
SEC Adopts Final Amendments Relating to Rule 10b5-1 Trading Plans and Related Disclosures

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In December 2022, the Securities and Exchange Commission (“SEC”) unanimously voted to adopt final amendments to Rule 10b5-1 under the Securities Exchange Act of 1934 (“Exchange Act”) to enhance disclosure requirements relating to, and investor protections against, insider trading. The [final amendments](#) largely aligned with the amendments as [originally proposed](#) by the SEC in January 2022. In particular, the final amendments to Rule 10b5-1 update the requirements needed to assert the affirmative defense provided in the rule, including imposing a cooling-off period, imposing certain certification requirements, prohibiting overlapping Rule 10b5-1 trading plans (“10b5-1 plans”), limiting single-trade plans to one trading plan per 12-month period, and expanding the “good faith” requirement. The final amendments also require more comprehensive disclosure about issuers’ insider trading policies and procedures, and their practices regarding the timing of option grants.

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