TheCorporateCounsel.net

"The SEC's Proposal to Simplify Filer Status & Reduce Reporting Burdens"

Thursday, July 16, 2026

Course Materials

<u>“The SEC’s Proposal to Simplify Filer Status & Reduce Reporting Burdens”</u>

Thursday, July 16, 2026

2 to 3 p.m. Eastern [archive and transcript to follow]

On May 19, 2026, the SEC proposed amendments that would simplify the filer status framework and expand eligibility for scaled disclosure and other accommodations currently available to smaller or newly public companies so that all but the largest public companies could take advantage of them. Our panel of seasoned practitioners and senior SEC staff will discuss the SEC’s proposed rule changes and explore the practical implications of the new filer definitions and expanded accommodations.

Hear from these experts:

- **Luna Bloom,** Associate Director (Legal and Regulatory Policy), SEC’s Division of Corporation Finance
- **Howard Dicker,** Partner, Weil, Gotshal & Manges LLP
- **Raquel Fox,** Partner, Skadden, Arps, Slate, Meagher & Flom LLP
- **Dave Lynn,** Partner, Goodwin Procter LLP, and Senior Editor, TheCorporateCounsel.net

Among other topics, this program will cover:

1. Overview and Policy Objectives of the Proposal
2. Revisions to Filer Classifications and Definitions
3. Expanded Accommodations and Scaled Disclosure
4. Initial and Annual Determinations of Filer Status; Transition Rules
5. Requests for Comments and Potential Changes to the Proposed Rules
6. Considerations for Companies Considering Scaled Disclosure
7. Relationship of the Proposal to Other SEC Initiatives

"The SEC's Proposal to Simplify Filer Status & Reduce Reporting Burdens"

Course Outline

1. Overview and Policy Objectives of the Proposal

- Current rules divide public companies into overlapping categories: Large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies and emerging growth companies. These categories affect filing deadlines, scaled disclosure eligibility and other accommodations.
- The SEC's proposed rule, "Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies," is intended to simplify the filer status framework, reduce the regulatory burdens and costs associated with being a public company and readjust the size thresholds used to determine filer status.
- The changes proposed would significantly expand the number of companies eligible for scaled disclosure and other accommodations, while retaining the most extensive disclosure requirements for the largest public companies.
- The proposal is part of a broader SEC initiative to encourage companies to go and stay public.

2. Revisions to Filer Classifications and Definitions

- Large Accelerated Filers: Currently, a large accelerated filer is a company that has a public float of $700 million or more as of the last business day of its most recently completed second fiscal quarter, has been subject to Exchange Act reporting for at least 12 months and has filed at least one Form 10-K, and is not eligible to be treated as a smaller reporting company under the revenue and public float tests that determine which companies fall into that filer category.

  - The Commission proposes to raise the public float threshold for large accelerated filer status from $700 million to $2 billion.
    - At the time the large accelerated filer category was established in 2005, companies with a public float of over $700 million represented approximately 18% of registrants and nearly 95% of the total public market float. That threshold has not been updated, and today it captures approximately 35% of registrants and 99% of total public market float. If the proposed changes are adopted, approximately 19% of registrants representing 93.5% of total public market float would remain within the large accelerated filer category.

- <u>Public Float Measurement:</u> The Commission also proposes to revise how issuers determine large accelerated filer status. Instead of looking to a single day at the end of the company's second quarter to determine whether the public float threshold has been exceeded, the determination would be based on average stock prices over the last 10 trading days of the second quarter. That test would be applied for two consecutive years.

- <u>Seasoning Requirement:</u> Under current rules, a company must have been subject to the Exchange Act's reporting requirements for at least 12 months to be classified as a large accelerated filer. The Commission proposes to increase the length of this "seasoning period" to 60 months. This gives companies a longer runway to transition into the more demanding obligations applicable to large accelerated filers, which have increased significantly over the past 25 years.

  - Emerging growth companies currently enjoy this five-year on ramp, but emerging growth company status may be lost sooner than that if a company exceeds $1.235 billion in annual revenue. The proposed change would effectively create a five-year on ramp for all newly public companies, regardless of revenue, and delay their exposure to accelerated deadlines, non scaled disclosure and auditor attestation requirements.

  - The proposing release acknowledges that this could defer enhanced disclosure for a small number of larger issuers, but says the Commission believes the tradeoff is justified. In its view, a longer adjustment period may encourage companies to go public and remain public and improve long-term compliance readiness, plus it's aligned with the policy behind the emerging growth company on ramp.

- <u>Elimination of Accelerated Filer and Smaller Reporting Company Categories:</u> In light of the proposed changes to the large accelerated filer and non-accelerated filer definitions, the Commission proposes to eliminate the accelerated filer and smaller reporting company categories.

- <u>Non-Accelerated Filers:</u> The proposal would redefine "non-accelerated filer" to mean any issuer that is not a large accelerated filer. As a result, all companies would start as non-accelerated filers at the time of their IPO (or Exchange Act registration) and, because of the proposed extended seasoning period, remain so for at least five years before becoming eligible for classification as large accelerated filers.

  - The proposing release says that, if adopted, non-accelerated filers would represent 81% of registrants but only 6.5% of total public market float. The Commission believes that this disparity supports a more tailored and less expensive disclosure regime for companies falling within the non-accelerated filer category.

- <u>Small Non-Accelerated Filer Subcategory:</u> The proposal would create a new subcategory of companies that are non-accelerated filers and report total assets of $35 million or less as of each of their two most recent second fiscal quarters.

  - These issuers would be classified as small non-accelerated filers and would receive extended filing deadlines. For these small non-accelerated filers, the filing deadline for Form 10-K would be 120 days following the end of their fiscal year instead of the 90-day deadline applicable to other non-accelerated filers. Small non-accelerated filers would also receive an additional five days to file their Form 10 Q (50 days instead of 45).
  - The SEC's rationale in establishing the small non-accelerated filer subcategory is to provide relief to the smallest registrants, which are significantly more likely to miss filing deadlines due to limited resources and difficulty securing audit support. The proposing release indicates that 18% of public companies and 22% of non-accelerated filers would fall into the small non-accelerated filer subcategory.
  - Filer status would be determined annually at fiscal year-end, and once a company qualifies as a small non-accelerated filer, it would retain that status until it either exceeds the asset threshold based on a two-year test (see below) or becomes a large accelerated filer.
- <u>Small Entity Definitions:</u> The Commission also proposes to update its definition of "small entity" for Regulatory Flexibility Act purposes by increasing the asset threshold from $5 million to $35 million and eliminating the existing offering size condition under the Securities Act definition.
  - The objective in aligning this new $35 million threshold with the proposed SNF subcategory's asset test is to better target and improve the Commission's analysis of how rules impact smaller companies, thereby expanding the number of issuers captured in these assessments.

- The release indicates that approximately 1,400 registrants will qualify as small entities under the proposed rule.

3. Expanded Accommodations and Scaled Disclosure

- Expanded Accommodations: The Commission also proposes to extend scaled disclosure and other accommodations currently available to smaller reporting companies and emerging growth companies to all non-accelerated filers.
  - However, the Commission proposes a change to the smaller reporting company requirements, specifically to eliminate Item 404(d), which imposes more demanding related party transaction disclosure obligations on smaller reporting companies, and makes it clear in the proposing release that provisions in existing smaller reporting company disclosure requirements that impose greater burdens on smaller reporting companies would not apply to non-accelerated filers under the new rules.
  - The proposal also extends the accommodations provided to emerging growth companies to non-accelerated filers, except that statutory confidentiality protection for draft registration statements under Securities Act Section 6(e)(2) remains available only to emerging growth companies.
  - Like emerging growth companies, non-accelerated filers would be permitted to elect private company adoption dates for new accounting standards. Currently, the ability to elect these deferred adoption dates depends on the issuer continuing to maintain emerging growth company status. Under the proposed rules, these deferred adoption dates for new accounting standards are available to non-accelerated filers for a five-year period following their initial registration.

- The proposing release notes that because of the changes it proposes, newly public companies will no longer need to rely on the emerging growth company classification under the JOBS Act to take advantage of the provisions of the disclosure on ramp. The proposed rules would add a new provision in Regulation S-K that details emerging growth company statutory accommodations.

- Key Smaller Reporting Company and Emerging Growth Company Accommodations: This extension to all non-accelerated filers would result in 81% of public companies being eligible for the scaled disclosure and other accommodations currently available to smaller reporting companies and emerging growth companies, including:
  - A limited description of business (Item 101 of Regulation S-K)
  - Risk factor disclosure not required in Forms 10-K or 10-Q
  - Reduced financial statement requirements (Rule 8-02 of Regulation S-X) and two years of MD&A disclosure instead of three (Item 303 of Regulation S-K)
  - No quantitative and qualitative disclosures about market risk (Item 305 of Regulation S-K)
  - Scaled executive compensation disclosure under Item 402(m)-(r) of Regulation S-K rather than the full Item 402 disclosure requirements, such as:
    - Reduced compensation table disclosures
      - Three named executive officers instead of five (Item 402(m)(2) of Regulation S-K)
      - Two years of Summary Compensation Table disclosures instead of three (Item 402(n) of Regulation S-K)

        - No Grants of Plan-Based Awards Table (Item 402(d) of Regulation S-K)
        - No Option Exercises and Stock Vested Table (Item 402(g) of Regulation S-K)
        - No Pension Benefits Table (Item 402(h) of Regulation S-K)
        - No Nonqualified Deferred Compensation Table (Item 402(i) of Regulation S-K)
    - No Compensation Discussion & Analysis (Item 402(b) of Regulation S-K)
    - No Compensation Committee Report (Item 407(e)(5) of Regulation S-K)
    - No Compensation Committee Interlocks (Item 407(e)(4) of Regulation S-K)
    - No disclosure regarding compensation policies and practices as they relate to risk management (Item 402(s) of Regulation S-K)
    - No pay-versus-performance disclosure (Item 402(v) of Regulation S-K)
    - No CEO pay ratio disclosure (Item 402(u) of Regulation S-K)
- No disclosure of policies and procedures for the review, approval or ratification of related party transactions (Item 404(b) of Regulation S-K)
- Exemption from the requirements to conduct Say-on-Pay, Say-on-Frequency or Say-on-Golden-Parachute advisory votes (Rule 14a-21)

  - Exemption from the requirement to obtain an auditor attestation of internal control over financial reporting (Section 404(b) of Sarbanes-Oxley)

  - Permission to elect private-company adoption dates for new accounting standards for five years following initial registration (by amending Rule 8-01(g) and Rule 3-19 of Regulation S-X)

4. Initial and Annual Determinations of Filer Status; Transition Rules

- Initial Determinations: The proposing release says that existing registrants would be required to make an initial determination of their large accelerated filer or non-accelerated filer status based on their public float (and, in the case of the small non-accelerated filer subcategory, total assets) as of the end of the fiscal year immediately preceding the rules' effectiveness, measured over a two-year lookback. Registrants would have flexibility to perform this assessment at any point after the rules become effective, but no later than the day before the end of the fiscal year in which the rules take effect. If a registrant fails to make this assessment by the deadline, it would default to its prior status (remaining a large accelerated filer if it previously was one, or otherwise treated as a non-accelerated filer until the next determination date).

  - The proposing release says that registrants would be instructed to disregard their pre existing filer status when applying the new definitions, meaning a company previously classified as a large accelerated filer could qualify as a non-accelerated filer if it does not meet the new thresholds — such as the five-year seasoning requirement or the $2 billion public float test over two consecutive years.

  - Once a registrant completes its initial assessment, the resulting status would apply prospectively to its next Securities Act or

Exchange Act filing, allowing it to immediately benefit from any applicable accommodations.

- Two-Year Test for Annual Determinations: Under current rules, a large accelerated filer can only transition out of that filer status if its public float drops below $560 million as of the end of the second quarter determination date. The Commission is proposing to eliminate this separate “exit” threshold and instead use a single public float test with a two-year lookback.
    - Consequently, a company would enter or exit large accelerated filer status only if its public float remains consistently above or below the threshold over time. The proposing release indicates that this is intended to reduce the impact of temporary price swings and give issuers and investors at least one year of advance visibility before any status change occurs.
    - The lower exit thresholds in the current rules prevent issuers from frequently moving in and out of large accelerated filer status due to short-term volatility in their stock price, but the proposing release says that the Commission believes that requiring a company to meet the threshold for two consecutive years would address these concerns in a more straightforward and predictable way. This approach is intended to reduce complexity and give registrants clearer and earlier signals about potential changes in filer status, but it also involves tradeoffs. Some issuers could be subject to the more burdensome disclosure requirements applicable to large accelerated filers for a longer period following a decline in public float, and investors might not immediately benefit from expanded disclosure when a company’s float rises in a single year.
    - As is the case under current rules, when a company’s filer status changes, the new status would apply beginning with the

filing of its annual report on Form 10-K for the fiscal year in which the filer status was determined.

5. Requests for Comments and Potential Changes to the Proposed Rules

- The proposing release includes numerous specific questions about the proposal, as well as more general requests for comment.
  - Some key questions posed in the proposing release include:
    - Does public float continue to be a reasonable indicator of which companies the markets follow most closely, the most significant need for more extensive public disclosure, and the registrant's ability to sustain the burdens associated with large accelerated filer status? Are alternative thresholds or other measures more appropriate?
    - Is the proposed $2 billion public float threshold for large accelerated filer status appropriate, or should the threshold be higher, lower, inflation-adjusted, or updated using another methodology?
    - Would the proposed 10-trading-day average for public float calculation achieve the intended goal of avoiding anomalous results due to short-term volatility?
    - Is a 60-month on ramp for large accelerated filer status appropriate?
    - Should registrants generally remain in a filer category for at least two years before transitioning, or are there better ways of minimizing variation in disclosure obligations and ensuring a level of predictability?
    - Should we adopt the definition of "non-accelerated filer" to create a single demarcation between large

accelerated filers and non-accelerated filers based on public float?

- Should all non-accelerated filers receive the scaled disclosure accommodations currently available to smaller reporting companies and emerging growth companies? Are there certain accommodations or disclosure scaling that should not apply to all non-accelerated filers or any other or new disclosure scaling or other regulatory accommodations that should be made available to non-accelerated filers?
- Should the SEC formally codify the current practice of nonpublic review of draft registration statements by non-emerging growth company issuers?
- Should non-accelerated filers be exempt from the internal control over financial reporting auditor attestation requirement, and what would be the costs, benefits, investor-protection implications, and market consequences of that change?
- Should non-accelerated filers have the flexibility to elect between compliance with Article 8 of Regulation S-X or all other form and content requirements in Regulation S-X?
- Would investors and other market participants be able to evaluate the financial statements of non-accelerated filers, given that non-accelerated filers may choose to use different formats for their consolidated balance sheets and statements of comprehensive income?
- Should newly public non-accelerated filers receive a longer transition period to adopt new FASB accounting standards applicable to public companies?

- Would creating the small non-accelerated filer category help incentivize companies to go and stay public?
- Is $35 million of total assets the appropriate threshold for small non-accelerated filer status?
- Is the proposed transition process for moving existing registrants into the revised filer-status system appropriate? If not, when should new accommodations become available?

6. Considerations for Companies Considering Scaled Disclosure

- <u>Determine Where You Fit:</u> Public companies should start by evaluating how the proposal could change their filer status and the implications of such a change.
- <u>Coordinate with Semiannual Reporting Analysis:</u> Companies should evaluate the filer-status proposal together with the SEC's semiannual reporting proposal. Taking advantage of the accommodations provided to non-accelerated filers raises many of the same investor relations and capital markets issues raised by the semiannual reporting proposal.
- <u>Assess Whether to Use Accommodations:</u> As with the SEC's other reform proposals, the question will be whether to take advantage of the new flexibility they provide. We expect that some companies may opt to continue to adhere to existing disclosure and control practices to avoid potential investor relations issues or as a matter of good governance practices. Engagement with key stakeholders will be a central part of this decision.
- <u>Plan Ahead for Implementation:</u> Companies should work with advisors to update compliance calendars, disclosure controls and reporting processes so they are ready if the rules are adopted.

7. Relationship of the Proposal to Other SEC Initiatives

- Registered Offering Reform: The filer-status proposal was released at the same time as the SEC's registered offering reform proposal, which would expand Form S-3 eligibility.
- Semiannual Reporting: The proposal should be considered alongside the SEC's optional semiannual reporting proposal, which would allow companies to elect to file one Form 10-S instead of three Forms 10-Q.
- Regulation S-K Review: The Corp Fin Staff is also working on a comprehensive review of Regulation S-K after SEC Chairman Atkins issued a Statement on Reforming Regulation S-K in January 2026. As of mid-May, the SEC has received at least 80 comment letters, including a number of major law firms, the ABA's Federal Regulation of Securities Committee, the Society for Corporate Governance and numerous institutional investors.

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Public Company Advisory Blog

Sophisticated Insights on Capital Markets & Corporate Governance

SEC Proposes to Simplify Filer Status for Public Companies

May 19, 2026 **Jonathan Burr**, **David Lynn**, **Folake Ayoola** and **Jacqueline Kaufman** **Uncategorized**

On May 19, 2026, the SEC **proposed amendments** to its rules and forms that would simplify the filer status determinations for public companies and expand the disclosure accommodations available for many public companies. Under the proposed amendments, the threshold for "large accelerated filer" status would be raised from $700 million to $2 billion in public float for two consecutive years, while all other reporting companies would be deemed to be "non-accelerated filers," which would not be required to obtain an auditor's attestation on internal control over financial reporting. The SEC proposes to create a new sub-category of "small non-accelerated filers" for companies with total assets of $35 million or less for the two most recent fiscal years, and such companies would have an additional 30 days to file their annual reports on Form 10-K and an additional five days to file quarterly reports on Form 10-Q. Comments on the SEC's proposal are due within 60 days after publication in the Federal Register.

Key changes to the public company reporting framework that the SEC has proposed would include:

- Eliminating the categories of "accelerated filer" and "smaller reporting company," so that all reporting companies would be either "large accelerated filers" or "non-accelerated filers," with the smallest companies further deemed to be "small non-accelerated filers."
- Raising the public float threshold for being deemed to be a large accelerated filer from $700 million to $2 billion, as calculated based on the average stock price over the last 10 trading days of a company's second fiscal quarter. This public float threshold would need to be met for two consecutive years to ameliorate frequent changes in filer status. Under the proposal, large accelerated filers would need to have completed at least 60 consecutive calendar months of public reporting before qualifying as a large accelerated filer.
- Extending to non-accelerated filers all of the accommodations that are currently available to smaller reporting companies and "emerging growth companies," including no requirement to seek advisory votes on executive compensation or the frequency of such advisory votes, scaled executive compensation disclosure and reduced financial statement requirements.
- Creating a new sub-category of small non-accelerated filers for the smallest reporting companies, with the benefit of more time available to file periodic reports for those companies.

In the **Fact Sheet** announcing the proposal, the SEC notes that if these proposed amendments were in place today, 19.2% of current reporting companies would be large accelerated filers and 80.8% would be non-accelerated filers. Further, a total of 17.9% of all reporting companies would be classified as small non-accelerated filers.

Skadden

SEC Proposes Sweeping Overhaul of the Filer Status Framework

May 21, 2026

Skadden Publication / SEC Reporting & Compliance Alert

Andrew J. Brady Brian V. Breheny Raquel Fox Caroline S. Kim Joshua Shainess Leo W. Chomiak Jeongu Gim Nicholas D. Lamparski Khadija L. Messina Sydney E. Smith Kyle Wiley

Executive Summary

- **What's new:** The SEC has proposed a comprehensive package of amendments that would transform the filer status framework by simplifying the filer status definitions and extending scaled disclosure and other accommodations to a greater number of companies.
- **Why it matters:** If adopted, the amendments could significantly reduce burdens and compliance costs for newly public companies and companies with a public float below $2 billion.
- **What to do next:** Companies should determine their filer status under the proposed rules and evaluate any potential necessary changes to their existing disclosure controls and procedures and internal control over financial reporting.

On May 19, 2026, the Securities and Exchange Commission (SEC) proposed amendments that would fundamentally restructure the filer status framework and extend the scaled disclosure and other accommodations currently available to smaller reporting companies (SRCs) and emerging growth companies (EGCs) to a far broader set of companies.

The proposed amendments are part of the SEC's ongoing initiative to incentivize companies to go and stay public, including by simplifying the regulatory landscape and rightsizing disclosure requirements through the lens of materiality. On the same day, the SEC proposed sweeping changes (discussed in our client alert "SEC Proposes Sweeping 'Registered Offering Reform' to Expand Access to Public Capital Markets") that would dramatically expand the number of companies eligible to use Form S-3 and extend powerful registration and communication accommodations currently reserved for well-known seasoned issuers (WKSIs) to a broader range of issuers.

If adopted, the filer status amendments would rebalance reporting obligations to scale more meaningfully with market capitalization and maturity, which could significantly reduce burdens and compliance costs for a large number of companies.[1]

Simplification of the Filer Status Framework

Background

Under the current framework, public companies are categorized into five partially overlapping filer/reporting status designations, with varying disclosure requirements and reporting timelines.

Table 1. Current Filer Statuses and Reporting Statuses

Filer Statuses	Reporting Statuses
Large accelerated filers	Smaller reporting companies
Accelerated filers	Emerging growth companies
Non-accelerated filers	

The current framework is layered and complex, requiring companies to annually reevaluate their status(es), taking into account, among other things, their public float as of the last business day of their most recently completed second fiscal quarter and their annual revenue. Notably, and as illustrated below, companies can qualify for multiple filer and reporting statuses simultaneously (*e.g.*, a company can be both an SRC and an accelerated filer).

Table 2. Relationships Between SRCs and Non-Accelerated, Accelerated and Large Accelerated Filers Under the Current Rules

Status	Public Float	Annual Revenue
Non-accelerated filer and SRC	Less than $75 million	N/A
	$75 million to less than $700 million	Less than $100 million
Accelerated filer and SRC	$75 million to less than $250 million	$100 million or more
Accelerated filer (not SRC)	$250 million to less than $700 million	$100 million or more
Large accelerated filer	$700 million or more	N/A

The SEC has granted significant accommodations to SRCs and EGCs to reduce burdens and compliance costs related to the initial public offering process and ongoing public company reporting responsibilities. For example, SRCs are exempt from the requirement to obtain an auditor attestation of management's assessment of the effectiveness of the company's internal control over financial reporting (ICFR), as well as from the requirements to hold say-on-pay and say-on-frequency advisory votes, and are permitted to provide two (instead of three) years of audited financial statements in their annual reports and scaled executive compensation disclosure.

Proposed Amendments to the Filer Status Definitions

The proposed amendments would significantly alter the large accelerated filer definition, including by:

- Raising the public float threshold from $700 million to $2 billion.
- Changing the public float calculation window from the closing price on the last business day of the company's second fiscal quarter to the average closing price over the last 10 trading days of the second fiscal quarter.
- Requiring companies to satisfy (or not satisfy) the public float threshold for two consecutive years before changing filer status.

- Extending the seasoning requirement from 12 calendar months to 60 calendar months.

The proposed amendments also would eliminate the accelerated filer and smaller reporting company categories, such that all companies that are not large accelerated filers are deemed non-accelerated filers.[2] This streamlined filer status structure is intended to simplify the regulatory scheme applicable to public companies.

Public float. Under the amended rules, a company would qualify as a large accelerated filer only if the company's public float was $2 billion or more, calculated based on the company's average closing stock price over the last 10 trading days of the company's second quarter. The 10-trading-day calculation window is intended to minimize the risk of a single day's market volatility resulting in an unexpected change to a company's filer status.

In addition, the $2 billion public float threshold must be met (or not met) for two consecutive years in order for the company's filer status to change. This means that, once a company enters or exits a filer status, it would remain in that status for at least two years.

Unlike under the current rules, there would not be separate, lower thresholds for exiting a filer status.

Seasoning. The amended rules would require a company to have been subject to the reporting requirements of the Securities Exchange Act of 1934 (Exchange Act), as amended, for 60 consecutive months to qualify as a large accelerated filer. As a result, newly public companies would be deemed non-accelerated filers for a minimum of five years, regardless of their public float or revenue.

Annual assessment. Consistent with the current rules, companies would be required to assess their filer status annually, as of the last day of their fiscal year.

Table 3. Comparison of Large Accelerated Filer Conditions

Current	Proposed
- Public float of $700 million or more as of the last business day of the company's most recently completed second fiscal quarter	- Public float of $2 billion or more, based on the average closing price of the company's stock over the last 10 trading days of the company's second fiscal quarter

Current	Proposed
▪ Not eligible to rely on SRC accommodations based on their revenue ▪ Has been subject to the reporting requirements of the Exchange Act for at least 12 calendar months ▪ Filed at least one annual report pursuant to the Exchange Act	▪ Has been above the public float threshold for two consecutive years ▪ Has been subject to the reporting requirements of the Exchange Act for at least 60 calendar months

Proposed Extension of Scaled Disclosure and Other Accommodations

The proposed amendments would extend to all non-accelerated filers the scaled disclosure and other accommodations currently applicable to SRCs and EGCs.[3]

Given the proposed 60-month seasoning period for large accelerated filers, newly public companies would have a minimum five-year "on-ramp" to take advantage of these accommodations. The SEC believes this five-year period would provide companies ample time to adjust to the SEC's disclosure and filing requirements and also encourage more companies to go and stay public.

Table 4. Certain Key Accommodations for Non-Accelerated Filers Under the Proposed Rules

Requirement	During IPO Process	Ongoing Reporting Obligations Post-IPO
Financial statements	▪ Two (instead of three) years of audited financial statements and related MD&A disclosure	▪ Same
Auditor attestation on ICFR under Section	▪ N/A	▪ Not required to include in the Form 10-K an auditor

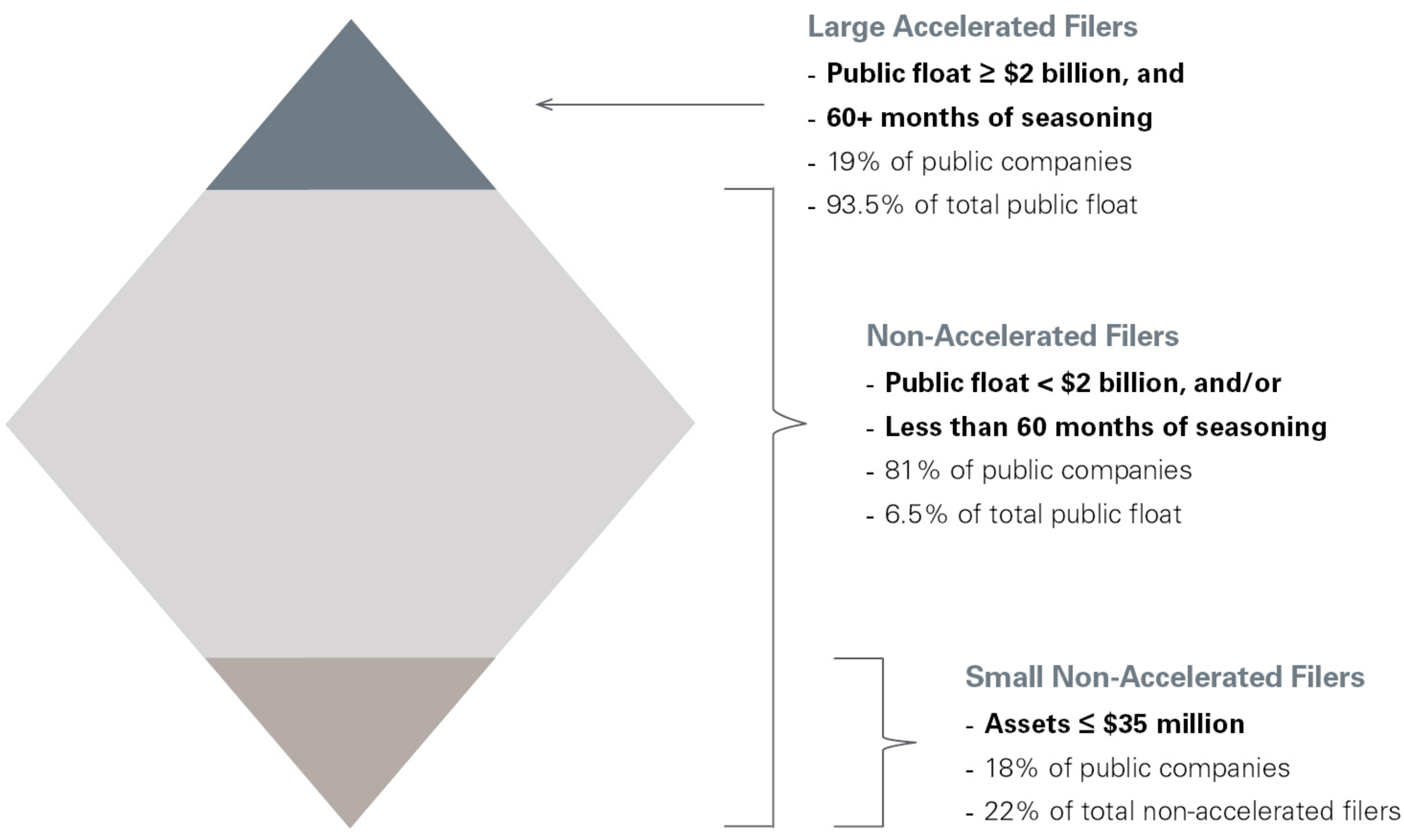
Requirement	During IPO Process	Ongoing Reporting Obligations Post-IPO
404(b) of the Sarbanes-Oxley Act		attestation report on management's assessment of ICFR
Executive compensation disclosure	▪ Omit CD&A ▪ Disclosure covers three (instead of five) named executive officers ▪ Summary compensation table covers two (instead of three) years ▪ Omit pay vs. performance disclosure ▪ Omit CEO pay ratio disclosure ▪ Omit certain compensation tables	▪ Same + omit compensation committee report
Say-on-pay and say-on-frequency advisory votes	▪ N/A	▪ Exempt
Compliance with new or revised GAAP accounting standards applicable to public companies	▪ Can postpone compliance with new or revised financial accounting standards until those standards apply to private companies	▪ Same
New PCAOB rules	▪ Generally exempt from PCAOB requirements adopted after April 5, 2012	▪ Same

Table 5. Filing Deadlines for Periodic Reports Under the Proposed Rules

Form	Large Accelerated Filer	Non-Accelerated Filer	Small Non-Accelerated Filer
Form 10-K	60 days after fiscal year end	90 days after fiscal year end	120 days after fiscal year end
Form 10-Q	40 days after fiscal quarter end	45 days after fiscal quarter end	50 days after fiscal quarter end
Note: The proposed rules would not change existing filing deadlines for Form 8-K.			

The SEC estimates the proposed amendments would result in 1,721 additional companies (approximately 29% of all public companies) being newly eligible to qualify as non-accelerated filers, meaning approximately 81% of all public companies could use these accommodations.

Proposed New Filer Categories[4]



A four-sided polygon diagram shows the SEC's proposed new filer categories. A small triangle at the top of the polygon is labeled "Large Accelerated Filers," defined as companies with a public float equal to or exceeding $2 billion and 60+ months of seasoning. This category encompasses 19% of public companies and 93.5% of the total public float. The remainder of the polygon is bracketed to label it "Non-Accelerated Filers," defined as companies with a public float under $2 billion and/or less than 60 months of seasoning. This category encompasses 81% of public companies and 6.5% of the total public float. A small triangle at the bottom of the polygon is bracketed as a subcategory of non-accelerated filers labeled "Small Non-Accelerated Filers," defined as companies with assets of $35 million or less. This category encompasses 18% of public companies and 22% of non-accelerated filers.

Treatment of Foreign Private Issuers

Currently, foreign private issuers (FPIs) are permitted to use specialized forms and rules designated for FPIs. In light of the accommodations already provided to FPIs, FPIs that elect to comply with the rules and forms designated for FPIs (*e.g.*, Form 20-F and Form 40-F) would not be eligible to use the proposed accommodations for non-accelerated filers.

As a result, an FPI that files annual reports on Form 20-F and has a public float of $75 million or more as of the last business day of the company's most recently completed second fiscal quarter would continue to be required to include in its Form 20-F an auditor attestation of management's assessment of the effectiveness of the company's ICFR, unless the FPI qualifies as an EGC.

The proposed amendments would not revise the way an FPI filing on Form 20-F performs the public float determination for purposes of filer status to align with how a registrant using the domestic forms would determine its public float for purposes of the large accelerated filer definition (*i.e.,* based on average of the stock price over the last 10 trading days of the second quarter). As a result, there will be differences between the two public float determinations.

Proposed Transition Period

If adopted, the amendments would require companies to assess their filer status as of the end of their fiscal year prior to the effectiveness of the final rules. Companies would need to conduct that initial assessment no later than the day prior to the last day of their fiscal year in which the final rules go into effect.

Illustrative Example

If the SEC adopts final rules that become effective on January 15, 2027, then existing calendar-year-end companies would be required to assess their filer status as of December 31, 2026. Those companies would be permitted to complete such assessment as of any date between January 15, 2027, and December 30, 2027.

Large accelerated filers under the current rules that fail to conduct the initial assessment by that deadline would retain their large accelerated filer status until at least the next assessment date. All other companies that fail to conduct the initial assessment by the deadline would be deemed non-accelerated filers.

A company that conducts the initial assessment and qualifies as a non-accelerated filer could begin utilizing the scaled disclosure and other accommodations in its first Securities Act or Exchange Act filing following the assessment.[5]

Comment Period

The public comment period will remain open until July 20, 2026. The SEC has requested comments on several aspects of the proposal, including whether the proposed $2 billion public float threshold and 60-calendar month seasoning period for large accelerated filers are appropriate.

Practical Considerations

The proposed amendments, if adopted, would result in a sweeping overhaul of the filer status framework. Current large accelerated filers that would qualify as non-accelerated filers under the proposed rules should assess whether any changes to their existing disclosure controls and procedures and internal control over financial reporting would be necessary if the rules are adopted.

In addition, private companies currently considering accessing the public markets should take note of the proposed five-year “on-ramp” and reassess the potential burdens and compliance costs of going public, and their current IPO timeline, accordingly.

1 The SEC estimates that 80.8% of current public companies would be non-accelerated filers under the proposed rules. See p. 149 of the Proposing Release.

2 The proposed amendments would also create a new subcategory of non-accelerated filers, known as "small non-accelerated filers," consisting of non-accelerated filers with total assets of $35 million or less as of the end of their two most recent second fiscal quarters. Small non-accelerated filers would be granted an additional 30 days to file their annual reports on Form 10-K (extending their filing deadline from 90 days to 120 days after fiscal year end) and an additional five days to file their quarterly reports on Form 10-Q (extending their filing deadline from 45 days to 50 days after fiscal quarter end).

3 Note, however, that the proposed amendments would require non-accelerated filers to disclose in their annual reports on Form 10-K or Form 20-F the substance of any material unresolved staff comments received by the company staff regarding its periodic or current reports under the Exchange Act not less than 180 days before the fiscal year end. Currently, this requirement does not apply to non-accelerated filers.

4 Source: Annex A, Fact Sheet − Enhancing the Public Company Reporting Framework

5 Companies that qualify as small non-accelerated filers also could begin using the extended small non-accelerated filer deadlines for Form 10-Qs and Form 10-Ks filed after the assessment.

Related Capabilities

Capital Markets // Corporate Governance // SEC Reporting and Compliance

From the Governance, Securities & Reporting Group of Weil, Gotshal & Manges LLP

May 22, 2026

SEC Proposes Broad Reporting Reforms and Significant Enhancements to Capital Markets Access

Two Proposals, One Mission: Lighter Disclosure Burdens and Broader Capital Markets Access

The U.S. Securities and Exchange Commission ("SEC") has proposed two sets of rule amendments aimed at easing regulatory burdens for domestic public issuers and expanding access to the public markets. The first proposal, Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, would significantly streamline the current Exchange Act filer status framework and related disclosure rules. The second proposal, Registered Offering Reform would broaden eligibility for Form S-3 and shelf offerings to nearly all public issuers and enhance the flexibility and efficiency of Form S-1 for follow-on and resale offerings. Together, these proposals would reshape core elements of the disclosure and registered offering regime, with meaningful implications for reporting obligations, capital raising, and compliance costs for the majority of U.S. domestic public issuers. This Alert summarizes the key proposed changes covered by both rulemakings. The public comment period for both proposals will remain open for 60 days following publication in the Federal Register.

Key Takeaways

The proposed rules, if adopted, would have broad implications such as:

- **Large Accelerated Filer Threshold Raised and Reporting Burdens Reduced**. The proposal would substantially reduce the number of companies that will qualify as a large accelerated filer by, among other things, increasing the public float threshold to $2 billion. All other filers would fall into the non-accelerated filer category and benefit from a meaningfully reduced disclosure and reporting regime.
- **Broad Access to Form S-3**. Smaller and newer public companies would gain access to Form S-3 and shelf registration, enabling capital raising faster and at lower cost.
- **WKSI Flexibility for Most Issuers**. The vast majority of domestic SEC reporting issuers would gain access to benefits currently only available to Well-Known Seasoned Issuers ("WKSIs"), including automatic shelf registration after 12 months of reporting for exchange listed issuers, use of free writing prospectuses ("FWPs") without being accompanied by a statutory prospectus, expanded pre-filing communications, and pay-as-you-go registration fees.
- **Expanded Incorporation by Reference for Form S-1**. All issuers would be permitted to incorporate by reference (forward and backward) into Form S-1, significantly reducing duplicative disclosure and complexity of follow-on and resale offerings.
- **State Securities Law Preemption**. The proposed redefinition of "qualified purchaser" under Section 18(b)(3) of the Securities Act would extend state securities law preemption to all registered offerings (not only those involving exchange-listed securities), thereby eliminating blue-sky registration and qualification compliance costs for registered offerings of unlisted securities.

Simplified Filer Status Framework and Reduced Disclosure

Large Accelerated Filer

- The proposed rules would raise the public float threshold for large accelerated filers from $700 million to $2 billion. The SEC estimates that a $2 billion threshold would cover approximately 20% of existing reporting companies, compared to 35.4% today (as measured in calendar year 2024).
- The proposed rules would replace the current single-day measurement date at the end of an issuer's second fiscal quarter with an average of the closing prices over the last 10 trading days of the registrant's second fiscal quarter, multiplied by the number of shares of common equity held by non-affiliates as of the last day of that quarter.
  - Additionally, the $2 billion public float threshold must be met for two consecutive fiscal years.
- The proposed rules would extend the minimum seasoning period before a registrant could become a large accelerated filer from 12 calendar months to 60 consecutive calendar months (5 years) following the date the registrant became subject to Exchange Act reporting requirements.

Non-Accelerated Filer

- The proposed rules define "non-accelerated filer" as any issuer that is not a large accelerated filer.
- The proposed rules create a new subcategory of non-accelerated filer called "small non-accelerated filers," consisting of non-accelerated filers that report total assets of $35 million or less in their financial statements as of the end of each of their two most recent second fiscal quarters.
  - A registrant would qualify as a small non-accelerated filer upon initial registration if it reported total assets of $35 million or less in each of its two most recent fiscal year balance sheets. Once classified as a small non-accelerated filer, a registrant would retain that status until it becomes a large accelerated filer or reports total assets above $35 million as of the end of each of its two most recent second fiscal quarters.
  - Small non-accelerated filers would receive extended deadlines for periodic reports:
    - 120 days after fiscal year end for Form 10-K (compared to 90 days for other non-accelerated filers).
    - 50 days after fiscal quarter end for Form 10-Q (compared to 45 days for other non-accelerated filers).
  - Presumably, if the SEC's recent proposal to permit semi-annual reporting is adopted (discussed in our prior alert here), Form 10-S will have the same deadlines as Form 10-Qs, except within 40 days (large accelerated filers), 45 days (non-accelerated filers), or 50 days (small non-accelerated filers) from the end of the issuer's semiannual period.

Accelerated Filer and Smaller Reporting Company

- The proposed rules eliminate existing accelerated filer and smaller reporting company definitions.

Transition Period

- The proposed rules will allow issuers to assess their filer status at any time after effectiveness of the final rules, looking back to as of the end of their fiscal year prior to the effectiveness of the final rules (i.e., if the final rules are effective in August 2026, calendar year issuers would look to the year ended December 31, 2025). The assessment must be completed no later than the day prior to the last day of their fiscal year in which the final rules go into effect. Therefore, an issuer that qualifies as an non-accelerated filer after its filer status assessment will be able to take advantage of the scaling and other accommodations available to non-accelerated filers immediately (i.e., in its next Securities Act or Exchange Act filing made after the assessment is completed).

Key Exemptions and Scaled Disclosure Options Available to Non-Accelerated Filers

- *No Sarbanes-Oxley Section 404(b) Auditor Attestation.* Non-accelerated filers will not be required to obtain auditor attestation of internal control over financial reporting.
- *Two Years of Financial Statements and MD&A*. Non-accelerated filers would be permitted to (i) prepare financial statements in accordance with Article 8 of Regulation S-X, providing 2 years of audited statements of comprehensive income, cash flows, and changes in stockholders' equity and (ii) provide 2 years of MD&A pursuant to Item 303 of Regulation S-K.
  - Non-accelerated filers would also benefit from less stringent age of financial statements requirements and slightly condensed formats for interim and pro forma financial statements.
- *Scaled Executive Compensation*. Non-accelerated filers would not be required to provide (i) CD&A, (ii) grant of plan-based awards table, (iii) options exercises and stock vested table, (iv) pension benefits table, (v) nonqualified deferred compensation table, (vi) description of compensation policies and practices related to risk management, (vii) pay-versus-performance disclosure, and (viii) pay ratio disclosure.
  - Additionally, executive compensation disclosure will be required for only 3 named executive officers (principal executive officer and next two highly compensated officers), and would also only need to provide 2 years of summary compensation table.
- *No Shareholder Advisory Votes*. Non-accelerated filers would be exempt from the requirements to hold shareholder advisory votes on executive compensation ("say-on-pay"), votes on the frequency of say-on-pay, and golden parachute compensation arrangements.
- *Scaled Related Party Transactions*. Non-accelerated filers would be subject to the $120,000 threshold, but would not be required to describe policies and procedures for the review, approval, or ratification of related party transactions.
  - The more rigorous specific thresholds in current Item 404(d) of Regulation S-K (including the lesser of $120,000 or 1% of total assets and the two year look back) would be eliminated.
- *Additional Scaled Disclosure*. Non-accelerated filers are also permitted to omit:
  - Risk factor disclosure in Forms 10-K and 10-Q.
  - Performance graph disclosure pursuant to Item 201(e) of Regulation S-K (except for investment companies).
  - Supplementary financial information pursuant to Item 302(a) of Regulation S-K.
  - Quantitative and qualitative disclosures about market risk pursuant to Item 305 of Regulation S-K.
  - Compensation Committee Interlocks and Insider Participation disclosure, and the Compensation Committee Report disclosure pursuant to Item 407(e)(4) and (e)(5) of Regulation S-K.
  - The audit committee financial expert disclosure in a registrant's first annual report.
  - Certain payments made by resource extraction issuers.
- *Other Disclosure Changes for Non-Accelerated Filers.* The proposed rules also (i) extend to all registrants the requirement to disclose on Form 10-K the substance of any material unresolved written staff comments that have been outstanding for at least 180 days before fiscal year end and (ii) apply most emerging growth company accommodations to non-accelerated filers, including the extended transition period for complying with new or revised financial accounting standards (as applied to private companies).
- *Foreign Private Issuers.* The proposed rules provide that the new definitions of large accelerated filer and non-accelerated filer, and any related scaled disclosure or auditor attestation accommodations, would not apply to

foreign private issuers ("FPIs") that elect to comply with the rules and use the forms designated for FPIs (*i.e.*, Forms 20-F and 40-F).

Significant Expansion of Access to Shelf-Registration

The proposed rules make Form S-3 eligibility easier for most issuers and will help facilitate access to U.S. capital markets (The SEC estimates that the proposed changes could increase the number of issuers eligible to offer an unlimited amount of securities on Form S-3 by more than 60%):

- *Elimination of All Transaction Requirements*. The proposed rules would eliminate all transaction requirements of General Instruction I.B of Form S-3, including the requirement that an issuer have at least $75 million in public float to be eligible to register an unlimited amount of securities on Form S-3.
- *Elimination of One-Year Seasoning Requirement*. Under the proposed amendments, an issuer would immediately become eligible to use Form S-3 upon having a class of securities registered pursuant to section 12(b) or 12(g), or becoming subject to section 15(d), of the Exchange Act. The proposed rules eliminate the requirement in current General Instruction I.A.3(a) of Form S-3 that an issuer must have filed all materials required under sections 13, 14, or 15(d) of the Exchange Act for at least 12 calendar months immediately preceding the filing of a Form S-3 registration statement.
  - Form S-3 eligibility would continue to require that an issuer be subject to Exchange Act reporting requirements and be current and timely in all materials required to be filed under sections 13(a), 14(a), 14(c), and 15(d) of the Exchange Act during the preceding 12 calendar months (or such shorter period as the issuer has been subject to the reporting requirements).
    - The proposal also provides a limited exception: an issuer would remain eligible despite an untimely filing if (a) the filing was made within seven calendar days of the original due date <u>and</u> (b) the issuer had only one untimely filing during the relevant lookback period.
- *Elimination of Other Requirements*. The SEC proposes to eliminate:
  - "Certain Failures to Make Payments and Defaults" requirement.
  - The electronic filing and Interactive Data File requirements.
- *Protections Against Use by Certain Ineligible Issuers*. The proposed rules would prohibit certain issuers from being able to use Form S-3:
  - Any issuer that is, or during the past 3 years was (i) a blank check company, (ii) a shell company (other than a business combination related shell company), subject to a separate carveout under which an issuer would not be deemed a shell company solely because it or any of its predecessors was a special purpose acquisition company ("SPAC") during the prior three years (provided the issuer is not a shell company at the time of filing the Form S-3), or (iii) an issuer engaged in offerings of penny stock;
  - Issuers convicted of certain felonies or misdemeanors within the past 3 years;
  - Issuers subject to, within the past 3 years, a judicial or administrative decree or order arising from a violation of the antifraud provisions of the federal securities laws in connection with a registration statement, exempt offering materials, or Exchange Act filings;
  - Issuers subject to a refusal order or stop order under Section 8 of the Securities Act within the past 3 years; and
  - Issuers subject to pending proceedings or examinations under Sections 8 or 8A of the Securities Act.

- In addition, the following categories of issuers would be prohibited from using Form S-3 at any time: (i) FPIs (who would continue to use Form F-3), (ii) asset-backed issuers, (iii) investment companies (registered under the Investment Company Act), and (iv) business development companies ("BDCs").
- Corresponding changes are also proposed for Form S-4 to align with the liberalization of Form S-3 eligibility. In particular, more issuers using Form S-4 in stock-for-stock M&A transactions would be eligible to incorporate by reference issuer and target information from Exchange Act reports.

Elimination of WKSI Framework for Domestic Issuers

The proposed rules would delete the current definition of WKSI for domestic issuers (existing WKSI rules would remain in place for FPIs) and replace it with following three new tiers that will provide the former WKSI benefits reserved for larger domestic issuers to almost all domestic issuers:

- Form S-3 eligible issuers: any issuer that meets the proposed Form S-3 registrant requirements but does not have any common equity listed on a national securities exchange.
- Eligible Listed Issuer ("ELI"): any issuer that (i) meets the proposed Form S-3 registrant requirements (*i.e.*, is subject to Exchange Act reporting and reports are current and timely) and (ii) has at least one class of common equity securities listed on a national securities exchange).
- Seasoned Eligible Listed Issuer ("SELI"): any ELI that has also been subject to Exchange Act reporting requirements for at least 12 calendar months.
  - The proposed rules would not permit former SPACs (post business combination) to take into account the reporting history of the SPAC for purposes of determining whether it qualifies as a SELI.

The new categories of issuers would be eligible for the following new benefits:

- *Perks Available to Form S-3 Eligible Issuers*. All Form S-3 eligible issuers would be eligible to: (i) benefit from the broker-dealer research report exemption (permitting broker-dealers participating in a distribution to issue issuer-specific research reports without those reports constituting an "offer"); (ii) omit the identities of selling security holders and the amount of securities to be registered on their behalf; and (iii) use a FWP without the FWP being preceded or accompanied by a statutory prospectus.
- *Additional Perks Available to ELIs.* ELIs would additionally be eligible to: use pre-filing offers; use pre-filing offers for Form S-8 offerings; use post-filing FWPs for Form S-8 offerings; register additional classes of securities or securities of a majority-owned subsidiary via a post-effective amendment; omit certain information from a base prospectus; and use pay-as-you-go fee payment.
- *Additional Perks Available to SELIs.* SELIs would additionally be eligible to file automatic shelf registration statements.

Form S-1 Modernization and Expansion of Incorporation by Reference

- *Incorporation by Reference.* The proposed rules would amend Form S-1's incorporation by reference provisions by allowing all issuers to incorporate by reference, forwards and backwards, into Form S-1 (whether before or after filing its first Annual Report on Form 10-K).
  - Issuers that have not yet filed a Form 10-K would instead be required to incorporate by reference a Securities Act or Exchange Act filing containing Form 10 information.
  - The proposal would also prohibit foreign private issuers from using Form S-1, consistent with the proposed prohibition on use of Form S-3 by foreign private issuers.

Other Proposed Changes

- The proposed rules would change the definition of "qualified purchaser" under Section 18(b)(3) of the Securities Act to apply to any registered offering (not just securities listed on a national securities exchange), thereby preempting state securities law registration and qualification requirements.
- The proposed rules would extend to a broader group of BDCs and registered closed-end funds eligibility to use short-form shelf registration statements on Form N-2, in part by removing related seasoning and public float requirements.

What To Do Now?

- **Consider Benefits of Going Public**. Private companies, regardless of size or profitability, could remain non-accelerated filers for at least the first five years post-IPO, allowing them to rely on scaled disclosures and avoid ICFR auditor attestation under SOX 404(b). This would meaningfully reduce SOX-related compliance costs during the early years as a public company. Coupled with immediate access to Form S-3s, this could incentivize issuers to go public and access U.S. capital markets sooner, while also potentially avoiding for extended periods some of the more onerous U.S. reporting obligations.
- **Prepare for Potential Filer Status Changes**. Current emerging growth companies and smaller reporting companies preparing for a change in filer status, and current accelerated filers and large accelerated filers that have less than a $2 billion public float, could become non-accelerated filers, and should review the scope and cost of SOX and disclosure compliance and consider the timing and practicability of compliance onramp/offramp.
- **Monitor Final Rule Adoption**. If adopted, these rules will have timing considerations; issuers should be prepared to pivot if timing does not align with the issuer's overall capital raising/reporting strategy.

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