

ALERTS

Exchange Act Rule 13f-2 and Related Form SHO Update: SEC Provides a One-Year Exemption From Rule 13f-2 Compliance

February 8, 2025

On Feb. 7, 2025, the US Securities and Exchange Commission (the “**SEC**”) announced a **one-year** temporary exemption from compliance with Exchange Act rule 13f-2 (“**Rule 13f-2**”) and accompanying Form SHO filing requirements (the “**Exemptive Relief**”).[1] This temporary relief makes January 2026 the first Rule 13f-2 reporting period, with the first Form SHO filings due by Feb. 17, 2026.[2]

Rule 13f-2 became effective Jan. 2, 2024, and requires that institutional investment managers that exercise investment discretion over gross short positions in equity securities exceeding certain reporting thresholds submit a Form SHO filing to the SEC within fourteen (14) calendar days of month end.[3] Prior to the exemptive relief, January 2025 was set to be the first Rule 13f-2 reporting period, with Form SHO filings due by Feb. 14, 2025.[4]

The Exemptive Relief is welcome news to industry participants, who have cited a number of concerns relating to Rule 13f-2, including interpretative issues relating to the rule’s reporting requirements and the quick turnaround between the end of the reporting period and the filing deadline. SEC Acting Chairman Uyeda noted that this temporary relief “gives filers more time to implement the technical updates required for compliance,”[5] while affirming that the SEC will continue to monitor and combat illegal short selling activity.[6]

The industry is hoping the SEC will issue additional guidance regarding Form SHO during the exemption period. Industry members should notify the SEC of areas of confusion or concern if they have not done so already.

There remains ongoing litigation by industry groups aiming to vacate Rule 13f-2 and Exchange Act rule 10c-1a (which requires reporting of covered securities loans to FINRA on a daily basis).[7] We anticipate a decision in the litigation in the coming months and will continue to monitor for developments related to Rule 13f-2 and Form SHO.

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If you have any questions concerning this *Alert*, please contact your attorney at Schulte Roth & Zabel or one of the authors.

[1] See Exchange Act Release No. 34-102380 (Feb. 7, 2025) (the “**Exemptive Order**”). See also SEC Press Release, Exemption From Exchange Act Rule 13f-2 and Related Form SHO, available here (the “**SEC Press Release**”).

[2] See Exemptive Order at p. 6.

[3] For more information on Exchange Act Rule 13f-2 and Form SHO, please see our prior *Alerts*: “SEC Adopts Short Reporting Rule for Institutional Investment Managers with Global Scope,” available here and “Reminder: SEC Short Position ((Form SHO) Filing Deadline Fast Approaching,” available here.

[4] *Id.*

[5] See SEC Press Release.

[6] *Id.*

[7] *Nat’l Assoc. Priv. Fund Mgr. v. SEC*, No. 23-60626 (5th Cir.). This lawsuit is ongoing as of the date of this publication. The petition for review can be found here.

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