U.S. Securities and Exchange Commission

STATEMENT

Remarks to the Small Business Capital Formation Advisory Committee

Commissioner Mark T. Uyeda (/about/sec-commissioners/mark-t-uyeda)

July 21, 2026

Good morning, and thank you all for being here.[1] Before turning to today's agenda, I want to welcome the five new members who joined this Committee last month: Anya Coverman, Joseph Lucosky, Andrew Prystai, Rodrigo Seira, and Erik Syvertsen. You bring perspectives from portfolio alternatives, capital markets law, early-stage venture, and fund formation. I look forward to your future contributions and this Committee will be stronger for them.

At the last meeting in April, I raised several concerns about barriers for small companies accessing public markets: fixed compliance costs, underwriter economics that disfavored smaller companies, and a regulatory framework calibrated for large issuers.[2] Now I'd like us to spend less time on diagnosis and more time on potential solutions. Thus, I am pleased that the Committee will be briefed on the three proposals moving through the Commission right now: expanding Form S-3 eligibility and taking other steps to modernize the registered offering process, enhancing emerging growth company accommodations and simplifying filer status, and providing options for companies and their shareholders to determine their optimal periodic reporting cycles, whether that be semiannual or quarterly. Today you will hear

directly from the Division of Corporation Finance on these three specific reforms.

Modernizing our rulebook is important. The Commission last took a hard look at improving the capital formation environment more than two decades ago. These proposals address concerns that our rules, forms, and guidance for public companies are outdated and disproportionately burdensome for smaller companies relative to benefits.

For example, consider Form S-3 and shelf registration. The framework we're currently operating under mostly dates to 2005 — before the iPhone had even been rolled out.[3] It is also before the Commission required XBRL and structured data, which have created a very different disclosure environment. Expanding S-3 eligibility to more issuers, and streamlining the registration and communication rules that come with it, is an attempt to create a set of rules that more accurately reflects how information moves today. For a small company, that's not an abstract benefit — it's the difference between raising capital on a reasonable timeframe and watching a market window close during a lengthy registration process.

For each of these proposals, and any other potential regulatory reforms discussed today, the test I'd ask the Committee to apply is simple to state and hard to answer: is a given disclosure obligation producing information to investors that materially changes the enterprise value of a company or its stock price? Or is it a fixed cost that lands hardest on the companies with the fewest resources to absorb it?

This is a difficult question to answer in part because the costs we're talking about rarely show up as a single dramatic barrier. They accumulate — a threshold set too low, a deadline too tight, a filing requirement that made sense for a $10 billion company but gets applied to one a fraction of that size. Often a single line item does not look unreasonable in isolation. The cumulative effect is what pushes companies to stay private, or to leave the public markets. I hope that this Committee, comprised of individuals who are uniquely positioned to understand the barriers facing capital formation for small businesses, can tell us plainly if we've drawn the line in the wrong place. Or more importantly, how we should be thinking about applying principles-based rules rather than prescriptive mandates that attempt to create backdoor merit regulation.

Thank you again for your service, and I look forward to the discussion.

[1] My remarks today reflect my views as an individual Commissioner and not necessarily the views of the full Commission or my fellow Commissioners.

[2] Commissioner Mark T. Uyeda, *Remarks to the Small Business Capital Formation Advisory Committee* (Apr. 28, 2026), available at https://www.sec.gov/newsroom/speeches-statements/uyeda-remarks-sbcfac-042826 (https://www.sec.gov/newsroom/speeches-statements/uyeda-remarks-sbcfac-042826).

[3] Commissioner Mark T. Uyeda, *Statement on Proposing Registered Offering Reform and Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies* (May 19, 2026), available at https://www.sec.gov/newsroom/speeches-statements/uyeda-statement-proposing-registered-offering-reform-and-enhancement-of-emerging-growth-company-accommodations-and-simplification-of-filer-status-for-reporting-companies-051926#_ftn7 (https://www.sec.gov/newsroom/speeches-statements/uyeda-statement-proposing-registered-offering-reform-and-enhancement-of-emerging-growth-company-accommodations-and-simplification-of-filer-status-for-reporting-companies-051926#_ftn7).

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