

SEC Reporting & Compliance Alert

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New Short Sale Reporting Due by February 14, 2025

The Securities and Exchange Commission (SEC) adopted new Exchange Act Rule 13f-2 and related Form SHO on October 13, 2023, which requires certain institutional investment managers (Managers) to report short-sale information to the SEC for transactions occurring after January 2, 2025. See our October 27, 2023, client alert "[SEC Adopts Short Sale Disclosure Rules](#)." If required, the first Form SHO must be filed with the SEC by **February 14, 2025**.

Under the new rule:

- A Manager must file a Form SHO if it has investment discretion over short positions of equity securities of reporting or nonreporting issuers exceeding certain thresholds during a calendar month. Form SHO is a nonpublic, confidential filing.
- Form SHO requires disclosure of month-end short positions and net daily short sale activity of such equity securities during the applicable month.
- Any required filings must be made within 14 days after the end of the applicable calendar month.
- Within one month after the end of each calendar month, the SEC will publish the aggregate short positions and daily activity information regarding each individual equity security reported on Form SHO.

The reporting thresholds for Form SHO are set out below. There is additional information on the new rule in the SEC's [adopting release](#) as well as in the [press release](#) and [fact sheet](#) that the SEC issued when the rule was approved.

Reporting Thresholds for Form SHO

For equity securities of a **reporting issuer**, the rule requires a Manager to file Form SHO to report each "gross short position" over which it and any person under its control has investment discretion collectively where, at the end of a calendar month:

- The monthly average gross short position at the close of regular trading hours in the equity security was at least \$10 million; or
- The monthly average gross short position at the close of regular trading hours as a percentage of shares outstanding in the equity security was at least 2.5%.

For short positions in equity securities of a **nonreporting issuer**, a Manager must disclose each gross short position with:

- A value that meets or exceeds \$500,000 at the close of regular trading hours on any settlement date during the calendar month.