

Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-0213
USA

Date: 11.04.2022

Call for Comments on S7-06-22 Modernization of Beneficial Ownership Reporting

We refer to the Securities and Exchange Commission (SEC)'s call for input on the proposal for modernization of beneficial ownership reporting, published on March 10, 2022. We welcome the opportunity to contribute our perspective.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank (Norges Bank) and is responsible for investing the Norwegian Government Pension Fund Global. We work to safeguard and build financial wealth for future generations. NBIM is a globally diversified investment manager with an equity portfolio consisting of minority stakes in more than 9,000 listed companies. Over USD 486.3 billion are invested in 2,204 listed companies in the United States¹. NBIM is a long-term investor and aims to promote long-term value creation in the companies in which it invests.

As a participant in the US market, we welcome the SEC's efforts towards a modernized beneficial ownership reporting regime, which can have a positive effect on the well-functioning of financial markets with benefits for shareholders, listed issuers and regulatory authorities alike.

A. Proposed amendments to rules 13d-1 and 13d-2 and rules 13 and 201 of regulation S-T to revise filing deadlines and filing date assignment

We welcome the proposed changes and shortening of disclosure deadlines, which would improve market transparency and benefit the well-functioning of financial markets. However, we would like to caution that a filing deadline of one business day could in some cases be difficult to meet for global institutional investors having to aggregate data from multiple sources and entities and across time zones. A survey of disclosure obligations in the (close to 70) jurisdictions we invest in reveals that the most common disclosure deadline is four business days, which would be our preference. Please refer to our published opinion on this topic².

¹ Source: Norges Bank's 13F report for the year ended December 31, 2021.

² See *Shareholding Disclosure – A Practitioner Perspective* on www.nbim.no



B. Proposed amendment to rule 13d-3 to regulate the use of cash-settled derivative securities

We support disclosure requirements requiring the disclosure of cash-settled derivative securities in the context of changing or influencing control of the issuer of the reference security. Disclosure of cash-settled financial instruments is required in most European jurisdictions, and we do believe that such disclosure contributes to market transparency and is beneficial to all market participants.

C. Proposed amendments to rule 13d-5 to affirm its application and operation

We would appreciate greater clarity as to what action meets the “act as” a group standard outside of acquiring, holding, or disposing of securities of an issuer e.g., in the case of investors co-filing/co-ordinating shareholder proposals.

D. Proposed amendments to rule 13d-6 to create certain exemptions

We support the introduction of language clarifying circumstances under which an investor will not be viewed as acting as a group.

E. Proposed amendments to schedule 13d to clarify disclosure requirements regarding derivative securities

We support disclosure requirements for derivative instruments that use a covered class as a reference security. Again, such requirements are common in European jurisdictions, and we do believe that disclosure contributes to market transparency and is beneficial to all market participants.

F. Proposed structured data requirements for schedules 13d and 13g

We believe that both investors and listed companies would benefit from submission methods that lend themselves to automation and minimise the need for manual processes. This topic is also addressed in our published opinion. Therefore, we support the transition to filing Schedules 13D and 13G using XML-based language. From a practical perspective, however, it would be helpful if the submission website allows for both review and editing of submitted XML files. In some cases, filers may be using third party software to generate submission files and being able to verify their accuracy and make changes after upload would be extremely beneficial.



We appreciate your willingness to consider our perspective, and we remain at your disposal should you wish to discuss these matters further.

Yours sincerely

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