

KEY ISSUES FOR PUBLIC COMPANIES DURING CONTINUING GOVERNMENT SHUTDOWN

Oct 08, 2025

WHAT HAPPENED

On October 1, 2025, the federal government ceased non-essential operations. For the SEC, that resulted in the suspension of substantially all operations except for Edgar and limited emergency functions. For public companies, that introduced a variety of risks and strategic challenges. With no consensus on the likely duration of the shutdown – now a week old – public companies should implement plans for a range of potential scenarios.

TAKEAWAYS

Public companies should continue filing their periodic and current reports with the SEC, as Edgar remains operational. However, IPO and other non-WKSI registration statements cannot go effective and proxy statements and other filings may be reviewed retroactively. It is unclear whether SEC review policies will change after the shutdown ends, as that may depend on its length, the size of the resulting backlog and any further reductions in staffing ordered by the Administration.

As public companies prepare filings and other communications, they should evaluate:

- The effect of the shutdown on their operations, financial performance and forecasts, taking into account potential reductions in economic activity and consumer confidence.
- Any inability to receive governmental approvals, licenses or certifications from regulators operating with limited staff to maintain or expand business operations or plans.
- Any slowdowns in supply chains due to reduced staffing for customs, inspections and transportation oversight.
- Timing considerations and contingency plans for public company M&A or capital raises during the blackout on SEC reviews of filings.
- The need to update disclosure controls and procedures to address potential effects of the shutdown.

DEEPER DIVE

Limited SEC Operations. According to the [SEC's Operations Plan](#), only 393 of its 4,289 employees will remain active during the shutdown. The SEC Division of Corporation Finance issued [FAQs](#) explaining its reduced operations:

- *Edgar Continuing; Filings Accepted.* EDGAR will accept registration statements, offering statements and other filings.
- *No Review or Acceleration of Registration Statements.* The SEC will not review filings or declare registration statements effective.
- *Removal or Omission of Delaying Amendment.* Under SEC rules, companies can cause their registration statements to become effective after 20 days by removing “delaying amendment” language. However, the SEC can still issue stop orders or take other emergency enforcement action during the shutdown.
- *No Need for Clearance of Preliminary Proxy Statements.* Proxy rules require the filing of preliminary proxy statements at least ten calendar days before filing or mailing definitive copies. While the staff may review documents after the shutdown, companies do not need to receive staff clearance to mail after the ten-day period.
- *No 14a-8 No-Action Letters.* The staff will not review 14a-8 requests during the shutdown. They will resume after the shutdown but will face a backlog.
- *No Rulemaking or Interpretative Guidance.* No rulemaking activities or interpretive guidance will take place.
- *Limited Edgar Support.* A limited number of SEC staff are available to process requests for Edgar access codes and password resets and answer questions about fee-bearing Edgar filings and other emergency questions regarding Edgar submissions. Requests and contact information should be directed to CFEmergency@sec.gov.

Disclosure Implications of Government Shutdown. When preparing SEC filings and other communications, public companies should consider potential disclosure implications of the shutdown, such as the following:

- *Impact on Business.*
 - Disruption to government contracts, including delayed awards, delayed payments and halted projects or funding.
 - Delays in regulatory licenses, permits, approvals, certifications and other governmental communications. For example, the FDA is not accepting submissions that require payment

of user fees, such as new drug or biological product applications.

- Potential effects on supply chains due to reduced staffing for customs, inspections and transportation oversight.
- *Financial and Economic Uncertainty.*
 - Potential reduction in consumer spending due to furloughs or layoffs or reduced consumer confidence.
 - Data blackouts and information gaps due to delays or suspensions in the release of critical economic data, such as jobs and inflation reports.
 - Sector-specific impacts on industries dependent on government spending (such as aerospace and defense), tourism and travel (such as airlines and hospitality) and regulatory approvals (such as life sciences and healthcare).
- *Effect on Capital Markets.*
 - For non-WKSIs (without effective shelves), limitations on the ability to conduct public offerings.
 - As the shutdown continues, potential increases in market volatility, discount rates and risk premiums.

RELATED CAPABILITIES

- Securities & Corporate Governance

MEET THE TEAM



R. Randall Wang

St. Louis

randy.wang@bclplaw.com

+1 314 259 2149

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be “Attorney Advertising” under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP’s principal office and Kathrine Dixon (kathrine.dixon@bclplaw.com) as the responsible attorney.