

Policy Backgrounder

# Optional Semiannual Reporting for Public Companies

The Securities and Exchange Commission (SEC) has proposed allowing public companies currently required to file quarterly reports on Form 10-Q to elect instead to file semiannual reports on new Form 10-S. Companies making the election would file one semiannual report and one annual report each year.

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- The new proposal is not mandatory; companies not choosing to make the election would continue their current reporting schedule.
- The proposal is part of a broader SEC initiative to encourage US companies to raise capital in the public markets, including rules for new and recent issuers.
- Public companies should assess whether investors, analysts, lenders, rating agencies, underwriters, and index providers would accept semiannual reporting or continue expecting quarterly information. Companies may consider a hybrid model, using semiannual SEC filings while continuing quarterly earnings releases or investor calls.
- Comments on the proposal are due July 6.

## What Would Semiannual Reporting Mean?

The SEC has proposed allowing public companies currently required to file quarterly reports on Form 10-Q to elect instead to file semiannual reports on new Form 10-S.<sup>1</sup> Companies making the election would file one semiannual report and one annual report for each fiscal year, rather than three quarterly reports and one annual report. Companies that do not elect semiannual reporting would continue filing three Form 10-Qs and one Form 10-K each year. (The change would not affect public companies' other SEC filing obligations, including the Form 8-K "current report" for major unscheduled material events.) Comments on the proposal are due by July 6.

Current SEC leadership has [prioritized](#) reducing regulatory burdens associated with being a public company to encourage more companies to enter and remain in public markets, an initiative that the SEC Chair has characterized as "make IPOs great again." These efforts are intended to both support capital formation for firms and give retail investors greater access to emerging firms that have more recently been accessing capital in private markets.

Though the SEC notes it is unable to predict how many firms would elect semiannual reporting, it assumes about 20% of firms currently required to file Form 10-Q (about 1,200 companies) would switch. It further estimates that each company switching to semiannual reporting would save about \$198,000 per fiscal year in net direct compliance costs, reflecting avoided annual Form 10-Q costs of \$330,000 offset by \$132,000 in estimated annual costs for one Form 10-S.

Aside from the question of how many companies would make the change, it is unclear how the proposal would affect investors once it is approved. The proposal could reduce one perceived barrier to going or remaining public, but it could also reduce market transparency and widen information asymmetries. The proposal may also provide asymmetric advantages to institutional investors with access to alternative or proprietary information while leaving retail investors more dependent on voluntary company updates or delayed semiannual disclosures.

### Other initiatives

Beyond this proposal, the SEC has also been working on other efforts related to the public markets. On May 19, the SEC proposed additional rules changes intended to make it easier and less costly for public companies to raise money in the public markets. The proposal would let more companies use faster, more flexible offering processes, make it easier to reuse information already filed with the SEC, expand broker-dealer research coverage, and reduce the cost and complexity of raising capital across multiple states by expanding Federal preemption of state securities laws.

The SEC also proposed scaling back some reporting requirements for a much larger share of public companies. The proposal would raise the threshold for the most demanding reporting category from \$700 million to \$2 billion in public float, give newly public companies at least five years before they could enter that category, extend reporting accommodations applicable to smaller companies to about 81 percent of current public companies, and give the smallest public companies more time to file annual and quarterly reports.

While the SEC defends its efforts on the ground of enhancing access to the public markets in the face of a trend for growing companies to raise money privately rather than seeking public listings, the expansion of prediction markets is affecting the securities industry as well. Polymarket, the world's largest prediction market, announced on May 19 the launch of the first

prediction markets tied to private company performance based on Nasdaq Private Market data.<sup>2i</sup> These contracts could give traders exposure to private-company valuation milestones, IPO timing, and secondary-market activity without owning equity. US users are generally blocked from Polymarket due to regulatory issues, though that prohibition is poorly enforced.<sup>3</sup>

## Business Impacts

One important area concerns disclosure strategy and investor expectations. Public companies should assess whether investors, analysts, lenders, rating agencies, underwriters, and index providers would accept semiannual reporting or continue expecting quarterly information. Companies may consider a hybrid model, using semiannual SEC filings while continuing quarterly earnings releases or investor calls. That approach could preserve some transparency but may also raise questions about comparability, verification, liability, and whether voluntary disclosures can substitute for standardized Form 10-Q filings.

Another area for businesses to consider is public market competitiveness. For smaller and emerging companies, the proposal could reduce some of the perceived burden of going and remaining public. But companies should consider whether market practice would still require quarterly financial information in registration statements, prospectuses, comfort letters, due diligence, or investor roadshows.

A further important related issue is investor relations and the confidence of retail investors. Companies that elect semiannual reporting may need a clear investor-relations rationale to do so, as investors may interpret the election as a reduction in transparency unless companies explain how they will maintain timely, reliable communication. Retail investor concerns could be particularly important for companies with significant individual shareholder bases, high volatility, limited analyst coverage, or complex business models.

Adopting the election also raises issues regarding internal governance and controls. Boards, audit committees, CFOs, and general counsel should evaluate whether semiannual reporting would require changes to disclosure controls, internal control testing, audit committee calendars, earnings release procedures, and insider trading windows. Less frequent mandatory reporting could increase scrutiny of how companies manage material nonpublic information between reports.

Comments on the proposal are due by July 6. All types of stakeholders may comment: Companies, investors, exchanges, accounting firms, lenders, analysts, and other market participants should consider submitting comments by then. To the degree they are comfortable doing so, these comments could include data on Form 10-Q preparation costs, investor use of quarterly information, retail versus institutional information access, effects on liquidity and analyst coverage, capital-raising implications, and whether a scaled or pilot approach would better balance burden reduction and investor protection.

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## Endnotes

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<sup>1</sup> <https://www.sec.gov/newsroom/press-releases/2026-42-sec-proposes-amendments-permit-optional-semiannual-reporting-public-companies>

<sup>2</sup> <https://www.businesswire.com/news/home/20260518589148/en/Polymarket-Launches-Prediction-Markets-on-Private-Companies-Powered-by-Nasdaq-Private-Market-Data>

<sup>3</sup> <https://www.wsj.com/finance/regulation/government-prediction-markets-betting-2126dcb3>