

Institutional investment manager short sale reporting (New SEC Rule 13f-2)



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In October 2023, the SEC proposed Rule 13f-2, designed to provide greater transparency to investors and market participants by increasing the public availability of short sale related data.

SEC [Rule 13f-2](#) requires an [institutional investment manager](#) (“Manager”) to file a Form SHO report via EDGAR within 14 days of the calendar month end regarding each [equity security](#) over which the Manager (or any person under the Manager’s control) has investment discretion (see [240.13f-1\(b\)](#) for definition of investment discretion) with respect to a gross short position that meets or exceeds either of the below thresholds.

1. With respect to each equity security that is of a class of securities that is registered pursuant to [Section 12 of the Exchange Act](#) or for which the issuer of that class of securities is required to file reports pursuant to [Section 15\(d\) of the Exchange Act](#) (a “reporting company issuer”), if the Manager (and all accounts over which the Manager or any person under the Manager’s control has investment discretion) either:
 - a. has a monthly average gross short position at the close of regular trading hours in the equity security with a US dollar value of \$10 million or more; or
 - b. has a monthly average gross short position at the close of regular trading hours as a percentage of shares outstanding in the equity security of 2.5 percent or more.
2. With respect to each equity security that is of a class of securities of an issuer that is not a reporting company issuer (a “non-reporting company issuer”), when the Manager (and all accounts over which the Manager or any person under the Manager’s control has investment discretion) has a gross short position in the equity security with a US dollar value of \$500,000 or more at the close of regular trading hours on any settlement date during the calendar month.

For each reported equity security, a Manager will be required to report on Form SHO certain information, including:

- The Manager’s end-of-month gross short position in the equity security at the close of regular trading hours on the last settlement date of the calendar month; and
- For each individual settlement date during the calendar month, the Manager’s “net” activity in the reported equity security, which includes activity in derivatives, such as options.

You can read more on this topic by downloading the SEC Fact Sheet: [Final Rules: Enhancing Short Sale Disclosure](#).

Waystone Compliance Solutions' dedicated team of compliance professionals has extensive experience in navigating the complexities of completing Form SHO. If you require more information on this topic or are interested in learning about our regulatory filing services, please reach out to your usual Waystone representative or contact us below.

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