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California DPFI Suspends Implementation, Enforcement of State’s New Investor Law

On March 17, 2026, the California Department of Financial Protection and Innovation (DPFI) **announced** it would suspend implementation of the California Fair Investment Practices by Venture Capital Companies Act (the **FIPVCC**, Cal. Corp. Code § 27500 et seq.).

As noted in our **February 2026 GT Alert**, the new law requires certain firms that invest in startup, early-stage or emerging growth companies and have a significant California nexus — known as “Covered Entities” — to report anonymized, aggregated demographic data about the founding teams of their portfolio companies annually.

In accordance with the DPFI’s March 17 announcement, the agency will not require Covered Entities to submit further registrations or file reports by the April 1, 2026, deadline.

The DPFI notes in its announcement that it “plans to initiate rulemaking in response to comments by various stakeholders” related to the FIPVCC and that implementation and enforcement will remain suspended “pending completion of the rulemaking and until final regulations are in place.”

The DPFI intends to begin the rulemaking process later in 2026, and once formal rulemaking begins, it must be completed within one year. Prior to commencing formal rulemaking, the agency plans to solicit input from venture capital companies, founders, and other relevant stakeholders. The agency notes that such a process “will ensure that the regulations adopted are clear, practical, and effective in achieving the

objectives of the law.” The state enacted the FIPVCC with the intention of broadening diversity and creating stronger transparency in venture investment initiatives.

The DPFI notes that it will contact FIPVCC registrants and subscribers who wish to contribute comment over the next few months and recommends that interested parties subscribe to its email updates. It also notes that stakeholders with questions on reporting for the FIPVCC may contact the DPFI.

Accordingly, stakeholders should remain apprised of the DPFI’s progress and may wish to provide commentary in the pre-rulemaking stage as appropriate. Despite the delay in implementation and enforcement, companies that qualify as Covered Entities may also wish to consider the relevant action items outlined in our [prior GT Alert](#) in an effort to remain proactive.

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