

Vital Briefing

Two Administrations, two social media posts, two SEC responses, and voila—optional quarterly reports?

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Perhaps the second time is the charm when it comes to making quarterly reporting voluntary. The SEC appears to be poised to grant President Trump's wish that Exchange Act reporting companies have the option to file semiannual reports instead of the currently required quarterly reports. In May 2026, the Commission issued a [proposal](#) that would make that wish a reality. Public comments are due by July 6, 2026.

I. Introduction

Once again President Trump has used social media, his own [Truth Social platform](#), to urge the SEC to pick up where the agency left off during his first term regarding giving companies the option to become semiannual reporting companies rather than quarterly reporting companies. "Subject to SEC Approval, Companies and Corporations should no longer be forced to 'Report' on a quarterly basis (Quarterly Reporting!), but rather to Report on a 'Six (6) Month Basis,'" said Trump. "This will save money, and allow managers to focus on properly running their companies."

During the first Trump Administration, it was a presidential [tweet](#) (now X) that may have prompted then-SEC Chairman Jay Clayton (currently U.S. Attorney for the Southern District of New York) to issue a [statement](#) acknowledging the president's remark and noting that the SEC considers the nature of its reporting requirements on an ongoing basis, including the implementation of

Short-termism concerns are not new

Despite presidential social media posts, the underlying question of whether reporting frequency puts too much focus on public companies' short-term financials has existed since the early years of the Exchange Act and has its roots in a much longer debate over quarterly versus semiannual reporting.

In the 1940s, the SEC adopted quarterly reporting for some financial items only to abandon that framework for a semiannual reporting regime in the 1950s. It was not until the 1970s, following publication of the Wheat Report (See [SEC Historical Society](#) website), and with some exceptions for real estate investment trusts, that the SEC once again adopted a quarterly reporting regime (Form 10-Q) which, over time, has evolved to include the disclosure of additional information about companies. During the current quarterly reporting regime, Form 8-K has provided an outlet for certain company disclosures needed to be made more frequently than quarterly (i.e., four business days after an event), while voluntary quarterly earnings guidance has achieved increasing prominence. (See, e.g., the Wolters Kluwer publication *Loss, Seligman, and Paredes, Securities Regulation, Section*

6.B.1., n. 29.) (observing that quarterly reports were not required until 1946, twelve years after enactment of the Exchange Act, despite being mentioned in Exchange Act Section 13(a)(2)).

Moreover, as the request for comment issued during the first Trump Administration noted, the European Union had vacillated between quarterly and semiannual reporting, adopting a semi-annual approach in its latest directive. The request for comment further observed that the EU has acknowledged the appeal of quarterly reports to market participants, while also noting the burden of such reports on smaller companies and the possibility that they may encourage a short-term focus by companies. In the U.K., which also eliminated quarterly reporting, the request for comment said one study showed that corporate investment was unchanged by whether a company issued quarterly or semi-annual reports, but analysts sometimes curbed coverage of companies that issued less frequent reports. The proposing release issued during the second Trump Administration noted that Hong Kong and Japan also provide for semiannual reporting and that some companies in the U.S. (e.g., Regulation A Tier 2 issuers and foreign private issuers) already file semiannual reports.

“a variety of regulatory changes that encourage long-term capital formation while preserving and, in many instances, enhancing key investor protections,” only to follow-up with a brief statement accompanying a [press release and Fact Sheet](#) on a request for comment.

Quarterly reporting obligations of U.S. registered public companies have been a mainstay of the long-running debate over

short-termism in domestic stock markets. However, assuming the SEC will adopt a regulation permitting semiannual reporting, many companies may struggle to shed contractual and other potential anchors that may hinder their move to semiannual reports. Even companies that successfully make the switch could find their cost of capital increase all the while angering investors and analysts who may demand more frequent financial updates.

II. SEC foresees three types of filers

The SEC’s proposing release contemplates that reporting companies will fall into three groups if the proposal is adopted. That would mean that some companies would elect semiannual reporting, some might elect semiannual status but retain some vestiges of quarterly reporting, and other companies would remain quarterly reporting companies.

Proposed SEC filer types

SEC nomenclature	Semiannual reporters	Hybrid reporters	Quarterly reporters
When to elect status?	Annually	Annually	Annually
How to elect status?	Check semiannual box on registration or annual report cover page	Check semiannual box on registration or annual report cover page	Do not check semiannual box on registration or annual report cover page
What to file?	Form 10-S	Form 10-S	Form 10-Q
When to file?	Once per year	Once per year	Three times per year
Supplemental information?	No	May voluntarily provide	Continue current practices
Estimated costs	Based on one such filing per year \$132,000 or savings of \$198,000 Cost to check the box \$123.00 Switching costs Other costs may not be quantifiable	Switching costs (likely comparable to semiannual only reporters. Some additional costs if provide voluntary disclosures	Based on three filings per year \$330,000

Source: Semiannual Reporting, Release No. 33-11414 (May 5, 2026), 91 FR 24968 (May 7, 2026).

III. Economic analysis

So, a company wants to consider switching to semiannual reporting if the

Commission adopts a final regulation permitting them to do so. What economic factors will companies mull in making the determination whether to check the

semiannual box on their registration statement or annual report?

Economic factors

	<i>Semiannual reporters</i>	<i>Hybrid reporters</i>	<i>Quarterly reporters</i>
Benefits	Cost savings from not filing Q1 and Q3 reports. Delay or minimize disclosure of proprietary information otherwise disclosable in quarterly reports. Note: Company could voluntarily release such information; Also, aggregation of six months of data can make it hard for investors to parse quarterly performance. Note: Contractual or other regulatory obligations may require quarterly reports, so cost savings from being a semiannual reporter may be undermined.	May enjoy some cost savings from being a semiannual reporter. Note: This status offers a middle ground between cost savings and investor demand for information. Note: Cost savings may be eroded to the extent the company voluntarily issues additional financial disclosures.	Differentiate company from semiannual reporters. Satisfy contractual and regulatory requirements and meet the demands of investors and analysts for more frequent disclosures. Potentially increased liquidity and lower cost of capital due to more frequent financial disclosures. Maintain the flexibility to change to semiannual or hybrid reporter status in the future.
Costs	Less frequent financial disclosures (smaller investors may be most impacted but all investors and analysts may have to rely on other sources of information). Potential for reduced liquidity, higher cost of capital, and increased stock price volatility. One six-month period of financials instead of two quarters of financials (may be harder for investors and analysts to spot business trends). Potential inability to compare semiannual, hybrid, and quarterly reporters' data, especially if companies reporting periods do not align. Potentially delayed surfacing of accounting and internal control deficiencies. Costs associated with switching between quarterly and semiannual reporting.	Voluntary disclosures may beget varied costs and may result in lack of standardization and comparability. Fewer auditor reviews of company financials. No XBRL benefit on EDGAR unless company voluntarily tags data and, thus, less disclosure efficiency. Potential disparate treatment versus quarterly reporters because investors and analysts may view mandated and voluntary disclosures differently. Costs associated with switching between quarterly and semiannual reporting and costs associated with voluntary disclosures.	Ongoing costs of quarterly reporting versus companies that opt for semiannual or hybrid reporting status. Some companies could be constrained to continue quarterly reporting due to contractual and/or other regulatory obligations. Potentially a lack of standardization and comparability versus hybrid and semiannual reporters. Potential disadvantage regarding proprietary information versus semiannual and hybrid reporters because semiannual and hybrid reporters may take advantage of such information while quarterly reporters may not be able to mitigate or reciprocate that competitive advantage.

Source: Semiannual Reporting, Release No. 33-11414 (May 5, 2026), 91 FR 24968 (May 7, 2026).

IV. Where will investors get more granular information?

As a general matter, the Commission's proposing release said the agency could not estimate how many companies may elect semiannual reporting status if given the opportunity because the determination to make that election is "voluntary and firm-specific." Likewise, while the proposing release suggests that the potential cost savings of semiannual reporting may be most likely to incentivize smaller companies to make the election, these companies also may be constrained in electing semiannual reporting because of investor and analyst demands for more frequent financial disclosures. This decision would be analogous to the decision made by an emerging growth company regarding whether to forgo certain statutory exemptions available to EGCs.

Regardless of which types of companies or how many companies may elect semiannual or hybrid reporting status, investors and analysts may need to look to additional sources beyond semiannual filings on proposed Form 10-S to obtain actionable information about semiannual reporters. The most likely sources of current information would be Form 8-K and Form 4, although other filings may provide insight into a company's business. The informational sources most widely available are the following:

- **Form 8-K**—Current reports of transactions required to be reported in various Items. Some disclosures may overlap

with quarterly reports, but there may be differences regarding certain information on Form 8-K versus Form 10-Q that is not reviewed by auditors or may not be subject to certain other SEC regulatory requirements. For investors seeking information about semiannual and hybrid reporters, Item 2.02 will be important because it provides for the furnishing of earnings releases and other material information. Company conference calls, however, may not have to be furnished to the SEC via Form 8-K if the company meets certain conditions. The proposing release noted that conference call materials are often available on company websites or from third-party information providers.

- **Form 3**—Initial statement of beneficial ownership of securities. This form must be filed by, among others: (1) any director or officer of an issuer with a class of equity securities registered pursuant to Exchange Act Section 12; and (2) any beneficial owner of greater than 10 percent of a class of equity securities registered under Exchange Act Section 12. Note that recently enacted amendments made by the Holding Foreign Insiders Accountable Act apply this requirement to officers and directors (but not beneficial owners) of FPIs. Form 3 must be filed within 10 days after the event by which the person becomes a reporting person. A reporting person of an issuer that is registering securities for the first time under Exchange Act Section 12 must file the form no later than the effective date of the registration statement.

- **Form 4**—Statement of changes in beneficial ownership of securities. The form must be filed before the end of the second business day following the day on which a transaction resulting in a change in beneficial ownership has been executed. Those who may need to file Form 4 should consult Exchange Act Rule 16a-1(a)(2) and Instruction 4 to Form 4 regarding the meaning of "beneficial owner."
- **Form 5**—Annual statement of beneficial ownership of securities. The form must be filed on or before the 45th day after the end of the issuer's fiscal year.
- **Third-party sources**—Investors and analysts may need to rely on a variety of third-party curated resources.

V. Looking ahead

Market participants will continue to monitor this issue as the public comments arrive in the SEC's mailbox. It will be interesting to see if commenters follow the same patterns as were seen regarding the prior request for comment or whether new points of contention may arise. Given the increased political prominence of the semiannual versus quarterly reporting issue today, practitioners likely should expect the Commission to adopt a final rule on voluntary semiannual reporting possibly before the end of 2026. As a result, reporting companies that would be eligible to switch to semiannual reporting can begin to anticipate when they might wish to make that annual election by checking the box on the relevant registration statement form or on their annual report.