

Holding Foreign Insiders Accountable Act: Final Amendments



The Securities and Exchange Commission adopted final amendments to its rules and forms to reflect the disclosure requirements of the Holding Foreign Insiders Accountable Act (HFIA Act).

The rules take effect on March 18, 2026, and apply to directors and officers of foreign private issuers (FPIs) with a class of equity securities registered under Section 12 of the Securities Exchange Act of 1934 (Exchange Act).

Background

Section 16(a) of the Exchange Act requires directors, officers, and persons who beneficially own more than 10 percent of any class of equity securities registered under Section 12 of the Exchange Act (10 percent holders) to disclose their holdings of the issuer's equity securities and transactions in the issuer's equity securities through filings with the Commission known as Section 16 reports. Directors and officers of FPIs have historically been exempt from Section 16 pursuant to Exchange Act Rule 3a12-3(b).

The HFIA Act, enacted on Dec. 18, 2025, amended Section 16(a) to require every person who is a director or an officer of a "foreign private issuer" as defined in Exchange Act Rule 3b-4 with a class of equity securities registered pursuant to Section 12 (but not 10 percent holders of FPIs) to file Section 16 reports electronically and in English. The HFIA Act states that if any provision of the Rule 3a12-3(b) exemption is inconsistent with the amendments to Section 16(a), then such provision of Rule 3a12-3(b) will have no force or effect after the March 18 effective date of the HFIA Act. Accordingly, Section 16(a) filing requirements will apply to directors and officers of FPIs beginning on March 18.

The HFIA Act mandates that the Commission issue final regulations (or amend or rescind existing regulations in whole or in part) to carry out the amendments made by the HFIA Act no later than 90 days after the date of enactment.

Highlights of the Adopting Release

The Commission adopted final amendments to certain of its rules and forms under the Exchange Act to reflect the requirements of the HFIA Act:

- The Commission amended Rule 3a12-3(b) to be consistent with the HFIA Act by removing the current exemption from Section 16 in its entirety and replacing it with exemptions from the Section 16(b) short-swing profits rules and Section 16(c) short selling prohibition only.
- The Commission amended Rule 16a-2, which identifies persons and transactions subject to Section 16, to exclude 10 percent holders of FPIs' equity securities from

FACT SHEET | **Holding Foreign Insiders Accountable Act: Final Amendments**

the requirements of Section 16(a) and related rules to be consistent with the HFIA Act.

- The Commission amended Section 16 reports, consisting of Forms 3, 4, and 5, to reflect the changes made by the HFIA Act. General Instructions 1.(a)(i), (ii), and (iv) to Form 3 were amended to include directors and officers of FPIs and exclude 10 percent holders of FPIs from the requirement to file the form.
- The Commission also adopted technical amendments to each of the Section 16 reports to include an optional field for a foreign trading symbol and a country code as part of the address of the reporting person and to update certain Commission contact information.

What's Next?

The final amendments will be effective on March 18, 2026.
