

SEC Approves Large Trader Reporting Rule - 13h-1

Overview

The SEC recently adopted a new rule establishing large trader reporting requirements in an effort to quickly and accurately analyze market events, such as the May 6, 2010 "flash crash". Rule 13h-1 will enhance the SEC's ability to identify large market participants, collect information on their trading, and analyze their trading activity. This will allow the Commission to reconstruct market events, conduct investigations, and bring enforcement actions as appropriate.

Firms identified as large traders will be assigned a unique identification number that will be provided to the trader's brokers, as required by the new rule. Brokers will then be required to keep track of the ID number along with specific trading information which will be immediately available to the SEC upon request.

Specifics

The proposed thresholds to qualify as a large trader include:

- 2 million shares or \$20 million worth of securities in **one trading day**, or
- 20 million shares or \$200 million worth of securities in **one calendar month**.
- Disclose to its broker dealers their identification number and the accounts through which the large trader trades

Quick Links

CAPIS
in the News 

About
Us 

CAPIS
Website 

Rule 13h-1 will be effective 60 days after its publication in the Federal Register. Large traders will have to identify themselves to the SEC within 120 days of the rule publication and broker dealers will have 270 days to modify their current systems.



Technology makes it work. **People make it happen.**

800.247.6729 | www.capis.com

Member: NYSE, FINRA, SIPC