

FOREIGN PRIVATE ISSUER INSIDER REPORTING REQUIREMENTS TAKE EFFECT THIS WEEK

Starting March 18, 2026, directors and officers of foreign private issuers (FPIs) will be required to report insider transactions under Section 16(a) of the Securities Exchange Act of 1934 (Exchange Act). The Holding Foreign Insiders Accountable Act (HFIAA), which Congress passed in December 2025, will place directors^[1] and officers^[2] of FPIs with equity securities registered in the U.S. on the same legal footing as corporate insiders in the U.S. by requiring that initial holding reports, transaction reports, and annual reports (if applicable) be filed for certain transactions in their company's securities. Notably, the HFIAA does not impose reporting obligations on "beneficial owners" (i.e., owners of 10% or more of the FPI).^[3]

REGULATORY RATIONALE AND HFIAA REQUIREMENTS

The expanded scope of Section 16 marks a significant change in U.S. securities regulation that reflects a continued effort by the SEC to assert its jurisdiction over international actors who participate in our markets. Directors and officers of FPIs have historically been exempt from Section 16(a) disclosure and registration requirements under Rule 3a12-3(b) based on the SEC's deference to the FPI's home country regulatory and reporting regime. However, in the wake of these changes, Congress and the SEC have taken affirmative steps to help ensure that investors of FPIs that trade in the U.S. markets receive minimum disclosures that identify the holdings and clarify the incentives of foreign executives regardless of the regulatory rules that apply in a company's home country.

On March 18, 2026, current directors and officers of FPIs must disclose their existing ownership in the FPI company's equity securities and derivatives on the revised Form 3. After March 18, 2026, any new directors and officers of FPIs must also make the same disclosures via Form 3 within 10 calendar days of becoming a director or officer. Directors and officers of an entity that becomes an FPI after March 18 must file their Form 3 by the FPI's effective registration date.^[4] Directors and officers of FPIs will also be required to report changes in their respective securities holdings on Form 4 "within two days of the triggering

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event” (i.e., an equity purchase, stock awards, option exercise, stock sales, etc.). Finally, directors and officers may be required to submit an annual report on Form 5 within 45 days of the FPI’s fiscal year-end to report any other material transactions not otherwise disclosed on Forms 3 and 4 (i.e., delinquent transactions: any transactions that should have been reported on Form 3 or Form 4 during the prior year but were not). The initial Form 5 filing should include any transactions that would have been reportable during the prior two fiscal years. Thereafter, Form 5 is not required if there has been no change in ownership, or all covered transactions were already disclosed in earlier filings. [\[5\]](#)

EXEMPTIONS

While Section 16 of the Exchange Act applies broadly to U.S. corporate insiders, the SEC’s new registration and disclosure requirements apply only to those individuals who are officers and directors of an FPI. As such, beneficial owners (i.e., owners of 10% or more of an FPI) who are neither officers nor directors are exempt from these requirements.

At the SEC’s discretion, the registration and disclosure requirements may not apply to directors and officers of FPIs that the SEC staff deem are subject to substantially similar requirements in their home countries. On March 5, 2026, the SEC identified certain qualified jurisdictions with the caveat that the FPI must be subject to the relevant regulations in its home country. [\[6\]](#)

PENALTIES FOR FAILING TO DISCLOSE AND REGISTER

Failure to submit timely filings required by Exchange Act Section 16 amounts to a violation of U.S. securities laws. Penalties will be assessed against the directors and officers responsible for submitting the filings. However, such failures may also invite heightened public and regulatory scrutiny to the FPI, especially as issuers often prepare and file the Section 16 registrations and disclosures on behalf of their respective directors and officers. While enforcement has previously focused on domestic issuers, HFIAA signals a pivot in the SEC’s focus to foreign issuers and the Commission’s policing authority abroad.

KEY COMPLIANCE NEXT STEPS

Covered FPIs should undertake a thorough review of their company to determine who qualifies as an “officer” or “director.” These individuals are required to register by obtaining their own Electronic Data Gathering, Analysis, and Retrieval (EDGAR) filing credentials that are necessary to submit initial, quarterly, and annual reports to the SEC. EDGAR access is provided by filing Form ID with the SEC and receiving the account credentials, a process which typically takes at least two to three days. FPIs, or the directors and officers

themselves, should initiate the Form ID process well ahead of the filing deadline to avoid any late submissions.^[7] FPIs should also confirm covered employee holdings, update any insider or personal trading policies to align with the SEC's latest rulemaking, establish adequate reporting procedures to track insiders' initial and later required filings, and adopt appropriate training to educate insiders about the new reporting requirements.

For additional information on HFIAA, developments in securities regulations, or to determine whether these new disclosure and registration requirements apply to your company's officers and directors, please contact a member of Armstrong Teasdale's Securities Regulation and Litigation practice.

^[1] 15 U.S.C. § 78c(a)(7). "The term 'director' means any director of a corporation or any person performing similar functions with respect to any organization, whether incorporated or unincorporated."

^[2] 17 C.F.R. § 240.16a-1(f). "The term 'officer' shall mean an issuer's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the issuer in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the issuer..."

^[3] See *Holding Foreign Insiders Accountable Act Disclosure*, SEC Release No. 34-104903 (March 6, 2026), Footnote 11, *available here*. (noting that Rule 3a12-3(b) no longer exempts directors and officers of FPIs from the filing obligations imposed by Section 16(a) and Rule 16a-2 (and related rules) but maintains the exemption for beneficial owners).

^[4] Issuers traded on a national securities exchange must register under Section 12(b); issuers engaged in interstate commerce which have assets exceeding \$10 million and a class of equity security held by either 2,000 persons or 500 persons who are not accredited investors must register under Section 12(g) (see 15 U.S.C.A. § 78l(b), (g)).

^[5] Form 3 is used to report initial statements of beneficial ownership of equity securities; Form 4 is used to report statements of changes in beneficial ownership; and Form 5 is a catch-all used for reporting holdings as an annual statement but may not be required for filers who have submitted all transactions through Form 4. See 17 C.F.R. §240.16a-3(a).

^[6]

- Canada: Subject to 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 (Ley de Mercado de Valores, Ley No. 18,045) and General Rule (Norma de Carácter General) No. 269;
- European Economic Area: Article 19 of the European Union Market Abuse Regulation (Regulation (EU) No. 596/2014, as amended by Regulation (EU) No. 2024/2809) (including, as applicable, implementing legislation and regulations adopted by the European Union's member states) and as incorporated into the domestic law of each European Economic Area state;
- 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; or
- United Kingdom: Article 19 of the United Kingdom Market Abuse Regulation (Regulation (EU) No. 596/2014), as it forms part of United Kingdom domestic law pursuant to the European Union (Withdrawal) Act 2018 (UK MAR).

[7] Filers who are unable to obtain EDGAR access credentials have until April 1, 2026 to file their initial holdings report as long as (i) the person submitting the Form ID application submits the filing by March 18, 2026; (ii) the person has not received EDGAR access by March 18, 2026, and (iii) the person submits the report after receiving access, but in no event later than April 1, 2026.