

SEC Adopts Amendments to Section 13 Beneficial Ownership Reporting Requirements

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On October 10, 2023, the Securities and Exchange Commission (“SEC”) adopted amendments to the requirements for beneficial ownership reporting on Schedules 13D and 13G under Section 13 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These amendments (the “New Rules”) (i) accelerate filing deadlines for Schedules 13D and 13G, (ii) change the triggering event for amendments to Schedule 13G to a “*material* change in the information previously reported” from the current “*any* change in the information previously reported,” (iii) require Schedules 13D and 13G to be filed in structured, machine-readable data language and (iv) require reporting of cash-settled derivative securities under Item 6 of Schedule 13D. Additionally, the adopting release (the “Adopting Release”) for the New Rules provides guidance on when holders of certain derivative securities are deemed to beneficially own the reference security, as well as guidance on when a “group” is formed for purposes of beneficial ownership reporting.

The New Rules represent the first amendment to the filing deadlines for Schedules 13D and 13G since 1968 and 1977, respectively. Although the New Rules meaningfully increase compliance burdens for Section 13 filers, they do not go as far as the SEC’s proposed rules from February 2022 , which would have further accelerated filing deadlines and imposed rule changes, rather than guidance, concerning beneficial ownership of derivative securities and group formation.

Read the full article [here](#).