

DECEMBER 15, 2023

Canadian Dual-Listed Company Insiders Remain Exempt from U.S. Short-Swing Profit and Insider Reporting Rules

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In a positive development since our earlier [bulletin](#), the U.S. House and Senate have decided to retain the exemptions from obligations imposed under section 16 of the *Securities Exchange Act of 1934* that are relied upon by insiders of dual-listed Canadian public companies and other foreign private issuers.

The *National Defense Authorization Act for Fiscal Year 2024* headed for President Biden's desk no longer contains legislation eliminating the exemptions available to foreign private issuers under section 16. Accordingly, it will be business as usual for officers, directors and shareholders holding 10% or more of dual-listed Canadian issuers, including filers under the multijurisdictional disclosure system (MJDS) and other foreign private issuers, who will remain exempt from U.S. insider reporting and short-swing profit rules.

We welcome this development because it aligns with the principles underlying the long-standing MJDS accord between Canada and the United States. It also avoids imposing an unnecessary burden on Canadian issuers and their insiders that are already subject to rigorous insider reporting and insider trading regimes in Canada.

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