

SEC Grants Exemption from Section 16(a) Reporting Requirements for Certain Foreign Private Issuers' Directors and Officers

March 12, 2026

As previously reported in our advisory, the "[Holding Foreign Insiders Accountable Act](#)" (the HFIAA) caused directors and officers of foreign private issuers (FPIs) with equity securities registered under the US Securities Exchange Act of 1934 (the Exchange Act) to be subject to the beneficial ownership requirements under Section 16(a) of the Exchange Act (Section 16(a)) beginning on March 18, 2026. On February 27, 2026, the US Securities and Exchange Commission (the SEC) adopted final rules and amendments to implement the HFIAA. On March 5, 2026, the SEC exercised its discretionary authority under the HFIAA and issued an order granting an exemption from the beneficial ownership reporting requirements of Section 16(a) for officers and directors of certain FPIs.

Specifically, the SEC's order exempts from Section 16(a) reporting requirements directors and officers of any FPI that is both (i) incorporated or organized in Canada, Chile, the European Economic Area, the Republic of Korea, Switzerland or the United Kingdom (which are referred to in the order, collectively, as "qualifying jurisdictions"), and (ii) subject to insider reporting regimes the SEC has determined are substantially similar to Section 16(a) reporting requirements (which are referred to in the order, collectively, as "qualifying regulations"). Exemptive relief is available to directors and officers of FPIs that are either (i) incorporated or organized in a qualifying jurisdiction and subject to a qualifying regulation of that same qualifying jurisdiction or (ii) incorporated or organized in a qualifying jurisdiction but subject to a qualifying regulation of a different qualifying jurisdiction. Each qualifying jurisdiction has a qualifying regulation at this time. For example, the order indicates that one of the qualifying regulations is Canada National Instrument 55-104 — Insider Reporting Requirements and Exemptions (supported by National Instrument 55-102 — System for Electronic Disclosure by Insiders and companion policies).

The exemption in the order is subject to two conditions: (i) any director or officer seeking to rely on the exemption is required to report their transactions in the issuer's securities as set forth under the

qualifying regulation to which they are subject; and (ii) 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.

The SEC stated that it may reassess and modify the order if there are future changes to the qualifying regulations or other relevant changes in the jurisdiction of incorporation sufficiently material such that the qualifying regulations are no longer substantially similar to the requirements of Section 16(a). The SEC also noted that it may name additional "qualifying jurisdictions" through other exemptive orders in the future.

The full text of the order is available [here](#). For those needing further guidance on these matters, please reach out to a member of the Katten team.

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