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Securities Alert

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SEC Order exempts some FPI insiders from new 16(a) Reporting requirements

By Lloyd H. Spencer and Andrew Pearce

The SEC has issued an exemptive order offering relief from the new Section 16(a) reporting requirements that foreign private issuers must begin following on March 18, 2026.



What's the impact?

- The SEC's exemptive order offers meaningful relief to FPIs whose home-country regulatory regimes already impose similar insider reporting obligations.
- FPIs that qualify must still meet specific conditions—most notably, ensuring timely public availability of insider reports in English—to rely on the exemption.
- As the compliance deadline approaches, FPIs should proactively evaluate their eligibility, confirm their directors' and officers' reporting obligations, and prepare for required EDGAR filings where exemptions do not apply.

As discussed in our recent [Client Alert](#), directors and officers of foreign private issuers (FPIs) will be required to comply with the beneficial ownership reporting requirements of Section 16(a) of

the Securities Exchange Act of 1934, as amended (Exchange Act), beginning on March 18, 2026 (FPI Compliance Date). These reporting requirements were adopted pursuant to the Holding Foreign Insiders Accountable Act (HFIAA).

In this alert, we summarize the SEC's exemptive order, the jurisdictions that qualify for the exemption, and the conditions that FPIs and their insiders must satisfy to rely on the relief.

Using its exemptive authority provided by the HFIAA, the US Securities and Exchange Commission (SEC) issued an order, on March 5, 2026, granting exemptive relief from the Section 16(a) reporting requirements for directors and officers of certain FPIs (Order).

As a reminder, pursuant to the HFIAA, the Section 16(a) reporting requirements (Forms 3, 4, and 5) will apply to directors and officers of FPIs with a class of equity securities registered under Section 12 of the Exchange Act beginning on the FPI Compliance Date, March 18, 2026. Initial Forms 3 for such insiders will be due on that date.

Qualifying jurisdictions and regulatory regimes

SUBJECT TO THE CONDITIONS DESCRIBED BELOW, EXEMPTIVE RELIEF IS AVAILABLE WHERE:

- / an FPI is incorporated or organized in one of the "qualifying jurisdictions" and subject to the applicable "qualifying regulation" in that jurisdiction; or
- / an FPI is incorporated or organized in one qualifying jurisdiction and subject to the qualifying regulation of another qualifying jurisdiction.

THE QUALIFYING JURISDICTIONS WITH RESPECT TO AN FPI'S COUNTRY OF INCORPORATION OR ORGANIZATION ARE:

- / Canada
- / Chile
- / European Economic Area (which consists of the twenty-seven member states of the European Union, as well as Iceland, Liechtenstein, and Norway)
- / Republic of Korea
- / Switzerland
- / United Kingdom

THE ORDER IDENTIFIES THE FOLLOWING QUALIFYING REGULATIONS:

- / Canada's National Instrument 55-104—Insider Reporting Requirements and Exemptions (supported by National Instrument 55-102—System for Electronic Disclosure by Insiders and

related companion policies)

- / Articles 12, 17, and 20 of the Chilean Securities Market Law (Ley de Mercado de Valores, Law No. 18,045) and General Rule (Norma de Carácter General) No. 269
- / Article 19 of the European Union Market Abuse Regulation (Regulation (EU) No. 596/2014, as amended by Regulation (EU) No. 2024/2809) (EU MAR), including implementing legislation adopted by EU member states and as incorporated into the domestic law of each European Economic Area state
- / Article 173 of the Republic of Korea Financial Investment Services and Capital Markets Act and Article 200 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act
- / Article 56 of the Listing Rules and implementing directives of SIX Swiss Exchange as approved by the Swiss Financial Market Supervisory Authority
- / Article 19 of the United Kingdom Market Abuse Regulation (Regulation (EU) No. 596/2014), as it forms part of United Kingdom domestic law pursuant to the European Union (Withdrawal) Act 2018

The SEC determined that these regulatory regimes are substantially similar to Section 16(a) because they require directors and officers (or persons performing similar policy making functions) to publicly disclose their beneficial ownership of an issuer's equity and derivative securities, as well as make timely public disclosure of changes in such ownership.

Key conditions required to qualify for the exemption

THE EXEMPTION IS SUBJECT TO THE FOLLOWING CONDITIONS:

- / Any director or officer seeking to rely on the exemption must report transactions in the FPI's securities in accordance with the applicable qualifying regulation. If a director or officer is not required to report a transaction under the applicable qualifying regulation, that individual would remain subject to the Section 16(a) reporting requirements.
- / Any report filed pursuant to a qualifying regulation must be made publicly available in English no later than two business days after it is publicly posted. If the regulator's online database does not permit the filing of an English version, this condition may be satisfied by posting the report in English on the FPI's website.

For FPIs that do not qualify for the exemption, and for directors or officers of otherwise exempt FPIs who do not satisfy the conditions described above, initial Forms 3 must be filed by March 18,

2026. Subsequent Forms 4 generally must be filed within two business days following a reportable transaction.

The Order also notes that the SEC may revisit the exemptive relief if any qualifying regulatory regime undergoes material changes such that it is no longer substantially similar to Section 16(a). The SEC further indicated that it may extend similar relief to FPIs organized in other jurisdictions in the future.

Top takeaways to help you move forward

FPIS SHOULD CONSIDER TAKING THE FOLLOWING STEPS IN ADVANCE OF THE MARCH 18, 2026 COMPLIANCE DATE:

- / Determine whether the FPI qualifies for the exemption based on its jurisdiction of incorporation and whether its officers and directors are subject to a qualifying regulation.
- / Confirm that directors and officers remain subject to a qualifying regulation, as the exemption is only available where those reporting requirements apply.
- / Ensure that insider transaction reports are publicly available in English within two business days, including through the FPI's website if the applicable regulator's system does not support English filings.
- / Establish EDGAR Next accounts for insiders who may still be required to file Section 16 reports.

SEC releases frequently asked questions (FAQs) on HFIAA Compliance

On March 9, 2026, the staff of the SEC released [Frequently Asked Questions](#) relating to the implementation of the HFIAA. Among other things, the FAQs confirm that:

- / All Section 16(a) filings must be submitted through EDGAR in accordance with the EDGAR filing rules, which require individual filers to maintain EDGAR Next accounts.
- / The initial Form 3 deadline for individuals serving as directors and officers of FPIs with a class of equity securities registered under Section 12 of the Exchange Act as of the FPI Compliance Date is the later of (i) the FPI Compliance Date and (ii) the date that is ten days after the date the individual became a director or officer of the FPI.
- / The staff addressed the applicability of Rule 16a-2(a), which requires Form 4 reporting of transactions carried out within six months prior to becoming subject to Section 16(a) if the insider became subject to Section 16(a) solely as a result of the issuer registering a class of equity securities pursuant to Section 12 of the Exchange Act. The staff clarified that if an FPI

had a class of equity securities registered under Section 12 of the Exchange Act prior to March 18, 2026, its directors and officers will not be required to report on Form 4 transactions effected prior to March 18, 2026. By contrast, directors, and officers of FPIs that register a class of equity securities under Section 12 on or after March 18, 2026, will remain subject to the standard Rule 16a-2(a) reporting framework and may be required to report on Form 4 certain transactions effected prior to March 18, 2026.

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