Insights

SEC Proposes Optional Semiannual Reporting Framework

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As noted in our prior client alert on this topic, the SEC has been considering a shift away from mandatory quarterly reporting following renewed attention to the issue from policymakers. In particular, President Donald Trump publicly urged such a change in a 2025 Truth Social post, stating that companies should not be required to report quarterly and that a six?month reporting cycle would “save money” and allow management to focus on long?term operations.

On May 5, 2026, the SEC formally advanced that concept by proposing rules that would permit public companies to elect semiannual reporting in lieu of quarterly Form 10?Q filings.

Key Features

- **Semiannual report (Form 10?S):** Substantially similar disclosure to Form 10?Q, but covering a six?month period; financial statements would be subject to auditor review procedures rather than a full audit.
- **Filing deadline:** 40 or 45 days after period end, depending on filer status.
- **Related amendments:** Conforming changes to Regulation S?X to align financial statement requirements with a semiannual reporting framework.

Companies could elect the framework through a checkbox election in an annual report or certain registration statements, allowing issuers flexibility regarding when to adopt the framework. Companies that do not elect the new framework would continue quarterly reporting.

The proposal would not affect Form 8?K current reporting obligations or Regulation FD requirements, and issuers would remain obligated to disclose material information on a timely basis.

Considerations for Public Company Management

Investor Expectations
The proposal does not change underlying market expectations. Many companies may continue to provide quarterly updates to maintain investor engagement and avoid perceived information gaps. While fewer filings may reduce compliance costs, less frequent SEC reporting could be perceived negatively by analysts or institutional investors, particularly for smaller or less liquid issuers.

Disclosure Practices and Controls
Semiannual reporting would not reduce disclosure obligations, but would shift their timing. Companies may need to revisit disclosure controls, MD&A, and KPI reporting practices.

Existing Arrangements and Practices
A change in reporting cadence may impact:

- Debt covenants and credit agreements;
- Executive compensation structures;
- Internal forecasting cycles; and
- Insider trading window and blackout periods, which are often tied to quarterly reporting.

Takeaways

The proposal introduces flexibility but does not eliminate the practical need for regular market communication. For CEOs and CFOs, the central question is whether a move to semiannual reporting would be consistent with investor expectations and capital markets strategy.

The SEC has opened a 60?day comment period, and companies may wish to begin evaluating their approach.

We continue monitoring the on-going developments concerning the SEC's anticipated rule changes. For assistance or additional guidance on the impacts of this potential rulemaking on your company, please contact Keaton J. Miller or any member of Krieg DeVault's Business, Acquisitions and Securities Practice.
