

Introduction to the 2025-2026 Edition

This 2025-2026 edition of *Section 16 of the Securities Exchange Act* helps you ensure compliance with the reporting provisions of the Securities Exchange Act. It provides guidance on all five subdivisions of Section 16 of the Act, and includes coverage of trading by 10 percent owners, insiders' reporting, short sales, and exemptions.

New features and recent developments in this edition include:

- Beneficial ownership—Rule 13d-3 and Rule 13d-4
- Definition of a “group”—Section 13(d)(3), Rule 13d-1(k), and Rule 13d-5(b)
- Section 16(a)—Definitions—Who is a “director”?
- Section 16(a)—Duty to Report—Changes in form of beneficial ownership
- Section 16(b)—Elements of a cause of action
- Section 16(b)—Rules of construction
- Section 16(b)—Purchase and sale—Unorthodox transactions
- Section 16(b)—Interest on profit
- Section 16(b)—Debt exception
- Section 16(b)—General exemption for transactions between the issuer and an officer or director
- Section 16(b)—Acquisitions from the issuer
- Defenses to Section 16(b) liability