

The SEC's Semiannual Reporting Proposal: Fare Thee Well Quarterly Reporting?

May 11, 2026

On May 5, 2026, the Securities and Exchange Commission (SEC) proposed rule and form amendments that would allow companies reporting under the Securities Exchange Act of 1934, as amended (Exchange Act), the option to file semiannual reports in lieu of the current quarterly reporting regime. If adopted as proposed, a company electing this new approach would file one single semiannual report on a new Form 10-S – covering the first six months of the fiscal year – and one annual report on Form 10-K. Companies that do not elect this option would continue filing quarterly. The [proposing release](#) also includes related amendments to Regulation S-X that would update “staleness requirements” and consolidate the “age of financial statements” requirements. Comments on the proposal are due by July 6, 2026.

Background

Under current Exchange Act Rules 13a-13 and 15d-13, domestic reporting companies subject to Sections 13(a) or 15(d) are required to file quarterly reports on Form 10-Q for each of the first three quarters of the fiscal year. The SEC's proposal would amend those rules to permit companies to elect, on an annual basis, to instead file semiannual interim reports on a new Form 10-S. Existing exceptions from the quarterly reporting requirement – for foreign private issuers, asset-backed issuers and investment companies (other than business development companies and face-amount certificate companies) – would remain unchanged.

Proposed amendments

Annual check-box election

Companies would elect semiannual reporting annually by checking a new box on the cover page of Form 10-K. Newly public companies could, alternatively, make the election on certain registration statements filed pursuant to the Securities Act of 1933, as amended (Securities Act) – i.e., Forms S-1, S-3, S-4 or S-11 – or on Exchange Act registration statement Form 10. The election would apply for the first interim report (semiannual or quarterly) of the fiscal year in which the Form 10-K election was filed; a company that made the election could not switch between quarterly and semiannual reporting midyear. For private companies conducting an initial public offering, the company could amend its election with respect to semiannual reporting until the registration statement becomes effective; once effective, the newly public company could not change its election midyear.

A company that leaves the new box unchecked would be deemed to have opted for quarterly reporting. A company would be able to correct an inadvertent check-box error by amending its Form 10-K as soon as practicable after discovery but no later than the due date for the first Form 10-Q that would otherwise have been required for that fiscal year.

Form 10-S content and timing

A semiannual filer would file Form 10-S covering the first six months of its fiscal year. The form would require the same information as currently required by Form 10-Q, including management discussion and analysis (MD&A), legal proceedings, material changes to risk factors, certain equity-related disclosures, defaults, and governance-related items – with US generally accepted accounting principles (GAAP) interim financial statements reviewed (but not audited) by an independent accountant and tagged using inline XBRL. Disclosure controls and procedures certifications would also apply.

The filing deadline would be 40 days (for large accelerated filers and accelerated filers) or 45 days (for all other filers) after the end of the first semiannual period – the same framework that currently governs Form 10-Q. The second half of the fiscal year would be subsumed in the company's annual report on Form 10-K just as the

fourth fiscal quarter is currently subsumed within the company's annual report on Form 10-K. The current framework for newly public companies would also apply; the filing deadline for the first semiannual report would be the later of 45 days after the effective date of the registration statement or the date that the Form 10-S would have otherwise been due had the company been a reporting company.

Companies that do not elect to become semiannual reporters would continue to be required to file three quarterly reports on Form 10-Q and one annual report on Form 10-K for each fiscal year as under the current system for reporting companies. Companies could not opt out of portions of Form 10-Q – it is an “all-or-nothing” election.

Voluntary quarterly disclosures permitted

The proposal contemplates that some companies may elect semiannual reporting for purposes of mandatory periodic disclosure while continuing to provide voluntary disclosure of information on a quarterly basis through other channels, such as earnings releases. In addition, under the proposal, a semiannual filer would not be precluded from voluntarily reporting quarterly financial information in a Form 10-S in addition to the required semiannual financial information. If the quarterly financial information is presented in the Form 10-S financial statements, the quarterly financial information would require auditor review.

Updated financial statement staleness framework

The proposal would also amend Regulation S-X to update and consolidate the financial statement staleness framework and revise how the date of an interim balance sheet is determined in registration or proxy statements. These changes are designed to ensure that registration and proxy statements incorporating financial statements of semiannual filers are not treated as containing stale financial information under a framework calibrated to a quarterly reporting cycle. The changes would also eliminate the one- or two-day period under the existing framework during which financial statements are required to be updated in a registration statement or proxy statement before those updated financial statements would be required to be filed on Form 10-Q.

Currently, Rules 3-01 and 8-08 of Regulation S-X (for smaller reporting companies) address how the date of an interim balance sheet is determined in registration or proxy statements. These rules require a company to assess the number of days from the filing date or from the effective date of a registration statement (or mailing date of a proxy statement) to the date of the most recent balance sheet to determine if the balance sheet falls within 130 days or 135 days, as applicable. The proposal would replace the current day-count tests with a requirement that, generally, a registrant include interim financial statements – as of the end of the most recently completed fiscal quarter (for quarterly filers) or semiannual period (for semiannual filers) – that have been filed, or were required to be filed, on or before the relevant filing date.

The proposal would avoid disparate treatment between semiannual filers and quarterly filers with respect to the age of the interim financial statement requirements. Both quarterly and semiannual filers would have the same date on which the financial statements would be required to be updated because both filers would determine the date from their most recently completed interim periods. However, this could result in an investor in a company that is a semiannual filer not receiving interim financial statements that are as current, as would be required under the existing framework. For example, if a nonreporting company with a calendar fiscal year that elects semiannual reporting files a registration statement as late as August 13, proposed Rule 3-01(c)(2) would not require any interim financial statements to be included in the registration statement.

Technical amendments

The proposal includes a number of technical amendments to conform existing rules and forms to the proposed flexible approach to interim reporting – for example, by inserting references to semiannual reporting or new Form 10-S and adding definitions of “quarterly filer” and “semiannual filer” to Exchange Act Rule 12b-2 and Securities Act Rule 405.

Who would be affected

The proposed accommodation would be available to all domestic Exchange Act reporting companies currently subject to Form 10-Q filing requirements under Sections 13(a) or 15(d), as well as companies filing Securities Act or Exchange Act registration statements of the types discussed above. Companies already excluded from the quarterly reporting requirement – including foreign private issuers, asset-backed issuers and investment

companies (other than business development companies and face-amount certificate companies) – are not within the scope of the proposed amendments.

Potential benefits of semiannual reporting discussed in the proposal include reallocation of time and resources to business strategy, new product or service development, and other value-enhancing activities. The SEC stated these benefits may be especially appealing to newly public or smaller companies that may have financing constraints or limited managerial capacity and are intended to help newly public or smaller companies ensure long-term viability and remain in the public market. Additionally, the proposal suggests that the semiannual reporting structure and the reduction of compliance costs associated with quarterly reporting may contribute to more private companies choosing to enter the public market.

In light of these potential benefits, companies will still need to consider their industries, peer practice, size, business operations (including seasonality), financing needs, contractual obligations and investor base, among other factors, before determining whether to move to semiannual reporting. For example, a move to semiannual reporting may make more sense for a pre-revenue biotechnology company whose investors tend to care more about the outcome of clinical or regulatory developments than the information that is required by Form 10-Q. Meanwhile, companies that have robust analyst coverage, or that have debt covenants requiring quarterly information, may find that continuing with a quarterly reporting cadence better serves their needs.

Open questions

The SEC has solicited comments on a range of issues that may shape the final rule. Key areas of uncertainty include:

- Eligibility for electing semiannual reporting (i.e., a mandatory or optional requirement)
- Filing deadline for Form 10-S
- Permissibility of midyear changes to reporting frequency and method of such changes
- Treatment of earnings releases for semiannual filers (i.e., whether earnings releases should be “filed” rather than “furnished”)
- Auditing and accounting implications, including with respect to the comfort letter process
- Implications to insider trading policies, trading windows and Rule 10b5-1 plans
- Comparability of financial information among quarterly and semiannual reporters
- Compliance date, including any applicable transition period

Observations and commentary

When evaluating a shift to semiannual reporting, companies should consider a number of factors, including:

- **Impact on quarterly earnings disclosure.** Depending on their investor profile, companies may feel compelled to continue to issue earnings releases and hold quarterly earnings calls. Additionally, because semiannual filers will be reporting financial and other material information on a less frequent basis, there may be an increase in Forms 8-K filed by semiannual filers. Companies will also need to consider the impact on their guidance practices – shifting from quarterly guidance to semiannual, annual or no guidance – when evaluating a move to semiannual reporting.
- **Implications for active registration statements.** Companies that have active registration statements are required to keep them current to ensure investors have all of their material information. For many companies, this is achieved through incorporation by reference of their Exchange Act reports into their registration statements. A company moving to semiannual reporting would need to be mindful of the fact that extant registration statements would be regularly updated only two times per year rather than four times per year. This consideration would be relevant not only for companies with shelf and resale registration statements but also for companies with employee equity plans registered on Form S-8.
- **Capital raising needs.** Given the current practices regarding auditor comfort letters and negative assurance for securities offerings, depending on the timing of an offering, an underwriter may request auditor review of more recent interim financial statements than those included in the last semiannual or annual report in order to obtain traditional negative assurance comfort. Companies with near-term capital raising needs may need to continue to report quarterly, depending on how the underwriting process adapts to a semiannual reporting structure.
- **10b5-1 plan, insider trading policy and Regulation FD considerations.** Semiannual reporting could affect the cooling-off

period for Rule 10b5-1 trading plans adopted by directors and Section 16 officers. Under Rule 10b5-1, trading cannot begin until after a cooling-off period expiring the later of 90 days after adoption or modification of a plan or two business days following disclosure of a company's financial results for the relevant fiscal period in a Form 10-K or 10-Q, subject to a maximum cooling-off period of 120 days. For companies that elect semiannual reporting, trading plans adopted during the first or third quarter would more likely be subject to the full 120-day cooling-off period before trading may begin under the plan.

Additionally, companies adopting a semiannual reporting framework may need to impose longer trading blackout periods under their insider trading policies. A semiannual reporting framework could result in longer gaps between the disclosure of financial and other material information. Companies may prefer to continue a quarterly reporting cadence, or to continue issuing quarterly earnings releases, to allow for more frequent open trading windows. Relatedly, a semiannual framework may result in the need for more rigorous policies and protocols around Regulation FD. If companies are in possession of material nonpublic information for longer periods of time, the risk of inadvertent disclosure of such information increases, and a company's ability to have discussions with analysts and investors could be impacted.

- **Competitive (dis)advantages.** A semiannual reporting framework could create information asymmetries between companies that report semiannually and those that continue to report quarterly. Companies that elect to continue to report quarterly would disclose financial results, legal developments and other information more frequently, which may provide semiannual reporters with additional visibility into competitors' performance and strategies they can use to inform their own decision-making.

At the same time, semiannual reporting companies may be at a disadvantage in the public markets. Investors may rely on more frequent disclosures from quarterly reporting peers as indicators of industry trends, which could cause the stock prices of semiannual reporters to move in response to competitors' results, even when those companies have not provided updated information about their own performance.

Next steps

The SEC's semiannual reporting proposal is open for public comment, and the SEC is actively soliciting input on the numerous questions it has posed. As highlighted in this alert, there are many important factors that companies will need to carefully consider as they evaluate whether moving to semiannual reporting makes sense for them. Cooley's corporate governance and securities regulation attorneys are available to discuss these issues with you.

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