFPI announcement can be found [here](#).

In its announcement, the DFPI stated that it “[p]lans to initiate rulemaking in response to comments by various stakeholders” relating to the FIPVCC, and “will suspend implementation and enforcement of the FIPVCC pending completion of the rulemaking and until final regulations are in place.” The DFPI also indicated that it will seek stakeholder input “over the next few months” before beginning formal rulemaking and that, once initiated, formal rulemaking must be completed within one year.

What This Means Now

- Most importantly, no April 1 filing is required. Covered entities do not need to register or file reports by April 1, 2026.
- Enforcement is paused. The statute will not be enforced until final regulations are adopted.
- Compliance timing remains open. No revised reporting deadline has been announced.

Key Open Questions

The DFPI’s statement leaves several issues unresolved, including:

- When will compliance resume? While it will be at least a few months, no dates were provided for the start of rulemaking or future filing deadlines.
- Will 2025 investments be reportable? It remains unclear whether reporting will ultimately cover investments made in 2025 or reset once regulations are finalized.
- How and when will stakeholder input be solicited? The DFPI stated that it will seek stakeholder input before formal rulemaking begins and will notify registrants and subscribers when formal rulemaking is initiated, but it did not specify (i) whether firms will be notified of opportunities for input during the pre-rulemaking phase or (ii) the format in which comments or input will be accepted.

Practical Takeaways

- Pause—but don’t unwind—compliance efforts. Many firms may wish to pause further implementation while remaining ready to restart.
- Monitor DFPI communications. The DFPI has stated it will notify registrants and subscribers regarding the timing and opportunities to provide comments.

We too will continue to monitor developments as additional guidance becomes available. Please reach out to any of the attorneys listed with questions.

Contacts

Please contact the listed attorneys for further information on the matters discussed herein.

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