

Update: SEC Exempts Directors and Officers of Certain FPIs From Section 16 Reporting

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SEC GRANTS RELIEF WITHIN DAYS OF FILING DEADLINE

On March 5, 2026, the Securities and Exchange Commission (SEC) issued a final [order](#) exempting officers and directors of foreign private issuers (FPIs) incorporated or organized in certain qualifying jurisdictions with substantially similar qualifying regulations from pending Section 16 reporting obligations. The exemption will come as welcome relief to officers and directors of FPIs from the exempted jurisdictions, which were facing a fast-approaching Section 16 reporting deadline on March 18, 2026.

The following jurisdictions are “qualifying jurisdictions” under the order (with their associated qualifying regulations):

- **Canada:** Canada’s National Instrument 55-104 – Insider Reporting Requirements and Exemptions, supported by National Instrument 55-102 – System for Electronic Disclosure by Insiders (SEDI) and companion policies.
- **Chile:** Articles 12, 17, and 20 of the Chilean Securities Market Law and General Rule No. 269.
- **The European Economic Area:** Article 19 of the European Union Market Abuse Regulation (including, as applicable, implementing legislation and regulations adopted by the EU’s member states) and as incorporated into the domestic law of each European Economic Area state.
- **The Republic of Korea:** 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.
- **Switzerland:** Article 56 of the Listing Rules and implementing directives of SIX Swiss Exchange as approved by the Swiss Financial Market Supervisory Authority.
- **The United Kingdom:** Article 19 of the United Kingdom Market Abuse Regulation (Regulation (EU) No. 596/2014), as it forms part of UK domestic law pursuant to the EU (Withdrawal) Act 2018.

Any director or officer seeking to rely on the exemption is subject to the following conditions:

1. The director or officer is required to report their transactions in the issuer’s securities as set forth under the qualifying regulation to which they are subject; and
2. Any report filed pursuant to a qualifying regulation must be made available in English to the general public within no more than two business days of its public posting.

As we have previously [discussed](#), recent new requirements subject officers and directors of FPIs with a class of equity securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the Exchange Act) to the insider reporting requirements of Section 16(a) of the Exchange Act. Just last week, on

February 27, the SEC issued the [final rules](#) outlining the expected reporting requirements for directors and officers covered under these new requirements.

However, the SEC has authority to exempt any person, security, or transaction from Section 16(a) insider reporting if the SEC determines that the laws of a foreign jurisdiction apply “substantially similar requirements” to that person, security, or transaction. The SEC’s March 5 order exercises this authority and recognizes the reporting frameworks in the qualifying jurisdictions above.

Those FPIs within a qualifying jurisdiction should review their reporting practices and the referenced qualifying regulations to confirm that their directors and officers will be able to rely on the exemption. These FPIs should also assist their exempt directors and officers with satisfying the two conditions set forth above.

Those FPIs not within a current qualifying jurisdiction should continue preparing for Section 16 compliance and assist their officers and directors with insider reporting, including, but not limited to, confirming or obtaining EDGAR Next enrollment, and EDGAR codes, for officers and directors subject to insider reporting and coordinating with counsel and administrators to prepare timely Section 16 filings beginning March 18, 2026.

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