

# Prepare for the Worst, and Hope for the Best: Time to Begin Preparing for Section 16 Reporting by Insiders of SEC-reporting Foreign Private Issuers

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As you may recall, the Holding Foreign Insiders Accountable Act (the HFIAA) was signed into law on December 18, 2025. In a nutshell, this means that directors and officers of foreign private issuers whose securities are registered under Section 12(b) or 12(g) of the Exchange Act of 1934 will be required to report beneficial ownership and transactions in company equity securities to the SEC. The first report is due on March 18, 2026. More detail about this requirement is available [here](#).

Since the adoption of the HFIAA, we have been receiving numerous questions. When should we start the process to get Edgar codes for our insiders? How long will it take to get codes? Will SEDI filers be exempt from reporting? Trust me, we have been considering the same questions ourselves and have spoken to the Staff of the SEC about this. Like you, we firmly believe SEDI filers should be exempt from Section 16(a) reporting under the exemption contained in the HFIAA and submitted a comment letter to the Staff of the SEC on that point. (A big thank you to our friends in Canada who double-checked our statements regarding SEDI requirements!)

In 2023, there were more than 1,100 foreign private issuers reporting on Form 20-F or Form 40-F. If the insiders of over a thousand companies need to get Edgar codes prior to March 18th, the strain on the Edgar Filer office at the SEC will be considerable.

This is what we understand regarding the HFIAA rule-making process:

- The HFIAA requires the SEC to issue regulations implementing the HFIAA within 90 days. Regardless of the timing of the new rules (even if the SEC does not issue rules within 90 days), the Section 16(a) filing obligation begins on March 18<sup>th</sup>.
- The exemptive relief permitted under the HFIAA is not subject to the 90-day deadline. So, while the new implementing rules are being prepared, the exemptive relief rules are expected to be prepared in parallel and may not be issued at the same time.
- The SEC's exemptive relief may be issued in tranches. So, if Canada is not included in the first exemptive order, it may be included in a subsequent exemptive order.

## Related People

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## Related Capabilities

- Canada Cross-Border Transactions

- As expected, the Staff of the SEC has been hearing from law firms and other parties regarding exemptive relief for “the usual suspects” – Canada, UK, and Europe.
- The Edgar filing office is expected to put out a notice/guidance about getting filing codes in order to comply with the HFIAA.

This is what we recommend:

- Don’t wait. Start the process for getting EDGAR codes NOW!
  - Currently, it has been taking up to two weeks to get EDGAR filing codes; we expect that time period to lengthen as we get closer to the filing deadline.
  - Reach out to your contact at Dorsey and we will be happy to help get you started and explain the process to your insiders.
- Once the process for getting filing codes has been started, prepare a complete list of all company securities held by each insider, including holdings by spouses and in trusts. We have questionnaires that you can use to gather/confirm this information with your insiders.
- Review your insider trading policies to determine if any changes should be made prior to March 18<sup>th</sup> (assuming no exemptive relief is forthcoming). Since the time for reporting under Section 16 is two business days, which is shorter than filing deadlines for SEDI, consider adding a requirement for insiders to immediately report any transactions to the company to enable timely reporting.
- Determine which company personnel will be designated to assist with filings. Consider getting powers of attorney from your insiders granting these personnel the authority to make Section 16 filings on behalf of the insiders to facilitate making Section 16(a) filings on a timely basis.
- If not already completed, consider having each individual compete and manually sign an EDGAR filing attestation form that would allow the individual to sign EDGAR filings electronically.

One final note, Dorsey will be hosting a webinar in the next two weeks regarding the process of getting Edgar filing codes as well as reviewing the basics of Section 16(a) reporting. We will follow-up with more details on the date and time.