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SEC Transactions and Compliance ("STAC") Group

Quarterly SEC Round-Up – Q2 2026



Major reforms on the horizon

Proposed move to semiannual reporting

In May 2026, the SEC proposed allowing US domestic reporting companies to choose between quarterly reports on Form 10-Q or semiannual reports on a new Form 10-S. Companies would make their election via a check-box on the Form 10-K cover page, committing to the chosen frequency for the remainder of that fiscal year, while newly public companies would elect on their registration statement cover page. The proposal would not change the foreign private issuer ("FPI") reporting regime, which the SEC may tackle in connection with last year's FPI eligibility concept release.

Proposed reform of public offering and reporting regimes

The SEC also issued two other major proposals in May 2026, focused on reforming filer status and registered offerings, which have the potential to significantly alter the US public company offering and reporting regime. The filer status proposal would create a minimum five-year IPO on-ramp during which all new US domestic registrants, regardless of public float, are provided significant accommodations, including an exemption from the auditor attestation on internal controls over financial reporting requirement. The proposal would also reform the filer status categories such that most public companies would be deemed "non-accelerated filers" with extended deadlines for filing annual and quarterly reports. Further, the registered offering proposal would significantly expand the category of issuers eligible to use Form S-3 and rely on certain "well-known seasoned issuer" benefits, which would mean smaller public companies would have access to shelf registration for the first time in decades. As proposed, however, none of these changes would apply to FPIs.

Proposal to come on modernizing the IPO process

In a May 2026 speech, SEC Chair Paul Atkins also said the SEC staff is currently preparing recommendations to modernize the IPO process itself. In particular, he said that the staff is focusing on IPO communications / gun-jumping rules and untraditional methods of going public such as direct listing and de-SPAC transactions.

SEC's draft strategic plan

In June 2026, the SEC issued a draft strategic plan for public comment. The plan focuses on three goals: (i) renewing the SEC's regulatory policy focus; (ii) shifting the SEC's regulatory practices; and (iii) optimizing the SEC's operational efficiency.

Key takeaways – These proposed changes are the most ambitious reforms to the public company registration and reporting rules since the JOBS Act established the emerging growth company ("EGC") regime in 2012. And these reforms may be only the beginning, as Chair Atkins has already announced that there will be further proposed changes to the IPO process, and the SEC's draft strategic plan focuses heavily on the "capital formation" element of the SEC's mission.

If the filer status amendments are adopted as proposed, all new US domestic registrants – including those who would not qualify for EGC accommodations under the current system – would benefit from scaled disclosure and other significant accommodations for at least the first five years after an IPO. As well as the exemption from obtaining an auditor's attestation on ICFR, these accommodations include reduced executive compensation disclosure and exemptions from the required shareholder advisory votes on executive compensation matters, such as say-on-pay, say-on-frequency, and golden parachute votes. Further, potentially 80% of current reporting companies would have the benefit of these accommodations perpetually, unless and until their public float reaches or exceeds $2 billion for two consecutive fiscal years.

The proposed move to semiannual reporting would also be a major change to the reporting regime, though we expect that many US domestic issuers may still opt for quarterly reporting given investor and analyst expectations, contractual obligations and concerns about longer trading blackout periods.

However, the exclusion of FPIs from the filer status and registered offering changes could create a significant and unwelcome gap between how domestic issuers and FPIs are treated. FPIs would not be directly affected by the semiannual reporting proposal, but if adopted, the option to report semiannually would ease the impact of the potential tightening of the FPI definition contemplated by the FPI eligibility concept release, which could push more non-US issuers into the US domestic reporting regime.

S&P 500 declines to fast-track inclusion for mega-cap IPOs

As reported in our Q1 2026 report, a number of index providers had been considering proposals to allow large newly listed companies to be fast-tracked into their indices, prompted by the anticipated IPOs of SpaceX, Anthropic and OpenAI.

S&P Dow Jones Indices had been weighing several proposed modifications tailored specifically to so-called "MegaCap companies," including: (i) shortening the seasoning period for new IPOs from 12 months to six months; (ii) waiving the investable weight factor ("IWF") requirement that at least 10% of a company's shares be publicly available; and (iii) waiving the GAAP profitability requirements applicable to the most recent quarter and prior four quarters. Ultimately, however, S&P Dow Jones Indices decided in June 2026 not to make these changes, except for a limited adjustment to the IWF rules for lower-profile benchmarks, such as the S&P Total Market Index and the Dow Jones US Total Stock Market Index, which could permit faster entry into those indices.

By contrast, both Nasdaq and FTSE Russell proceeded with the fast-track changes described in our Q1 2026 report. SpaceX was eligible to enter the Nasdaq-100 Index within 15 trading days of its listing, and FTSE Russell confirmed accelerated entry to the Russell indices for qualifying companies after the close of the fifth trading day following an IPO.

Key takeaways – S&P's decision to maintain its eligibility criteria means that SpaceX, as well as Anthropic and OpenAI if and when they list, will not be eligible for S&P 500 inclusion for at least a year following their respective IPOs. The divergence between S&P and its rivals reflects a broader debate about the integrity of benchmark indices, with proponents of S&P's approach arguing that the traditional eligibility screens serve to protect the large pool of passive investors from undue exposure to early-stage, loss-making companies. If fast-track inclusion had been permitted, Bloomberg Intelligence estimated that S&P 500 entry alone would have triggered approximately $14 billion of passive fund inflows for SpaceX, more than $8 billion for OpenAI, and $4.6 billion for Anthropic.

SEC formally moves to end its climate rules

Two years after adopting its climate-related disclosure rules, the SEC has taken formal steps to rescind the rules by issuing a proposal to rescind them in their entirety. The rules, which were adopted in 2024, mandate certain climate-related disclosures from SEC registrants. In response to litigation, the SEC agreed to stay the rules pending judicial review, and following the change in administration in 2025, the SEC voted to end its defense of the rules.

Key takeaways – Since the rules have never been enforced, the proposed rescission is more of a formality. In practice, US registrants' climate disclosure obligations are shaped primarily by the SEC's 2010 guidance and existing Regulation S-K requirements. Entities formed under US law will also need to consider certain state regulations, which are discussed further in our quick guides to the climate disclosure laws in California and New York.

Three more "qualifying jurisdictions" under Section 16(a)

In May 2026, the SEC issued further exemptive relief that adds three more jurisdictions – Australia, India and Singapore – to the list of "qualifying jurisdictions" listed in its March 2026 order exempting directors and officers of FPIs incorporated or organized in a "qualifying jurisdiction" and subject to a "qualifying regulation" from filing Section 16(a) reports.

Key takeaway – Directors and officers should not assume they are automatically exempt simply because their company is in a qualifying jurisdiction. For example, any director or officer who is not a reporting person under the relevant qualifying regulation would still need to file Section 16(a) reports. As noted in the exemptive relief, Section 205G of the Corporations Act 2001 of Australia and Australian Securities Exchange Listing Rule 3.19 only requires directors (and not officers) to make reports, and Part 7 of Singapore's Securities and Futures Act 2001 only requires directors and chief executive officers (not all executive officers) to make reports.

SEC enforcement developments

New Enforcement Director outlines priorities

In his first speech as the SEC's new Enforcement Director, David Woodcock echoed SEC Chair Paul Atkins' priorities, saying he intends to return Enforcement "back to basics," with a focus on "offering frauds, accounting and disclosure fraud, insider trading, market manipulation, fraud by foreign actors targeting US markets and investors, and breaches of fiduciary duties by [investment] advisers misusing client assets." He also addressed the decline in enforcement activity over the last year, noting that he fully supports the SEC's shift in emphasis to quality over quantity.

SEC rescinds settlement "gag rule"

In May 2026, the SEC announced that it had rescinded its so-called "gag rule," which states that when the SEC chooses to settle an enforcement action in which a sanction is imposed, it will not settle unless the defendant or respondent also agrees not to publicly deny the allegations in the complaint or administrative order. The SEC will also not enforce existing no-deny provisions that have already been entered.

Key takeaway – Defendants now have greater freedom to respond publicly to enforcement allegations without jeopardizing a settlement. Combined with the SEC's shift towards fraud-focused enforcement and quality over quantity in enforcement numbers, these changes reflect a less adversarial enforcement environment.

SEC may seek disgorgement without showing pecuniary loss

In June 2026, the US Supreme Court issued an opinion holding that a showing of pecuniary loss to investors is not required before the SEC may obtain a disgorgement award. In Sripetch v SEC, the defendant argued that the SEC's disgorgement request violated Liu v. SEC because the SEC lacked evidence that his schemes caused investors to suffer any financial losses.

Key takeaway – While the decision rejected proof of pecuniary loss as a prerequisite for disgorgement, it left open other possible limits on the SEC's disgorgement authority, such as whether the SEC may seek disgorgement when it is "infeasible" to distribute the collected funds to investors.

Nasdaq's market manipulation proposals approved

Since our Q4 2025 report, the SEC has granted accelerated approval to both Nasdaq proposals we described earlier. In May 2026, the SEC approved Nasdaq's new rules imposing heightened initial listing requirements on companies headquartered, incorporated, or principally administered in China, Hong Kong or Macau. In June 2026, the SEC approved a new rule giving Nasdaq discretionary authority to delist a security where its trading activity is indicative of potential manipulation and the SEC has implemented a trading suspension, even where the company satisfies all applicable Nasdaq listing standards and the potential manipulation appears to be driven by third parties with no known connection to the company.

Key takeaway – The new rules mainly target China-linked companies. The proposals follow a period, from August 2022 to April 2025, where 70% of the matters in which Nasdaq referred concerns about potential manipulation to the SEC or FINRA were related to trading in Chinese emerging market companies, despite such companies only representing less than 10% of listings.

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