**Issues and questions from FIF members on SEC Rule 13f-2 (Short Position and Short Activity Reporting) (for internal FIF member discussion only)**

**December 3, 2024**

1. **Extended trading hours**

The discussion on 13f-2 was interesting because the conversation on 24 hour trading could impact DTCC and when they are "settling". Right now, DTCC under the Arca proposal is going to stay open to be able to accept into NSCC the trades at the exchange for netting purposes. Not sure how DTCC is thinking of reconciling that with "settling" - but I don't think anyone has thought about the differences between submission, netting and settling and the impact that the change in settlement dates could have on other regulation calculations.

1. **Scenario where book changes from negative to positive**

What is the quantity you need to report in table 2, when your book goes from negative to positive?

Is it the full number (Buy 5,000) or only the quantity up to being a positive book (4,000)?

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Business case - Threshold A @ 2,5% Holdings (Total Outstanding Shares @ 100,000)** | | |  |  |  |  |  |  |
| Investment Manager is holding, at the end of the month, a monthly average Gross Short Position above 2,5% of the holdings | | | |  |  |  |  |  |
| Jan 25 Reporting Month |  |  |  |  |  |  |  |  |
| Entity | Position as of 02/01/25 | Settlement Date on Friday Jan 10, 2025 | Settlement Date on Monday Jan 13, 2025 | position held until the end of the month | Settlement Date on Friday Jan 31, 2025 | Table 1, Column 7:  End of Month Gross Short Position (Number of Shares) (for Jan 2025) | Table 2, Column 7: Net Change in Short Position (Number of Shares) |  |
| Book 1 | Long 50,000 ABCD |  |  |  |  |  |  |  |
| Book 2 |  | Sell 9,000 ABCD |  |  |  |  |  |  |
| Book 3 | Short 1,000 ABCD |  | Buy 5,000 ABCD |  |  |  |  |  |
| Reporting for Feb 2025 |  |  |  |  |  | 9,000 | -9000 @ 10-01-25 +1000\* @ 13-01-25 |  |
| (only -ve books) Daily EoD % Holdings & Avg EoM | 1% | 10% | 5% | 9% | 9% | -6.3% |  |  |

\*Quantity until the Short Position is closed