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SEC PROPOSES OPTION FOR SEMIANNUAL REPORTING BY PUBLIC COMPANIES

May 07, 2026

WHAT HAPPENED

On May 5, 2026, the SEC proposed amendments to allow public companies to file interim reports on a semiannual basis instead of quarterly. Key features would include:

- A new Form 10-S for semiannual reports with the same narrative disclosure and financial information requirements as Form 10-Q but covering a fiscal six-month period instead of a fiscal quarter.
- Filing deadlines for Form 10-S of either 40 or 45 days after the end of the semiannual fiscal period, depending on whether the company is a non-accelerated filer.
- Financial statements prepared in accordance with U.S. GAAP and reviewed by an auditor (but not required to be audited).

The SEC invites comments on all aspects of the proposal. The comment period will be open until the date that is 60 days after the date of publication of the proposing release in the Federal Register.

TAKEAWAYS

Desire to Promote IPOs. The SEC believes the proposal may help encourage more companies to go or stay public by providing flexibility to determine the frequency of reporting based on its circumstances. Relevant factors may include the company's ability to bear costs of preparing quarterly reports, its stage of business development, and the expectations of its investors, as well as the length of time that directors or employees possess material non-public information for purposes of insider trading policies.

Early Feedback. At a recent conference ahead of the proposal, the Director of the SEC's Division of Corporation Finance indicated awareness that a number of stakeholders oppose the concept, including accountants, some institutional investors and others. However, he noted that insider

trading laws would nonetheless require public disclosure of current financial information before companies repurchase stock or conduct tender offers, and before directors and officers trade. As a result, he expects most companies will continue to release earnings/flash numbers and conduct quarterly calls in the ordinary course, and that many large companies will continue to file 10-Qs. He additionally expects companies that elect “1Q & K” reporting would mostly be limited to niche categories, such as emerging life sciences companies (for which MD&A may be less material to investors) and regional banks (whose MD&As tend to simply replace quarterly results while otherwise repeating disclosures).

Next Steps for Public Companies. Although final approval of the proposal remains uncertain, public companies might begin to evaluate whether to consider semiannual reporting. Key factors may include:

- **Investor Expectations; Peer Practices.** Views of research analysts or large shareholders, including institutional investors, and whether they might be dissatisfied with earnings releases or flash numbers in lieu of 10-Qs, taking into account disclosure practices of peer companies with whom investors or analysts draw comparisons.
- **Debt Covenants.** The possible need to prepare quarterly financial statements for lenders or bondholders under existing or future debt or financing agreements, which could significantly reduce any potential compliance savings from semiannual reporting.
- **Capital Markets Activity; Trading by Insiders.** Any desire or need for current quarterly disclosure in order to conduct capital raises, including at-the-market offerings, or to provide flexibility under insider trading rules for the company to conduct debt or equity repurchase programs or directors or officers to trade in public markets, and whether earnings releases or flash numbers might be viewed as insufficient for those purposes.

DEEPER DIVE

The proposal would amend Exchange Act Rules 13a-13 and 15d-13 to allow reporting companies to elect to file semiannual reports on new Form 10-S in lieu of quarterly reports on Form 10-Q. Companies that make this election would be required to file one semiannual report and one annual report for each fiscal year. Companies that do not choose to become semiannual filers would continue to file quarterly reports on Form 10-Q.

Cover Page Boxes

The proposal would add a check box to the cover page of Form 10-K, as well as registration statement cover pages, as the means to indicate whether a company is selecting a semiannual interim reporting frequency (by checking the semiannual box) or quarterly reporting (by not checking the semiannual box) and to disclose the selected frequency to investors and other market participants.

Once a company has elected its interim reporting frequency, it would be committed for the remainder of that fiscal year. Inadvertent mistakes in checking or not checking the box for the desired frequency would need to be corrected after discovery but no later than the due date of the relevant Form 10-Q.

Contents of Form 10-S

Proposed Form 10-S would require the same information as currently required by Form 10-Q but for the covered six-month period instead of a quarter, including, among others:

- Financial statements reviewed by independent auditor
- MD&A
- Material changes in risk factors
- Unregistered equity security sales and use of proceeds
- Defaults on senior securities, director nomination procedures, disclosure of director or officer adoptions or terminations of Rule 10b5-1 plans
- Current disclosure and certifications requirements for disclosure controls and procedures, as well as for internal control over financial reporting
- Exhibits required under Item 601 of Regulation S-K

These items could be revised to the extent the SEC adopts revisions to the disclosure requirements of Regulation S-K. See our recent post: [SEC Soliciting Comments on Potential Deregulation of Public Company Disclosures \(Feb. 10, 2026\)](#).

Other Changes

The proposal includes conforming and simplifying changes to Regulation S-X financial statement requirements, including age of financial statement rules, and invites suggestions for appropriate changes to accounting or auditing rules or stock exchange rules.

RELATED CAPABILITIES

- Securities & Corporate Governance

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