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# SEC Proposes Optional Semiannual Reporting for Public Companies

## Executive Overview

On May 5, 2026, the U.S. Securities and Exchange Commission (SEC) proposed rule and form amendments that would allow Securities Exchange Act of 1934 (Exchange Act) reporting companies to file semiannual reports on a new Form 10-S in lieu of three quarterly reports on Form 10-Q to meet their interim reporting obligations under the federal securities laws. The proposal is part of SEC Chairman Paul S. Atkins' "Make IPOs Great Again" agenda, which is aimed at incentivizing companies to go and stay public.

The proposal would give all Exchange Act reporting companies that currently file Form 10-Qs the option to file interim reports semiannually instead of quarterly. Put simply: companies that elect into the new framework would file one Form 10-S per year (covering the first six months of the fiscal year) plus their annual report on Form 10-K. Companies that do not elect semiannual reporting would continue filing quarterly reports on Form 10-Q.

## What the Proposal Would Do

The proposal includes (i) amendments to Exchange Act Rules 13a-13 and 15d-13 to permit an election to report semiannually; (ii) creation of new Form 10-S; (iii) Regulation S-X amendments to conform periodic report, registration statement, and proxy statement financial statement requirements to the optional semiannual framework; and (iv) technical conforming changes across Regulation S-K and other rules and forms that currently assume quarterly reporting.

The proposal would apply to Exchange Act reporting companies that are currently subject to the Form 10-Q requirement (i.e., Exchange Act Rules 13a-13 and 15d-13). Notably, this proposal does not affect foreign private

issuers (FPIs), which are exempt from the Form 10-Q quarterly reporting obligations under Rules 13a-13 and 15d-13. FPIs instead furnish reports on Form 6-K and file annual reports on Form 20-F. FPIs are effectively expected to furnish semiannual interim financial information on Form 6-K, typically covering the first six months of their fiscal year, driven by home-country disclosure obligations and stock exchange listing standards. As a result, FPIs already operate on a reporting cadence that bears some resemblance to the semiannual reporting this proposal would make optional for domestic issuers.

Covered issuers that believe a quarterly reporting cadence is better suited to investor or analyst expectations, industry practice, contractual obligations, or other regulatory requirements applicable to their business would be able to continue with current practice, as the proposed semiannual reporting rule is entirely optional. The SEC also noted that some companies may prefer quarterly reporting to avoid longer periods where insiders hold nonpublic information that could affect trading windows. On the other hand, the SEC acknowledged industry observations that semiannual reporting could be more appropriate for certain types of issuers, such as pre-revenue biotechnology companies with securities that may trade based more on milestones such as the outcome of clinical developments and regulatory events rather than quarterly financial results.

A key premise underlying the proposal is that Form 8-K and Regulation FD would work together to ensure that investors continue to receive timely, material information even if a company moves to semiannual reporting, though the proposal acknowledges that earnings releases under Form 8-K Item 2.02 differ from Form 10-Q filings in that they are not required to be GAAP-compliant, are not reviewed by an auditor, are not data-tagged, and are not subject to the internal control over financial reporting certification requirements that apply to periodic reports.

The SEC also emphasized that public companies are free to communicate important information through other means, including press releases, blog posts, and social media, and will remain subject to the Current Reporting requirements of Form 8-K for certain material events. Companies considering the move to semiannual reporting should carefully consider their overall investor communications strategy in this context.

### **Key Provisions of the Proposed Semiannual Reporting Rule**

#### ***The Election Mechanism: Another Annual Check-Box for Form 10-K***

The proposal would add another check box on the cover page of Form 10-K as the sole method for a reporting company to indicate annually whether it elects semiannual reporting (by checking the box) or elects to remain a quarterly filer (by leaving it unchecked).

Key mechanics of the election:

**Annual election.** The election would be made on an annual basis and could not be changed until the next Form 10-K is filed, and the chosen cadence would apply beginning with the first interim period (i.e., either the first quarter or the first six months) of the fiscal year in which the Form 10-K for the prior fiscal year is filed with the cover page election marked.

**No mid-year changes.** An issuer would be committed to the reporting frequency elected for the remainder of that fiscal year (i.e., no mid-year changes).

**Correcting an inadvertent error.** The SEC proposes to allow companies to amend Form 10-K to correct an inadvertent check box error, with the corrective Form 10-K/A due as soon as practicable after discovery but no later than the (original, unadjusted) date on which the company's first Form 10-Q would have been due for that fiscal year, a deadline that could not be extended by filing a Form 12b-25.

**IPO and initial registration elections.** The SEC proposes adding a similar semiannual reporting election check box to the cover pages of Securities Act of 1933 (the Securities Act) registration statements on Forms S-1, S-3, S-4, and S-11, and Exchange Act registration statements on Form 10. A private company undertaking an IPO or other initial registration would make its initial semiannual election by checking the box on the registration statement cover, and that election would affect the financial statements required in the registration statement and communicate the issuer's planned interim reporting cadence. Until the registration statement becomes effective, a company in registration may change its checkbox election.

### ***New Semiannual Reporting Form 10-S: Structure and Content***

Semiannual filers would file interim reports on new Form 10-S, which would require the same narrative disclosures and financial information as Form 10-Q, but with respect to a six-month fiscal period rather than a quarter. The SEC is not proposing a reduced disclosure burden; Form 10-S is intended to be substantively equivalent to Form 10-Q, just covering a longer period.

Accordingly, required disclosures on Form 10-S would include (among others):

Management's Discussion & Analysis (MD&A), legal proceedings, material risk factor updates, unregistered sales and use of proceeds, defaults, director nomination procedures, certain insider trading plan disclosures, and exhibits required under Item 601 of Regulation S-K.

Financial statements prepared in accordance with U.S. GAAP and reviewed by an independent public accountant (but not audited), tagged in Inline XBRL; existing disclosure controls and ICFR requirements also would apply.

Scaled disclosure would be available to smaller reporting companies (SRCs), consistent with the existing Form 10-Q framework.

Semiannual filers may voluntarily present quarterly financial information within Form 10-S. However, if such quarterly information is included in the financial statements, it would remain subject to auditor review.

### ***Filing Deadlines by Filer Status***

The Form 10-S deadline would be 40 days (for large accelerated filers and accelerated filers) or 45 days (for all other registrants) after the end of the first semiannual period, matching the current Form 10-Q deadline framework.

For newly public companies, the first Form 10-S would be due the later of (i) 45 days after the effective date of the registration statement or (ii) the date Form 10-S would otherwise have been due if the company had already been an Exchange Act reporting company.

### ***Regulation S-X Amendments***

The proposal would amend Regulation S-X to revise financial statement requirements in periodic reports, registration statements, and proxy statements to reflect optional semiannual reporting, including changes intended to prevent semiannual filers' registration-statement financials from becoming "stale" under a framework built around quarterly reporting, and to simplify and consolidate age-of-financial-statement requirements into a single rule. Specifically, proposed Rule 3-01 would absorb and consolidate the current Rule 3-12 age-of-financial-statement requirements, and Rule 3-12 would be eliminated, with conforming changes made to other rules that currently reference Rule 3-12.

The proposal would shift from counting "days since the balance sheet date" (e.g., 129/134-day concepts) to an approach that aligns interim updating in registration and proxy statements with the Exchange Act periodic reporting deadlines for whichever interim period financials have been filed or are required to be filed on or before the filing date (Form 10-Q for quarterly filers; Form 10-S for semiannual filers), thereby precisely aligning financial statement updating requirements with the periodic report due dates.

When audited annual financial statements are included in a filing, a registrant would generally include interim financial statements as of the most recently completed fiscal quarter (quarterly filers)

or semiannual period (semiannual filers) that has been filed or is required to be filed on or before the registration statement or proxy statement filing date in a Form 10-Q or Form 10-S.

### ***Transition Rules: Switching Between Quarterly and Semiannual Reporting***

A company would change its reporting frequency by changing the Form 10-K cover page election (checked for semiannual; unchecked for quarterly), with the change taking effect beginning with the first interim period of the fiscal year following the year for which the Form 10-K is filed.

Companies considering switching from semiannual back to quarterly reporting should be aware of a potential complexity: switching from semiannual back to quarterly reporting could require additional work to prepare comparable prior-year quarterly financial statements that had been “subsumed” within semiannual reporting, potentially including ensuring an independent public accountant has reviewed those comparable quarterly periods to support their inclusion in the upcoming Form 10-Q filings.

Additionally, the proposal would amend Exchange Act Rules 13a-10 and 15d-10 (transition reports in connection with a change in fiscal year) to accommodate semiannual filers, largely mirroring the existing transition-report framework applicable to quarterly filers, with conforming changes so the rules apply to Form 10-S as well as Form 10-Q. However, the proposal would not replicate the existing “gap period” concept under Rule 13a-10(e)(4) for semiannual filers, as the SEC takes the position that such a gap period would not arise in a semiannual reporting context.

### **Potential Benefits for Public Companies and Companies Considering Going Public**

#### ***Reduced Compliance Costs***

The SEC believes companies electing semiannual reporting may reduce their public company compliance costs because they would incur interim-reporting costs once per year rather than three times per year, thereby saving both management time that could be devoted to other initiatives and related costs of both internal and external professional support. The economic analysis component of the SEC’s proposal puts a concrete number on that potential savings, with an estimated average annual net reduction in direct compliance costs of approximately \$198,000 per issuer for companies that switch from three Form 10-Qs to one Form 10-S (based on estimated average annual direct compliance costs of approximately \$330,000 for three Form 10-Qs versus \$132,000 for one Form 10-S).

#### ***Freeing Management Time and Resources***

Periodic reporting consumes significant internal and external resources, including management time and related investor engagement activities such as earnings announcements and conference calls. For

many issuers, particularly those at earlier stages of development, redirecting that time and attention toward execution of business strategy may be of significant value.

### ***Flexibility to Align with the Company's Business Cycle***

The SEC frames the proposal as providing flexibility to determine interim reporting frequency based on a company's circumstances, including its ability to bear costs, stage of development, and investor expectations. In a statement on proposing semiannual reporting, Commissioner Uyeda noted that an established pharmaceutical company with a trillion-dollar market capitalization is markedly different from a pre-revenue biotech company pursuing approval of a single drug candidate, and that their financial rhythms, business milestones, and investor expectations might differ dramatically. The proposal responds to that reality.

### ***Potential to Reduce Short-Termism Pressures***

Concerns have been raised that the SEC's mandatory quarterly reporting scheme results in a greater emphasis on the short-term outlook.

In his statement, Commissioner Uyeda highlighted that nearly three decades ago, SEC Chairman Arthur Levitt emphasized the need for Wall Street to focus less on quarterly earnings and more on the long-term health and viability of a company, and that excessive focus on quarterly results can distract management from executing long-term strategy and can impose compliance burdens that do not produce commensurate benefits for investors.

### ***Making the Public Markets More Attractive***

Perhaps the most significant benefit of the proposed rule is its potential effect on companies' decisions to go, or remain, public. In a statement on the proposed amendments to allow semiannual reporting, Commissioner Peirce noted that some companies look at the frequency of reports, coupled with the extensive information these reports require, as just another reason to stay out of the public markets. By providing greater flexibility, the proposal, if adopted, could help to alleviate one facet of the reporting burden, and thus potentially make the public markets more attractive to companies.

In determining a company's reporting cadence, a company might consider factors such as the costs and management time of preparing quarterly reports versus semiannual reports, expectations of its investors, potential effects on its cost of capital, the stage of its business development, the nature of its business model, other avenues of disclosure including earnings calls and current reports on Form 8-K, and the related prospects of increased research coverage, all without undermining fundamental investor protections. The SEC believes this flexibility might reduce some of the burdens of being a public company and potentially influence a company's decision to become or remain public.

## Key Considerations and Potential Tradeoffs

While the proposal offers meaningful benefits, companies should not view semiannual reporting as cost-free. There are important practical and market realities to weigh:

**Investor and analyst expectations.** If the SEC adopts the proposal, companies may choose to retain their current disclosure cadence. They may do so in response to investor feedback or to remain aligned with peer companies. For companies with significant institutional ownership or robust sell-side analyst coverage that models quarterly earnings, departing from the quarterly reporting cadence could invite pushback or affect research coverage.

**Contractual and debt obligations.** Contractual and market realities, such as debt covenants, lender expectations, and capital-raising dynamics, may lead some semiannual filers to continue preparing quarterly information (and possibly obtain quarterly reviews) even if Form 10-Q is no longer required, reducing the realized savings. Companies should review the terms of their existing credit agreements and debt indentures, preferred stock or other financing instruments which may require delivery of quarterly financial statements as a condition of compliance.

**Capital markets and comfort letter considerations.** Underwriter “comfort letter” practice and PCAOB standards may drive continued demand for more current, reviewed interim financial information in registered offerings, even under a semiannual reporting regime. Companies that frequently access the equity or debt capital markets through registered offerings should consider the potential impact on offering timing and the financial information required to be included in offering documents.

**Increased information asymmetry.** The SEC notes potential costs to investors and impacts on market quality from less frequent standardized disclosure, including delayed dissemination of material information, increased information asymmetry, reduced granularity (semiannual aggregation rather than quarter-by-quarter visibility), and reduced comparability between quarterly and semiannual filers. Companies should consider whether these potential impacts of a move to semiannual reporting could adversely affect their cost of capital or stock price volatility.

**Insider trading windows.** The SEC notes some companies may prefer quarterly reporting to avoid longer periods where insiders hold nonpublic information that could affect trading windows.

Companies with active equity compensation plans and frequent insider trading should carefully evaluate the impact of extended “quiet periods” that could accompany semiannual reporting.

### **Part of a Broader Regulatory Reform Agenda**

The SEC’s proposal should be viewed as one element of a broader SEC regulatory reform effort. In his statement on the SEC’s proposing release for semiannual reporting, Chairman Paul Atkins observed that the frequency of regulatory reporting is only part of the equation for incentivizing companies to go and stay public, and stated that another significant part will be ensuring that the disclosure, both financial and non-financial in nature, mandated in interim reports (whether filed quarterly or semiannually) is guided by materiality as its north star. He indicated the SEC Staff is actively exploring potential amendments to Regulation S-K to achieve these objectives, both generally and including the parts implicated by interim reports.

Two notable initiatives that are already underway as part of this broader reform effort include: (i) the SEC’s executive compensation roundtable, held in June 2025, at which the SEC solicited public input and commentary on the executive compensation disclosure requirements of Item 402 of Regulation S-K, with recommendations for revisions to Item 402 currently in preparation; and (ii) the SEC’s “Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies,” aimed at calibrating Regulation S-K disclosure requirements to a company’s size and maturity, consistent with Chairman Atkins’ directive to make materiality, and appropriate scaling, the guiding principles of any revised disclosure framework.

Chairman Atkins remarked that he views this proposal is just the first step of the larger, comprehensive effort to review and reshape the current SEC rules governing public companies with respect to their ongoing reporting obligations and their ability to raise capital in the public markets, and that over the next few months, the Commission will be considering a series of proposals that, if adopted, will not only redefine what it means to be a public company, but will make being public attractive again.

In her supporting statement, Commissioner Peirce raised the complementary question of whether, in addition to making quarterly reporting optional, the SEC should take the opportunity to streamline the content of Form 10-Q itself. Commissioner Peirce noted that many companies find Form 10-Q requirements quite onerous, and that an approach that focuses on slimming down the Form 10-Q, instead of or in addition to making semiannual reporting optional, could be helpful.

### **What This Means to You**

The SEC's semiannual reporting proposal is a significant development that warrants attention from every domestic public company and private companies evaluating a potential IPO. Here is what companies should be doing now:

**Evaluate your reporting cadence.** If adopted, companies would need to evaluate annually, at the time of the filing of the Form 10-K, whether to elect semiannual reporting via the new checkbox, recognizing that the election would lock the company into that cadence for the current fiscal year. Begin that analysis now, even before the rule is finalized.

**Analyze your quarterly reporting cost structure.** Identify how much time and cost is genuinely attributable to Form 10-Q preparation versus market-driven disclosures (earnings releases, investor calls, internal board reporting) and assess which of those costs would continue regardless of the election.

**Review your agreements and market relationships.** Companies considering the election should assess whether exchange/listing-related references to Form 10-Q, debt/credit agreements, and capital-markets activity (including comfort letter dynamics) would effectively require continued quarterly reporting even if Form 10-Q is no longer mandatory.

**Assess your investor base and analyst coverage.** Consider whether your investor base, including institutional shareholders, and analysts covering your company, have expectations or requirements that effectively mandate quarterly financial disclosure regardless of what the SEC rules allow.

**IPO companies should plan ahead.** IPO companies would need to consider the semiannual checkbox election in connection with their registration statement, since it would signal planned reporting cadence and affect the financial statement updating framework for offering documents. In addition, IPO companies should consider potential transition costs, such as the fact that switching from semiannual to quarterly reporting after going public could require preparing comparable prior-year quarterly financial statements, which may require significant accounting resources.

**Consider submitting a comment letter.** The SEC is actively soliciting public input on all aspects of this proposal. Companies, particularly smaller reporting companies and emerging growth

companies that stand to benefit most, should consider sharing their views with the SEC before the July 6, 2026 comment deadline.

**Monitor the broader reform effort.** Given Chairman Atkins' statements about further Regulation S-K reform and additional public company regulatory proposals in the coming months, companies should stay engaged with ongoing SEC rulemaking activity, which could significantly affect ongoing reporting obligations and capital-raising flexibility.

### **Contact Us**

If you have any questions, please do not hesitate to contact Steve Barrett, Robert Joseph, Andrew Spector, Jonathan Wittman, or your Husch Blackwell attorney.