

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102380]

Order Granting Temporary Exemption Pursuant to Section 13(f)(3) of the Securities Exchange Act of 1934 from Compliance with Rule 13f-2 and Form SHO

I. Introduction

On October 13, 2023, the Securities and Exchange Commission (“Commission”) adopted Rule 13f-2 (17 CFR 240.13f-2) and related Form SHO¹ (17 CFR 249.332) pursuant to the Securities Exchange Act of 1934 (“Exchange Act”) and the Dodd-Frank Wall Street Reform and Consumer Protection Act. Rule 13f-2 requires institutional investment managers that meet or exceed certain specified thresholds to file Form SHO, in accordance with the form’s instructions, with the Commission within 14 calendar days after the end of each calendar month with regard to certain equity securities via the Commission’s Electronic Data Gathering, Analysis, and Retrieval System (“EDGAR”).² The Commission will publish, on an aggregated basis, certain information regarding each equity security reported by institutional investment managers on Form SHO and filed with the Commission via EDGAR.³ The effective date of Rule 13f-2 and Form SHO was January 2, 2024. The compliance date for Rule 13f-2 and for reporting on Form SHO was January 2, 2025. Institutional investment managers that meet or exceed a reporting threshold specified under Rule 13f-2 are required to file the Form SHO report for January 2025 within 14 calendar days after the end of January 2025.

Since the Rule and Form SHO were adopted, Commission staff has been working with industry participants to address operational issues relating to the implementation of Form SHO reporting. Through telephonic meetings and letters, certain institutional investment managers that may meet the reporting

¹ Exchange Act Release No. 34-98738 (Oct. 13, 2023), 88 FR 75100 (Nov. 1, 2023) (“Rule 13f-2 Adopting Release”).

² See 17 CFR 240.13f-2(a).

³ See 17 CFR 240.13f-2(a)(3).

thresholds specified in Rule 13f-2 have stated that they need additional time to implement Form SHO reporting.⁴

Before the Commission’s publication of the web-fillable version of Form SHO and the related Form SHO XML technical specifications⁵ and EDGAR Filer Manual updates⁶ on December 16, 2024 (collectively, “December 16, 2024 Form SHO Documents”), a group of industry participants submitted a letter requesting that the Commission extend the current January 2, 2025 compliance date by eighteen months.⁷ Among other things, industry participants highlighted ongoing work in connection with “developing and implementing system changes needed to capture relevant data so that association members [that are institutional investment managers] are in a position to report . . . consistent with the rule’s requirements.”⁸ Industry participants also cited challenges in completing implementation of system builds and testing for Form SHO reporting pending finalization and publication of the Form SHO XML technical specifications, which the Commission published on December 16, 2024.⁹ Further, industry

⁴ See, e.g., Letters from Howard Meyerson, Financial Information Forum (June 24, 2024, Aug. 9, 2024, Nov. 8, 2024, Dec. 20, 2024) (each a “FIF Letter”), available at <https://fif.com/index.php/working-groups>; Letter from the Securities Industry and Financial Markets Association (“SIFMA”), SIFMA’s Asset Management Group, the Investment Company Institute, the Insured Retirement Institute, FIA Principal Traders Group, and the Investment Adviser Association (Nov. 25, 2024) (“2024 SIFMA et al. Letter”), available at <https://www.sifma.org/wp-content/uploads/2024/11/Rule-13f-2-Extension-Request-Final-11-25-2024.pdf>; Letter from Managed Funds Association and Alternative Investment Management Association (Jan. 20, 2025) (“2025 MFA and AIMA Letter”) available at <https://www.mfaalts.org/wp-content/uploads/2025/01/MFA-Short-Position-Reporting-Extension-Request-Final-Submitted-1.20.25.pdf>.

⁵ Form SHO XML Technical Specifications are available at <https://www.sec.gov/submit-filings/technical-specifications#xml>.

⁶ EDGAR Filer Manual 24.4, Vol. II was published in EDGAR Release 24.4, published December 16, 2024. <https://www.sec.gov/submit-filings/edgar-filer-manual>.

⁷ 2024 SIFMA et al. Letter, at 1.

⁸ *Id.* See also 2025 MFA and AIMA Letter, at 2.

⁹ See, e.g., 2024 SIFMA et al. Letter, at 2 (stating that publication of final Form SHO XML technical specification on December 16, 2024, “provid[es] reporters with very little time for any final builds and testing before the January 2, 2025 compliance date”); FIF Letter (Nov. 8, 2024), at 2 (stating it is “highly problematic for the Commission to

participants also stated that certain firms were “subject to full code freezes at year-end to help manage and mitigate IT risk.”¹⁰

In addition, the Financial Information Forum (“FIF”) submitted several letters before the publication of the December 16, 2024 Form SHO Documents requesting an extension of the current January 2, 2025 compliance date for Rule 13f-2 and for Form SHO reporting for a “reasonable period (for example six months)” from the date the Commission provides written guidance in response to interpretive questions raised by FIF and other industry participants.¹¹

The December 16, 2024 Form SHO Documents provided additional guidance and context for completing Form SHO. On January 20, 2025, following the publication of those documents, the Managed Funds Association (“MFA”) and the Alternative Investment Management Association (“AIMA”) submitted a letter requesting a six-month extension for compliance with the Rule “until July 1, 2025 (or such later date as the Staff deems appropriate).”¹² FIF also submitted a letter on December 20, 2024, stating more time was needed for compliance, in part, to implement the Form SHO instructions deployed in the December 16, 2024 Form SHO Documents, but did not specify timing.¹³

require reporting for activity that occurs beginning on January 2, 2025 when the Technical Specifications will not be finalized until 17 days prior to such date”). Publication of final technical specifications for Form SHO coincided with the fourth quarter update to the EDGAR Filer Manual, which also provides specific instructions and guidance to Form SHO filers.

¹⁰ 2024 SIFMA et al. Letter, at 2. *See also* FIF Letter (Nov. 8, 2024), at 3; 2025 MFA and AIMA Letter, at 3.

¹¹ FIF Letter (Aug. 9, 2024) at 19 (recommending an extension be for a “reasonable period (for example, six months) from the date the Commission publishes written FAQs in response to requests for interpretive guidance from . . . market participants”). *Accord* FIF Letter (Nov. 8, 2024) at 3 (requesting that the Commission grant “a six-month extension of the current implementation date, from the date that the Commission publishes written FAQs (or equivalent written guidance) in response to interpretive questions raised by FIF members and other market participants”). *See also*, FIF Letter (June 14, 2024) at 17 (stating that length of compliance date extension depends on guidance received from the Commission to questions raised by market participants).

¹² 2025 MFA and AIMA Letter, at 2.

¹³ FIF Letter (Dec. 20, 2024).

II. Discussion

The Commission agrees with the concerns expressed by commenters about requiring reporting for activity that occurs beginning on January 2, 2025, when the Form SHO-specific XML technical specifications were issued only a few weeks before that date. After the Commission published the December 16, 2024 Form SHO Documents, commenters suggested a shorter period would be workable—for example, six months “(or such later date as the Staff deems appropriate).”¹⁴ The Commission has determined that a temporary exemption from compliance for approximately twelve months strikes an appropriate balance between the goal of Rule 13f-2 and Form SHO reporting to provide transparency regarding certain short sale-related data and industry participants’ requests for additional time for implementation of the Rule 13f-2 reporting requirements.¹⁵ Therefore, in consideration of publication of the December 16, 2024 Form SHO Documents, granting a temporary exemption from compliance with Rule 13f-2 and for Form SHO reporting for approximately twelve months is appropriate to provide industry participants sufficient time to complete implementation of systems builds and testing, as well as to work with Commission staff to address any outstanding operational and compliance questions regarding Form SHO reporting.

Section 13(f)(3) of the Exchange Act¹⁶ authorizes the Commission, by rule or order, to exempt, conditionally or unconditionally, any institutional investment manager or security, or any class of institutional investment managers or securities from any or all of the provisions of Section 13(f) of the Exchange Act or the rules thereunder. Institutional investment managers that meet or exceed a reporting threshold specified in Rule 13f-2 are required to file an initial Form SHO report within 14 calendar days

¹⁴ 2025 MFA and AIMA Letter, at 2.

¹⁵ *See, e.g.*, FIF Letter (Nov. 8, 2024), at 1 (citing hosting of thirty-six working group calls on Form SHO reporting); 2024 SIFMA et al. Letter, at 1 (describing efforts by “association members,” since adoption of Rule 13f-2, to develop and implement system changes to capture the data required for Form SHO reporting).

¹⁶ 15 U.S.C. 78m.

after the end of January 2025. A temporary exemption from compliance with Rule 13f-2 and Form SHO reporting will give institutional investment managers that meet certain reporting thresholds specified in Rule 13f-2 sufficient additional time to complete implementation of systems builds and to test and work with Commission staff to address any outstanding operational and compliance questions regarding Form SHO reporting.

The Commission is using its authority under Section 13(f)(3) of the Exchange Act to grant a temporary exemption from compliance with Rule 13f-2 and for reporting on Form SHO to give additional time to allow for orderly compliance with Rule 13f-2.¹⁷ More specifically, the temporary exemption will facilitate realization of the benefits of the Rule by enhancing the accuracy of the data that would ultimately be provided to investors by giving institutional investment managers additional time to complete systems development, programming, and testing, and to resolve operational issues in connection with implementation of the Rule and Form SHO reporting.

III. Conclusion

Accordingly, the Commission hereby grants, pursuant to Section 13(f)(3) of the Exchange Act, a temporary exemption from compliance with Rule 13f-2 and Form SHO reporting effective February 7,

¹⁷ The Commission has the authority to issue exemptive relief by order under Section 36 of the Exchange Act as well as under Section 13(f)(3). Subject to certain exceptions, Section 36 of the Exchange Act authorizes the Commission, by rule, regulation, or order to exempt, either conditionally or unconditionally, any person, security, or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the Exchange Act or any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors. Although a temporary exemption from compliance with Rule 13f-2 and Form SHO reporting will delay the benefits of the Rule, providing additional time for industry participants required to make Form SHO reports to address any operational issues and to comply with Rule 13f-2 reporting requirements would facilitate realization of the benefits of the Rule by enhancing the accuracy of the data that would ultimately be provided to investors. In this regard, a temporary exemption from compliance would also be necessary or appropriate in the public interest and consistent with the protection of investors.

2025, and ending January 2, 2026. Therefore, Form SHO reports for the January 2026 reporting period would be required to be filed within 14 calendar days after the end of January 2026.

By the Commission.

Dated: February 7, 2025

Sherry R. Haywood,

Assistant Secretary.