**Rule 16a-2 -- Persons and Transactions Subject to Section 16**

Any person who is the beneficial owner, directly or indirectly, of more than ten percent of any class of equity securities ("ten percent beneficial owner") registered pursuant to [section 12](http://www.law.uc.edu/CCL/34Act/sec12.html) of the Act, any director or officer of the issuer of such securities, and any person specified in section 17(a) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79q(a)) or [section 30(h)](http://www.law.uc.edu/CCL/InvCoAct/sec30.html#h) of the Investment Company Act of 1940, including any person specified in § 240.16a-8, shall be subject to the provisions of section 16 of the Act (15 U.S.C. 78p). The rules under [section 16](http://www.law.uc.edu/CCL/34Act/sec16.html) of the Act apply to any class of equity securities of an issuer whether or not registered under section 12 of the Act. The rules under section 16 of the Act also apply to non-equity securities as provided by the Public Utility Holding Company Act of 1935 and the Investment Company Act of 1940. With respect to transactions by persons subject to section 16 of the Act:

1. A transaction(s) carried out by a director or officer in the six months prior to the director or officer becoming subject to section 16 of the Act shall be subject to section 16 of the Act and reported on the first required [Form 4](http://www.law.uc.edu/CCL/34forms/form4.html) only if the transaction(s) occurred within six months of the transaction giving rise to the Form 4 filing obligation and the director or officer became subject to section 16 of the Act solely as a result of the issuer registering a class of equity securities pursuant to section 12 of the Act.
2. A transaction(s) following the cessation of director or officer status shall be subject to section 16 of the Act only if :
   1. Executed within a period of less than six months of an opposite transaction subject to [section 16(b)](http://www.law.uc.edu/CCL/34Act/sec16.html#b) of the Act that occurred while that person was a director or officer.
   2. Not otherwise exempted form section 16(b) of the Act pursuant to the provisions of this chapter.  
        
      Note to Paragraph (b): For the purposes of this paragraph, an acquisition and a disposition each shall be an opposite transaction with respect to the other.
3. The transaction that results in a person becoming a ten percent beneficial owner is not subject to section 16 of the Act unless the person otherwise is subject to section 16 of the Act. A ten percent beneficial owner not otherwise subject to section 16 of the Act must report only those transactions conducted while the beneficial owner of more than ten percent of a class of equity securities of the issuer registered pursuant to section 12 of the Act.
4. 1. Transactions by a person or entity shall be exempt from the provisions of section 16 of the Act for the 12 months following appointment and qualification, to the extent such person or entity is acting as:
      1. Executor or administrator of the estate of a decedent;
      2. Guardian or member of a committee for an incompetent;
      3. Receiver, trustee in bankruptcy, assignee for the benefit of creditors, conservator, liquidating agent, or other similar person duly authorized by law to administer the estate or assets of another person; or
      4. Fiduciary in a similar capacity.
   2. Transactions by such person or entity acting in a capacity specified in paragraph (d)(1) of this section after the period specified in that paragraph shall be subject to [section 16](http://www.law.uc.edu/CCL/34Act/sec16.html) of the Act only where the estate, trust or other entity is a beneficial owner of more than ten percent of any class of equity security registered pursuant to [section 12](http://www.law.uc.edu/CCL/34Act/sec12.html) of the Act.

**Regulatory History**

56 FR 7265, Feb. 21, 1991; 61 FR 30376, 30392, June 14, 1996; 67 FR 43534, 43535, June 28, 2002