

MAY 6, 2026

## SEC PUBLISHES PROPOSING RELEASE ON SEMIANNUAL REPORTING: PROPOSAL SPECIFICS AND PRACTICAL IMPLICATIONS

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On May 5, 2026, the U.S. Securities and Exchange Commission (the "SEC") published a long-awaited release (the "Proposing Release") proposing changes to certain rules which, if adopted, will allow (but not require) registrants to file semiannual reports on new Form 10-S in lieu of quarterly reports on Form 10-Q to meet their interim reporting obligations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").<sup>1</sup> The Proposing Release also includes proposed amendments to the Regulation S-X financial statement requirements to simplify and synchronize the age of financial statement requirements. In the Proposing Release, which contains almost sixty comment requests, the SEC stressed the importance of regulatory flexibility, and of allowing registrants to determine the Exchange Act reporting frequency that works best for their own circumstances, taking into account the costs of quarterly reporting, stage of business development, industry practice, and investor expectations, among other factors. It seems clear that the SEC hopes this approach will balance its investor protection responsibilities with its goal of encouraging more registrants to become, and remain, public companies.

### PROPOSED AMENDMENTS

#### FORM 10-S

As proposed, Exchange-Act reporting companies electing semiannual reporting would file an interim report on new Form 10-S, which would require the same narrative and financial disclosure as existing Form 10-Q. Form 10-S would cover a six-month period (rather than a fiscal quarter) and would be due 40 or 45 days after the end of the semiannual period, depending on a registrant's reporting status. Registrants would disclose their intent to report semiannually via a checkbox on the cover page of Form 10-K, or on the cover page of Securities Act registration statements on Forms S-1, S-3, S-4, and S-11 and Exchange Act registration statements on Form 10, for registrants making initial reporting frequency elections. Notably, as proposed, registrants would make a determination to report semiannually on an annual basis, and generally would not be permitted to change this determination until their next Form 10-K is filed, subject to a limited exception in order to cure inadvertent or unintentional filing frequency decisions.

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<sup>1</sup> The proposed changes would apply to Exchange Act reporting companies that must file quarterly reports on Form 10-Q pursuant to Exchange Act Rules 13a-13 or 15d-13. As a result, of course, it excludes investment companies, other than business development companies, and foreign private issuers filing annual reports on Form 20-F or Form 40-F and asset-backed issuers.

Form 10-S, as proposed, would require the same substantive content as Form 10-Q, including risk factor updates from the registrant's Form 10-K, MD&A, and other disclosure topics. Financial statements would be required to be prepared in accordance with U.S. GAAP, tagged in Inline XBRL, and reviewed by an auditor (but not required to be audited, like interim financials in Form 10-Q). Existing certification requirements with respect to disclosure controls and procedures and internal control over financial reporting would also apply, as would Regulation G and Item 10(e) of Regulation S-K, with regard to non-GAAP financial measures.

## **REGULATION S-X**

The Proposing Release also includes proposed amendments that would (i) simplify and reorganize Rules 3-01 and 8-08 of Regulation S-X and (ii) consolidate the requirements of Rule 3-12 regarding the age of financial statements in a registration or proxy statement into Rule 3-01, such that Rule 3-12 would cease to exist.

Current Rule 3-01 addresses the dates of the balance sheets required to be included in an SEC filing as of the filing date, while current Rule 3-12 addresses the age of financial statements as of the effective date of a registration statement or mailing of a proxy statement; despite the difference in these rules, when applied they result in the same age requirements for registrants' financial statements. The SEC proposes to consolidate both requirements into Rule 3-01, such that new Rule 3-01(a) would provide that the date of the most recent balance sheet included in a registration or proxy statement must comply with applicable requirements as if the effective date of the registration statement, or proposed mailing date of the proxy statement, were the filing date. Further, the Proposing Release would revise the rules in order to guarantee alignment of financial statement update dates with Forms 10-K, 10-Q, and 10-S filing deadlines: "a registration or proxy statement filed on the same date a periodic report is due would be required to include the financial statements required in that periodic report."

The Proposing Release would also revise Regulation S-X to ensure that, when semiannual filers file registration statements, the financial statements in those registration statements are not considered "stale." As proposed, when interim financial statements are required in a filing, a registrant would include interim financial statements as of the end of the most recently completed fiscal quarter (for quarterly filers) or semiannual period (for semiannual filers) that have been filed, or are required to be filed on or before the filing date, in a Form 10-Q or Form 10-S. In other words, both quarterly filers and semiannual filers would have the same date on which the financial statements would need to be updated because both filers would look to the date of their most recently completed interim period. For example, if an accelerated filer reports semiannually for an interim period ending June 30 or reports quarterly on Form 10-Q for the quarter ended June 30, it must include June 30 interim financial statements in a Form S-1 filed on or after August 10, which is the date on which the Form 10-S or Form 10-Q for the relevant period would be due.

## TRANSITION REPORTS

The SEC is also proposing amendments to Exchange Act Rule 13a-10(e) and Rule 15d-10(e), which govern the timing and contents of Exchange Act reports when a filer changes the end date of its fiscal year, to move the requirements applicable to quarterly filers to a new subparagraph of the rule and add a new provision applicable to semiannual filers that generally mirrors the rules applicable to quarterly filers. Importantly, Rule 13a-10(e)(4) addresses the reporting of a “gap period” that is created when a quarterly filer changes their fiscal year end, and is between the latest quarter of a previous fiscal year and the start of the quarterly reporting period under the new fiscal year. When a semiannual filer changes its fiscal year-end, no “gap period” would be created, so no similar provision is needed for semiannual filers.

In addition, the Proposing Release includes other proposed technical changes to a number of existing rules and regulations, including those within Regulation S-X and throughout the Exchange Act, and proposed revisions to certain forms to reflect the semiannual reporting option.

## REQUESTS FOR COMMENT

While the SEC requests comment on almost all aspects of the Proposing Release, questions regarding the impact of the proposed rules on market participants and the availability of information about a registrant are some of the most thought-provoking. For example, will semiannual filers still issue quarterly earnings releases, or will they issue earnings releases semiannually, or even abandon the practice? What impact will this have on the amount or nature of material information available to investors? If so, will the market value this information as credibly as mandatory reporting, especially in light of the fact that, as noted in the Proposing Release, voluntary contributions that are not filed would not carry the same potential liability under Section 18 of the Exchange Act as certain portions of filed reports?<sup>2</sup> Should these registrants be required to “file” Item 2.02 Form 8-K earnings releases, thereby increasing potential liability for their contents, or be required to otherwise file first and third quarter earnings information? How will the role of independent accountants change to accommodate semiannual reporting? Will registrants still engage such accountants to review their financial statements on a quarterly basis, regardless of the change in reporting requirements, especially with regard to the need for “comfort letters” in connection with securities offerings?

The Proposing Release also focuses on the potential impact of the proposed amendments on insider trading policies, including trading windows. For example, would registrants impose longer trading blackout periods at the beginning or end of a semiannual period than if reporting quarterly, and how might this impact the total number of blackout days annually? Would semiannual reporting increase the risk of insider trading, given that the periods in which management and other insiders have access to material non-public information (“MNPI”) are potentially longer?

The Proposing Release includes a number of requests for comment on the proposed changes to Regulation S-X, also focusing on the impact of the proposed rules on market participants. For example,

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<sup>2</sup> Importantly, interim reports on Form 10-Q are not subject to Section 18 liability with respect to Items 1, 2, and 3 of Part I of Form 10-Q (financial statements, MD&A and quantitative and qualitative disclosures about market risk); Form 10-S would similarly provide that Items 1, 2, and 3 of Part I of the form would not be subject to Section 18 liability.

what impact, if any, might the changes have on the ability of semiannual filers to conduct public offerings? Will semiannual filers include updated financial information in Securities Act registration statements or prospectuses based on market practices or liability concerns? In addition, current Rule 3-12 requires updated financial statements in a proxy or registration statement to be as of a date within 130 days or 135 days of effectiveness (depending on filer status), while Form 10-Q is due 40 days or 45 days after the end of the fiscal quarter (depending on filer status). Because of this, financial statements in a registration statement or proxy statement may need to be updated one or two days before those same financial statements are required to be filed on Form 10-Q. The new proposed rules would synchronize these requirements—and the SEC is looking for the thoughts of commenters on this outcome.

These challenging questions, among others, provide insight into the SEC's thinking with regard to the Proposing Release, and highlight the need to balance regulatory flexibility and the promotion of capital formation with the need to protect investors and provide access to material information.

## **POTENTIAL PRACTICAL IMPLICATIONS**

The Proposing Release highlights certain considerations registrants must weigh when determining whether to elect semiannual reporting. For some registrants, the benefits could include decreased reporting costs and less distraction for management, which leads to increased time spent growing the business and focusing on long-term strategy. Interestingly, in the Proposing Release, the SEC estimated direct compliance costs of approximately \$110,000 per Form 10-Q filing and \$132,000 per Form 10-S filing, implying a net annual savings of roughly \$198,000 per registrant. Registrants would, of course, need to consider their own reporting costs, but this type of information may help boards and management evaluate whether the compliance cost savings would justify switching. This may be particularly attractive to smaller reporting companies and emerging growth companies, for which capital preservation and the allocation of management time is likely to be very important, as well as registrants in industries in which the business and related risks remain relatively static, such that investors and the market have less need for frequent updates. Balancing this, however, is the danger that less frequent reporting could lead to lost analyst coverage, which could, in turn, reduce liquidity and increase the cost of capital.

There are a number of other questions that registrants will need to grapple with, many from an internal control perspective. Registrants will need to consider updates to insider trading policies to accommodate longer periods in which insiders are in possession of MNPI, as well as to share repurchase programs. Long-term possession of MNPI could also impact a registrant's ability to grant equity awards or price options, and perhaps narrow the windows in which such awards could be granted.

Registrants should also consider their Form 8-K disclosures, which, while already required, may take on additional significance in a market in which there are few other Exchange Act reporting obligations. Perhaps registrants will opt to furnish or file, as applicable, more Item 7.01 or Item 8.01 Form 8-Ks, using such reports to release material information into the market on a more frequent basis. On this same note, registrants should consider the impact that semiannual reporting may have on their Regulation FD and social media policies, and whether a refresh would be appropriate.

The proposed changes to financial statement requirements also raise questions for registrants regarding interactions with auditors. As the SEC raised in the Proposing Release, will less frequent certifications by management relating to internal control over financial reporting and disclosure controls and procedures, as well as less frequent disclosures of changes in such controls, impact the market? Perhaps registrants will still have auditors review their financial statements quarterly, such that management can continue to have the same level of confidence when providing such certifications.

In addition, there will be challenges associated with semiannual reporting that may arise in connection with securities offerings. For example, registrants that maintain at-the-market offering programs and other continuous offerings must provide quarterly deliverables to their dealers pursuant to their program agreements, including legal opinions and negative assurance letters as well as comfort letters.<sup>3</sup> These deliverables are designed to ensure that all parties have ongoing access to material information, and form a part of a diligence defense. Participants will need to consider whether there are other mechanisms of providing this information outside of Form 10-Q. The Proposing Release discusses in some detail the issues associated with registrants “raising external capital in a securities offering” facing a demand for quarterly financial information from underwriters and other requesting parties, as well as registrants that may be subject to covenants that are tied to the filing of quarterly financials.<sup>4</sup>

Overall, while it may have some immediate appeal, registrants of all sizes and stages of development will need to carefully weigh the potential consequences of semiannual reporting before making a change should the rules be adopted.

## COMMISSIONERS’ STATEMENTS OF SUPPORT

SEC Chairman Paul Atkins voiced his support for the Proposing Release, highlighting the “increased regulatory flexibility” that the rules will provide if adopted. Chairman Atkins also made clear that he views the Proposing Release as an initial step in the SEC’s efforts to reshape disclosure requirements for public companies, including with potential amendments to Regulation S-K to, in his words, “make being public attractive again.” Commissioners Uyeda and Peirce also issued statements on the proposed amendments, praising the concept of regulatory flexibility, in which “[i]ssuers will select a reporting period, and investors and market intermediaries will signal whether such period aligns with their expectations—through their decision to buy or sell such securities.” Commissioner Peirce also posed additional questions for commenters, including whether it would be preferable to simplify or ease the disclosure requirements in Form 10-Q, rather than the changing the timing and frequency of reporting? In all, while it is clear the Commission supports the proposed amendments, it is also clear that they believe that there is more work to be done.

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<sup>3</sup> Under PCAOB Auditing Standard 6101, independent public accountants can only provide negative assurance (comfort) on subsequent-period information as of a date less than 135 days from the end of the most recent period audited or reviewed, which could be challenging for a semiannual filer.

<sup>4</sup> See Proposing Release discussion beginning on page 88 and note 212.

## OTHER CONSIDERATIONS

The Proposing Release includes a discussion of economic considerations. The analysis provides some interesting considerations regarding information asymmetries and how this may affect securities prices and market dynamics, among other things, but concludes (perhaps too summarily) that the tradeoffs involved in the choice of interim disclosure frequency are complex and difficult to measure and may differ by registrant and industry. For such a significant change in the SEC's rules, a more robust economic analysis likely would have been beneficial.

In January, the SEC requested comment on potential reforms to Regulation S-K, and, to date, has received over 100 comment letters, demonstrating substantial public interest in the topic. The Commissioners, speaking individually, have all also suggested that the disclosure requirements would benefit from significant rationalization, modernization and harmonization, and advocated for a return to standards of materiality premised on financial materiality. As part of his "Making IPOs Great Again" initiative, Chairman Atkins has pointed to other potential rulemakings, including efforts to update filer definitions, such as the smaller reporting company definition, revise eligibility requirements for shelf registration, and create additional disclosure accommodations for issuers based on their size, sophistication and maturity. It would seem reasonable for market participants to consider this proposed rulemaking, which would be quite consequential, in the context of these other potentially significant changes.

Read the Proposing Release [here](#); comments are due sixty days after publication of the Proposing Release in the Federal Register and can be submitted (i) via the comment form at <https://www.sec.gov/rules/submitcomments.htm>, (ii) via email to [rule-comment@sec.gov](mailto:rule-comment@sec.gov), including File Number S7-2026-15 on the subject line, or (iii) on paper to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

Read Chairman Atkins' statement [here](#), Commissioner Uyeda's statement [here](#), and Commissioner Peirce's statement [here](#).



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