

SEC Adopts Large Trader Reporting Requirements

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On July 26, 2011, the SEC adopted Rule 13h-1 under the Securities Exchange Act of 1934 to require large trader registration and reporting. The rule requires persons who directly or indirectly exercise investment discretion and purchase or sell more than a specified amount of U.S.-listed stocks and options through a registered broker-dealer to register with the SEC as large traders. These large traders must obtain a unique identification number and provide it to their registered broker-dealers. Registered broker-dealers must comply with monitoring, recordkeeping and reporting requirements with respect to registered large traders and persons whom such broker-dealers know or have reason to know are large traders.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Nora M. Jordan

+1 212 450 4684
nora.jordan@davispolk.com

Annette L. Nazareth

+1 202 962 7075
annette.nazareth@davispolk.com

Gregory S. Rowland

+1 212 450 4930
gregory.rowland@davispolk.com

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