

15 July 2025

What's up with SEC Rule 13f-2: Short Selling

The Securities and Exchange Commission (SEC) [announced on 12 June 2025](#) that it was withdrawing certain proposed rulemaking notices. In this announcement, there were two related to shareholding disclosure:

1. *Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals Under Exchange Act Rule 14a-8* – the rule proposal would have amended certain substantive bases for exclusion of shareholder proposals under the Commission's shareholder proposal rule. The proposed amendments would have amended the substantial implementation exclusion; and
2. *Position Reporting of Large Security-Based Swap Positions (proposed rule 10B-1)* – which would have required any person with a security-based swap position that exceeds a certain threshold to promptly file with the Commission a schedule disclosing certain information related to its security-based swap position.

Of the 14 notices of [withdrawal](#) contained in the announcement, what was not among them was the cancellation of Rule 13f-2. As you may recall, the SEC delayed the first reporting date to 17 February 2026. So, it naturally begs the question, is the SEC going to let this unpopular rule stand?

To answer that question, we need to look at the challenge to the rule which is with the Fifth Circuit Court. Without too much speculation, there are two Trump appointed judges, and one Obama appointed judge that will decide the fate of this rule. After the extension was issued by the SEC, it was expected that a ruling would come shortly thereafter but to no avail. It's possible that one will come before the end of July when it is typically the end of the term for the current clerks who have heard the oral arguments and are familiar with the briefs, and who are there to support their respective judges. Let's see what the next two weeks bring.

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