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California Venture Capital Diversity Reporting Law (S.B. 54 / S.B. 164)

COMPLIANCE GUIDE

Venture Capital Companies (VCCs) with a California nexus must annually report diversity data concerning the founding members of their portfolio companies. The Department of Financial Protection and Innovation (DFPI) will administer and enforce the following reporting requirements:

1. **Demographic Data:** DFPI will issue a survey which VCCs must distribute to founders to collect required data on gender, race, ethnicity, disability, LGBTQ+, veteran, and California residency.
2. **Written Disclosure:** A written disclosure must accompany the survey notifying founders that responses are 1) voluntary, 2) will not lead to adverse action, and 3) submitted to DFPI on an anonymized basis.
3. **Investment Data:** The report must contain the total number and amount of VC investments, as well as the proportion of investments made in businesses with primarily diverse founders.
4. **Report Submission:** The report should be anonymized and must be submitted to DFPI by April 1, 2026 with a $175 fee. DFPI may notify entities in noncompliance and provide a 60-day cure period.
5. **Data Retention:** Survey and report records must be maintained for five years.

Compliance Timeline

IMMEDIATELY – LATE 2025	**1. ASSESS YOUR VCC'S RECORDKEEPING HYGIENE** • Are you sufficiently tracking investments and updating founders' contact information to comply with reporting requirements? • Does your VCC have internal systems in place to timely distribute, collect, and organize survey data? • ***Consider appointing a designated compliance lead to become familiar and handle reporting requirements.***
LATE 2025 – EARLY 2026	**2. ADMINISTER DFPI SURVEY** • Once DFPI releases the survey, plan to distribute to founders immediately.
JANUARY – MARCH 2026	**3. GATHER DATA AND GENERATE REPORT** • Report and data format is a subject for future DFPI guidance.
MARCH 1 – 31, 2026	**4. REGISTRATION PERIOD** • VCCs must "register" with DFPI in March and must submit the report once registered and before April 1 of each year. • The method and manner of report submission is a subject for future DFPI guidance.
APRIL 1, 2026	**5. REPORT SUBMISSION DEADLINE**