

## Question 103.06

**Question:** A group comprised of three entities filed a Schedule 13G pursuant to Rules 13d-1(c) and 13d-1(k)(1). One of the group members transfers its securities (constituting six percent of the issuer's class of equity securities registered under Section 12 of the Exchange Act) to its parent as a dividend. The parent, [a Schedule 13G filer with respect to these securities](#), has not ~~agreed to act together~~[acted as a group](#) with the other group members for the purpose of acquiring, holding, voting or disposing of equity securities of the issuer. What beneficial ownership reports must the parent and the group file after the subsidiary transfers the securities to its parent?

**Answer:** The parent must file an amended Schedule 13G 45 days after the end of the calendar ~~year~~[quarter](#) in which the subsidiary transfers the securities [if becoming the direct beneficial owner of the transferred securities constitutes a material change in the information the parent previously disclosed](#). See Rule 13d-2(b). Because the parent already was the indirect beneficial owner of the securities owned by the subsidiary before the transfer, the parent does not "acquire" the securities within the meaning of Section 13(d)(1) as a result of the transfer and, therefore, does not incur an obligation to file a Schedule 13D. The group is required to amend its Schedule 13G to reflect the reduction in the amount beneficially owned and the departure of the subsidiary from the group. [~~Sep. 14, 2009~~[July 11, 2025](#)]