

SEC Grants Temporary Relief for Rule 13f-2 and Form SHO

December 8, 2025

On December 3, 2025, the Securities and Exchange Commission (SEC) issued an order granting temporary exemptive relief from compliance with Rule 13f-2 and Form SHO under the Securities Exchange Act of 1934.

These rules, adopted in October 2023, were designed to increase transparency around short selling by requiring institutional investment managers to report short positions via Form SHO.

The relief follows a Fifth Circuit remand directing the SEC to reassess the cumulative economic impact of these rules. The court's decision highlighted concerns about whether the SEC fully considered the costs and operational burdens these requirements impose on market participants.

Extended Compliance Deadline

The SEC has significantly extended the compliance timeline:

- Rule 13f-2 and Form SHO reporting obligations are now deferred until **January 2, 2028**
- Form SHO filings will resume for the January 2028 reporting period, due within 14 calendar days after month-end.

This extension gives firms more than two years beyond the original compliance date to prepare for potential amendments and system changes.

Implications for Market Participants

Although compliance obligations are deferred, firms should not view this as a reason to pause preparation. The SEC emphasized that these exemptions are temporary and intended to serve the public interest while the Commission evaluates further actions, which may include proposing amendments to the rules.

Recommended next steps for firms:

- Review internal processes for tracking short positions.
- Assess technology needs for Form SHO reporting.

Why Early Action Matters

Early preparation will help mitigate future regulatory risks and ensure firms are not caught off guard when reporting obligations resume. The SEC's relief provides breathing room, but it also creates a strategic opportunity: firms that act now can reduce long-term compliance costs, avoid last-minute operational disruptions, and demonstrate proactive governance to both investors and regulators.

Read the full order [here](#).

How Waystone Can Help

Waystone delivers tailored comprehensive annual compliance reviews designed to help firms in the US stay ahead of evolving SEC regulatory requirements. Supported by a dedicated team of compliance specialists with deep industry knowledge, we work closely with firms to assess their risk profiles, evaluate the effectiveness of compliance programs, and ensure ongoing adherence to SEC obligations.

If you have any questions about strengthening your compliance program or want to learn more about how Waystone can help you meet SEC expectations, please contact your usual Waystone representative or reach out to our US Compliance Solutions team below.

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