Client Alert | August 2026

SEC Tightens Schedule 13D and Proxy Material Disclosure Requirements for Target-Specific Activist Vehicles

The Securities and Exchange Commission's recent Corporation Finance Interpretations significantly expand the disclosure obligations applicable to certain activist investment structures and related proxy campaigns. While the guidance does not create new rules, it reflects the SEC Staff's current interpretation of existing Schedule 13D and Schedule 14A requirements and is effective immediately. Activist managers should promptly evaluate whether these interpretations affect existing or planned campaign vehicles and whether additional disclosures and updates to information gathering processes may be required. The following summarizes the key changes and outlines practical steps organizations should consider taking now.

Key Takeaways

• **Investor identity disclosure for target-specific activist vehicles.** If a Schedule 13D reporting entity is formed to acquire securities of a specific issuer as part of an activist campaign, and investors are told the issuer-target and purpose before investing, the reporting entity must identify all of its investors in its Schedule 13D, regardless of the amount invested by each investor.

• **Investors may be proxy "participants."** Each investor contributing more than $500 to a target-specific vehicle conducting a proxy solicitation will generally be deemed a "participant" under Schedule 14A and may need to be disclosed in proxy materials.

• **Information which will need to be disclosed about each investor**.

- **Schedule 13D**: a target-specific vehicle described by CFI 110.09 will be required to disclose (among other information)[1] each investor's:
    - identity;
    - sources and amounts of funds; and
    - borrowing and other financing arrangements used for the acquisition of the securities.

- **Schedule 14A**: investors who are deemed proxy "participants" under CFI 155.02 may be required to disclose (among other information)[2] their:
    - name and business address;
    - occupation or employment;
    - certain criminal convictions;
    - ownership and previous purchases and sales of the registrant's securities; and
    - financing arrangements used to purchase and/or hold the securities.

• **Effective immediately.** The changes above reflect the Staff's current views and apply to current and future filings. Filers should review pending and recent Schedule 13D and proxy filings to assess whether supplemental disclosure is warranted.

Overview

On July 9, 2026, the staff of the Securities and Exchange Commission's Division of Corporation Finance (the "Staff") issued three new Corporation Finance Interpretations ("CFIs") applying existing beneficial ownership and proxy disclosure rules to activist campaign structures.[3] The guidance requires investor-level disclosure for certain target-specific vehicles and treats certain investors as participants in a related proxy solicitation.

The CFIs are Staff interpretations rather than Commission rules, but they reflect the Staff's current views and should be considered in current and upcoming Schedule 13D and proxy filings. By their terms, the investor-disclosure interpretations focus on vehicles formed for a specific issuer or proxy campaign where

[1] The full list of required information can be reviewed at eCFR :: 17 CFR 240.13d-101 -- Schedule 13D—Information to be included in statements filed pursuant to § 240.13d-1(a) and amendments thereto filed pursuant to § 240.13d-2(a).
[2] The full list of required information can be reviewed at eCFR :: 17 CFR 240.14a-101 -- Schedule 14A. Information required in proxy statement.
[3] The full text of the CFIs can be reviewed at https://www.sec.gov/rules-regulations/staff-guidance/corporation-finance-interpretations/exchange-act-sections-13d-13g-regulation-13d-g-beneficial-ownership-reporting for Schedule 13D and at https://www.sec.gov/rules-regulations/staff-guidance/corporation-finance-interpretations/proxy-rules-schedules-14a14c for Schedule 14A.

investors are informed of the target and intended use of their funds before investing. These CFIs do not pertain to traditional commingled funds whose investors are not pre-committed to a named campaign.

What is the Change?

Schedule 13D treatment of Target-Specific Activist Vehicles (CFIs 110.09 and 110.10 to Schedule 13D)

CFI 110.09 provides that, if an entity is formed to raise funds to acquire securities of a specific issuer and conduct an activist campaign, and prospective investors are informed in advance of the target and campaign purpose, the entity must disclose its investors if such entity is required to file a Schedule 13D. The CFI does not include a dollar threshold for reporting with respect to such investors, and the disclosure requirement will apply even where an investor is not otherwise a Schedule 13D reporting person.

CFI 110.10 separately clarifies that a partnership filing a Schedule 13D must provide the required information for the partnership itself, as well as for the general partners, control persons and other persons covered by Instruction C, adding to a reporting person's disclosure obligations.

Investors as Proxy "Participants" (CFI 155.02 to Schedule 14A)

CFI 155.02 addresses a vehicle formed to acquire securities of a specific registrant and then conduct a proxy solicitation to change the composition of its board when investors are informed in advance of the target and planned proxy solicitation. Each investor that contributes more than $500 to such a vehicle will generally be deemed to be a "participant" in the proxy solicitation under Item 4 of Schedule 14A. An investor contributing $500 or less may still be a "participant" on another basis.[4] Participant status may require disclosure of the investor's identity and interests in the proxy statement and other soliciting materials.

It is important to note that the $500 threshold applies to proxy participant status— it does *not* limit the investor disclosure required by CFI 110.09 (which sets no minimum investment amount threshold). So, even if an investor does not qualify as a "participant" for proxy solicitation purposes under Schedule 14A, they will still be subject to disclosure in the special purpose vehicle's Schedule 13D filing if the facts described in CFI 110.09 apply.

Who will be Affected?

The guidance is most relevant to activist managers using target-specific sidecars or special-purpose vehicles, investors in those vehicles, partnerships or other entities filing Schedule 13D, and public companies and their advisors reviewing activist filings and proxy materials.

Illustrative Example

An activist manager forms Sidecar LP to acquire shares of Issuer, Inc. and seek board representation. The manager raises $100 million from five limited partners, each of whom is informed before investing that: (i) the vehicle will acquire Issuer, Inc. shares; and (ii) the funds will be used to support a proxy contest for board seats.

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[4] See Instruction 3(a)(iv) to Item 4 of Schedule 14A, which defines a "participant" to include any person who finances or joins with another to finance a solicitation, excepting persons who contribute not more than $500 ***and*** who are not otherwise participants (emphasis added).

Under CFI 110.09, Sidecar LP's Schedule 13D must identify each of the five limited partners as sources of acquisition funds under Item 3, regardless of the size of their individual commitments. Under CFI 110.10, since Sidecar LP is a partnership, the Schedule 13D must also include the information required by Items 2 through 6 for its general partner and any control persons.

Under CFI 155.02, each limited partner that contributed more than $500 is a "participant" in the proxy solicitation and may need to be identified in Sidecar LP's proxy statement and other soliciting materials. A limited partner that contributed $500 or less may still be a participant if it meets another basis under Schedule 14A.

By contrast, investors in the manager's commingled flagship fund—who were not informed in advance of a specific target or campaign—would not be subject to disclosure under the new CFIs.

Action Items

- Review existing and planned campaign vehicles and how they were marketed to determine whether investors were informed of a specific target and campaign purpose before committing capital.
- Review the confidentiality obligations applicable to existing target-specific vehicles to determine whether required regulatory disclosure is permitted.
- Review and update planned offering, subscription and confidentiality provisions for target-specific vehicles to address potential public disclosure, and collect investor information early enough to support Schedule 13D and proxy filings. Ensure that investors are obligated to update information to reflect any changes.
- Determine whether any investor might need to disclose adverse information (such as prior criminal proceedings, injunctions or material interests).
- Coordinate Schedule 13D and proxy disclosures before the next required filing, and consider whether current filings should be supplemented or amended in light of the Staff's interpretations.

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If you have questions concerning the matters discussed above, or would like more detailed information, please contact one of the attorneys below:

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* Thanks to summer associate Selina Liu for her invaluable assistance with this client alert.

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