

Question 103.09

Question: A security holder of a parent company receives more than five percent of a Section 12 registered class of equity securities of the parent's subsidiary in a spin-off transaction. The spin-off was not conditioned upon the approval of the parent's security holders. Does the security holder have an obligation to file a beneficial ownership report to reflect its ownership of the subsidiary's equity securities?

Answer: Yes, but the security holder is eligible to file a Schedule 13G pursuant to Rule 13d-1(d) within 45 days after the end of the calendar ~~year~~[quarter](#) in which the spin-off occurred, since the receipt of securities in a spin-off transaction does not constitute an "acquisition" within the meaning of Section 13(d) and Rule 13d-1. This exception from the obligation to file a Schedule 13D is not available to persons who influence or control the parent's decision to spin-off the subsidiary, including, but not limited to, officers and directors of the parent. Instead, this exception only applies to those security holders that became beneficial owners as a result of an involuntary change in circumstances. [~~Sep. 14, 2009~~ [July 11, 2025](#)]