

Schedule 13G Accelerated Filing Deadline Reminder

September 20, 2024

As we noted last [year](#), the U.S. Securities and Exchange Commission (the “SEC”) adopted amendments to the rules governing beneficial ownership reporting under Sections 13(d) and 13(g) of the Securities Exchange Act of 1934. While certain of the amendments, including those relating to Schedule 13D, went into effect earlier in 2024, the revised filing deadlines applicable to Schedule 13G are effective beginning September 30, 2024. This client alert summarizes these changes and discusses their potential impact on investors’ compliance procedures going forward. For a summary of the new filing deadlines applicable to Schedule 13G as compared to the previous deadlines, please refer to Annex A.

INITIAL FILINGS

- For investors permitted to file on Schedule 13G because they are qualified institutional investors (“QIIs”) under Rule 13d-1(b), the amendments shorten the filing deadline for an initial Schedule 13G to either (i) 45 days after the calendar quarter-end in which beneficial ownership exceeds 5% of a class of equity securities or (ii) five business days after the month-end at which beneficial ownership exceeds 10% of a class of equity securities. Under the previous rules, QIIs were required to file an initial Schedule 13G within either (i) 45 days after the calendar year-end in which beneficial ownership exceeded 5% of a class of equity securities or (ii) 10 days after the month-end in which beneficial ownership exceeded 10% of a class of equity securities. For purposes of the amendments, ownership is only measured as of calendar quarter- or calendar month-end, as applicable, rather than on any other dates during a quarter or month, as applicable.
- For passive investors permitted to file on Schedule 13G under Rule 13d-1(c), the amendments shorten the filing deadline for an initial Schedule 13G to five business days after the date at which beneficial ownership exceeds 5% of a class of equity securities. Under the previous rules, passive investors were required to file an initial Schedule 13G within 10 days after the date at which beneficial ownership exceeded 5% of a class of equity securities.

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- For investors permitted to file on Schedule 13G because they are exempt investors under Rule 13d-1(d) (e.g., founders or pre-IPO investors), the amendments shorten the filing deadline for an initial Schedule 13G to 45 days after the calendar quarter-end in which beneficial ownership exceeds 5% of a class of equity securities. Under the prior rules, exempt investors were required to file an initial Schedule 13G within 45 days after the calendar year-end in which beneficial ownership exceeded 5% of a class of equity securities. For purposes of the amendments, ownership is only measured as of calendar quarter-ends rather than on any other dates during a quarter.
 - Key Takeaways:
 - QIIs and exempt investors will now have to consider whether an initial Schedule 13G filing obligation arises at the end of each calendar *quarter*, as opposed to the end of each calendar year, beginning with the quarter ending September 30, 2024.
 - Schedule 13G filing obligations for passive investors will only marginally change, with only five business days, as opposed to 10 calendar days, now required to file an initial report on Schedule 13G following becoming a greater than 5% owner.

AMENDMENTS

- For QIIs, the amendments require a Schedule 13G amendment within either (i) 45 days after the calendar quarter-end in which a material change occurred or (ii) five business days after the month-end in which beneficial ownership of a class of equity securities exceeds 10% or, thereafter, a 5% increase or decrease in beneficial ownership of a class of equity securities occurred. The previous rules required a Schedule 13G amendment within either (i) 45 days after the calendar year-end in which any change occurred or (ii) 10 days after the month-end in which the investor's beneficial ownership of a class of equity securities exceeded 10% or, thereafter, increased or decreased by more than 5%.
- For passive investors, the amendments require a Schedule 13G amendment within either (i) 45 days after the calendar quarter-end in which a material change occurred or (ii) two business days after beneficial ownership of a class of equity securities exceeds 10% or, thereafter, a 5% increase or decrease in beneficial ownership occurs. The previous rules required a Schedule 13G amendment within either (i) 45 days after the calendar year-end in which any change occurred or (ii) promptly after the investor's beneficial ownership of a class of equity securities exceeded 10% or, thereafter, increased or decreased by more than 5%.

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- For exempt investors, the amendments require a Schedule 13G amendment within 45 days after the calendar quarter-end in which a material change occurred. The previous rules required a Schedule 13G amendment within 45 days after the calendar year-end in which any change occurred.
 - Key Takeaways:
 - QIIs and passive investors that beneficially own more than 5% but less than 10% of a class of equity securities must now more frequently assess whether any Schedule 13G amendments are required to the end of each *calendar quarter*, as opposed to the end of each calendar year. However, amendments will now only be required to the extent of any “*material change*” from the prior Schedule 13G filing, as opposed to the prior “any change” language.
 - Similarly, exempt investors must now more frequently assess whether any Schedule 13G amendments are required, to the end of each *calendar quarter*, as opposed to the end of each calendar year, but only to the extent of any “*material change*” from the prior Schedule 13G filing, as opposed to “any change.”
 - In assessing whether a change is “material,” an investor will need to apply the basic securities law concept of materiality, including as to whether there is a substantial likelihood that a reasonable investor would attach importance to the information in determining whether to buy or sell the securities. While Rule 13d-2(a) (in the context of Schedule 13D amendments) provides that “[a]n acquisition or disposition of beneficial ownership of securities in an amount equal to one percent or more of the class of securities shall be deemed ‘material’ for purposes of this section,” the adopting release makes clear that this 1% threshold is only a non-exclusive, instructive circumstance in which an amendment obligation may be triggered.

EFFECTIVE DATE: SEPTEMBER 30, 2024

The Schedule 13G filing amendments described above are effective for all beneficial owners on **September 30, 2024**.

As a result, under amended Rules 13d-1(b), 13d-1(c) and 13d-1(d), any beneficial owner of more than 5% as of September 30, 2024 that had not previously reported on Schedule 13G (or Schedule 13D) will have a filing obligation triggered, with a filing deadline of either November 14, 2024 (in the case of Rules 13d-1(b) (if less than 10%) and 13d-1(d)) or October 7, 2024 (in the case of Rules 13d-1(b) (if more than 10%) and 13d-1(c)). For

example, a pre-IPO investor of more than 5% of a company that underwent an initial public offering in early 2024 will be required to file an initial Schedule 13G by November 14, 2024 (as compared to the deadline under the prior rules of February 14, 2025). Thereafter, initial Schedule 13G reporting obligations will be assessed on a quarter-end basis.

Likewise, amendment obligations for existing Schedule 13G filers will be assessed on September 30, 2024, but only in respect of material changes to the most recent Schedule 13G filed. Thereafter, Schedule 13G amendment obligations will be assessed on a quarter-end basis. In addition, for QIIs and passive investors, beginning on September 30, 2024, any increases in beneficial ownership above 10%, or changes of more than 5% following reporting as a 10% owner, would be subject to the new, accelerated deadlines.

Overall, these amendments will require significantly enhanced monitoring by beneficial owners of public securities to comply with the accelerated deadlines and more frequent both initial and amendment assessment dates. Further, Schedule 13G filers will need to establish clear criteria for when promptly assessing the materiality of changes in information previously reported. These more onerous reporting requirements also go into effect in the context of continued enforcement by the SEC of delinquent and deficient Section 13 and Section 16 beneficial reports. As a result, investors are encouraged to evaluate their internal policies and procedures and determine whether sufficient systems and controls exist to satisfy these new requirements.

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Please do not hesitate to contact us with any questions.



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Annex A

Schedule 13G	Initial Filing		Amendment	
	<i>Current</i>	<i>New</i>	<i>Current</i>	<i>New</i>
Qualified Institutional Investor	45 days after calendar year-end in which beneficial ownership exceeds 5%. 10 days after month-end in which beneficial ownership exceeded 10%.	45 days after calendar quarter-end in which beneficial ownership exceeded 5%. Five business days after month-end in which beneficial ownership exceeded 10%.	45 days after calendar year-end in which any change occurred. 10 days after month-end in which beneficial ownership (i) exceeded 10% or (ii) thereafter, increased or decreased by more than 5%.	45 days after calendar quarter-end in which a material change occurred. Five business days after month-end in which beneficial ownership (i) exceeded 10% or (ii) thereafter, increased or decreased by more than 5%.
Passive Investor	10 days after acquiring beneficial ownership of more than 5%.	Five business days after acquiring beneficial ownership of more than 5%.	45 days after calendar year-end in which any change occurred. Promptly after beneficial ownership (i) exceeded 10% or (ii) thereafter, increased or decrease by more than 5%.	45 days after calendar quarter-end in which a material change occurred. Two business days after beneficial ownership (i) exceeded 10% or (ii) thereafter, increased or decreased by more than 5%.
Exempt Investor (e.g., founder or pre-IPO investor)	45 days after calendar year-end in which beneficial ownership exceeded 5%.	45 days after calendar quarter-end in which beneficial ownership exceeded 5%.	45 days after calendar year-end in which any change occurred.	45 days after calendar quarter-end in which a material change occurred.