

## Two Publications Co-authored by Prof. Forester Wong Cited by SEC on their Final Rule: Short Position and Short Activity Reporting by Institutional Investment Managers



On November 1st, 2023, the U.S. Securities and Exchange Commission (SEC) introduced a ground-breaking rule reshaping short selling disclosure requirement for investment managers. This initiative aims to shed light on the activities of major short sellers and combat the manipulation of stock prices during periods of unusual market turbulence. With this rule, effective from January 2nd, 2024, prominent short sellers are mandated to submit monthly disclosures detailing their short positions, including specifics on each shorted company, the quantity of shares shorted, and the monetary value of these positions.

This move marks a significant shift from the prior regulatory environment, where no such disclosure requirements existed, leaving a gap in the oversight of short selling activities. The research Prof. Forester Wong involved played a crucial role in informing this regulatory advancement. The SEC cited two of the working papers he has co-authored, showcasing the tangible impact of the scholarly work he has been part of. Specifically, the working paper titled "Post-Apocalyptic: The Real Consequences of Activist Short-Selling" provided crucial empirical evidence of the detrimental effects manipulative short sellers can have on target companies, reinforcing the rationale behind the SEC's enhanced disclosure requirements. Additionally, another working paper titled "Short Squeezes After Short-Selling Attacks" offered insightful analysis on the repercussions for short sellers following these augmented disclosure mandates. This recognition by the SEC not only underscores the relevance of Prof. Wong's and his co-authors' research to pivotal regulatory developments but also demonstrates contribution to informing and shaping policies that address pressing financial market challenges.

SEC Final Rule: Short Position and Short Activity Reporting by Institutional Investment Managers

<https://www.federalregister.gov/documents/2023/11/01/2023-23050/short-position-and-short-activity-reporting-by-institutional-investment-managers>

Working paper titled: Post-Apocalyptic: The Real Consequences of Activist Short-Selling

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2941015](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2941015)

Working paper titled: Post-Apocalyptic: The Real Consequences of Activist Short-Selling

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3849581](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3849581)