

# Executive Compensation Impacts of the SEC's Proposed Filer Status Framework

May 28, 2026

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## Key Takeaways

- The SEC's new proposed filer status framework would extend scaled executive compensation disclosure accommodations under Item 402 of Regulation S-K—currently available only to smaller reporting companies and emerging growth companies—to approximately 81% of all public companies.
- Non-accelerated filers would be exempt from say-on-pay, say-on-frequency and say-on-golden-parachute advisory votes, and would not be required to provide a CD&A, pay-versus-performance disclosure, CEO pay ratio or several compensation tables (including the Grants of Plan-Based Awards table, Option Exercises and Stock Vested table, Pension Benefits table and Nonqualified Deferred Compensation table).
- Newly public companies of any size would benefit from these scaled accommodations for at least five years following their IPO.
- The elimination of the mandatory say-on-pay vote for non-accelerated filers may prompt proxy advisory firms to redirect scrutiny toward director elections for compensation committee members.
- Comments on the proposal are due July 20, 2026, and final rules could potentially be effective for the 2027 proxy season.

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## Overview of the Proposed Framework

On May 19, 2026, the SEC proposed amendments ([Release No. 33-11419](#)) that would consolidate the current five overlapping filer status categories into two principal categories: large accelerated filers (“LAFs”) and non-accelerated filers (“NAFs”). The accelerated filer and smaller reporting company (“SRC”) categories would be eliminated,

and the disclosure accommodations currently available to SRCs and emerging growth companies (“EGCs”) would be extended to all NAFs. For a comprehensive discussion of the filer status proposal, including the related financial reporting and registered offering amendments, see our recent [Debevoise In Depth](#), “Going and Staying Public: SEC Proposes Simplified Disclosure for Most Public Companies.”

Under the proposed framework, an issuer would qualify as an LAF only if, as of the end of each of its two most recent second fiscal quarters, it had an aggregate worldwide market value of voting and non-voting common equity held by non-affiliates (“public float”) of at least \$2 billion and had been subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act for at least 60 consecutive calendar months. All other issuers would be classified as NAFs. The SEC estimates in its [fact sheet](#) accompanying the amendments that 80.8% of current public companies would be NAFs under this framework, with only 19.2% qualifying as LAFs. Because of the 60-month “seasoning period,” all newly public companies would remain NAFs for at least five years regardless of public float. Companies that are currently SRCs or EGCs would retain their existing accommodations, now consolidated under NAF status, with some additional exemptions for non-EGCs under the NAF rules.

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## Executive Compensation Disclosure Accommodations for Non-Accelerated Filers

For most public companies, the SEC’s filer status proposal would dramatically reduce executive compensation disclosure obligations under Item 402 of Regulation S-K—eliminating several categories of disclosure entirely and scaling back others.

### Elimination of Shareholder Advisory Votes on Executive Compensation

NAFs would be exempt from the requirements of Exchange Act Rule 14a-21, including (a) the advisory vote to approve the compensation of named executive officers (the “say-on-pay” vote); (b) the advisory vote on the frequency of the say-on-pay vote; and (c) the advisory vote on golden parachute arrangements in connection with mergers, acquisitions and similar transactions. Currently, only EGCs are exempt from these requirements.

### Scaled Executive Compensation Disclosure Under Item 402

NAFs would be permitted to comply with the scaled disclosure requirements of Item 402(m)-(r) of Regulation S-K applicable to SRCs, rather than the full Item 402 disclosure requirements applicable to LAFs. Key implications include the following:

- **No Compensation Discussion and Analysis.** NAFs would not be required to provide the Compensation Discussion and Analysis (“CD&A”) required by Item 402(b). Instead, they would provide the narrative disclosure accompanying the Summary Compensation Table required by Item 402(o), which calls for a description of any material factors necessary to an understanding of the information in the table (such as the material terms of employment agreements, repricing or material modifications of equity awards, and the basis for each named executive officer’s total compensation)—a substantially less prescriptive requirement than the full CD&A.
- **Three Named Executive Officers Instead of Five.** Under Item 402(m)(2), NAFs would identify named executive officers as (i) all individuals serving as the principal executive officer (the “PEO”) during the last completed fiscal year; (ii) the two most highly compensated executive officers other than the PEO who were serving as executive officers at the end of the last completed fiscal year; and (iii) up to two additional individuals for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer at the end of the last completed fiscal year. Unlike LAFs, NAFs would not be required to automatically include the principal financial officer (the “PFO”); the PFO would be included only if among the two most highly compensated non-PEO officers.
- **Fewer Required Compensation Tables; Only Two Fiscal Years in the Summary Compensation Table.** NAFs would be required to provide only the Summary Compensation Table (with associated narrative disclosure), the Outstanding Equity Awards at Fiscal Year-End Table and the disclosure of potential payments upon termination or change-in-control. The Summary Compensation Table under Item 402(n) would cover only the two most recently completed fiscal years (or such shorter period as the registrant was a reporting company). The following tables would not be required: Grants of Plan-Based Awards; Option Exercises and Stock Vested; Pension Benefits; and Nonqualified Deferred Compensation.
- **No Pay-Versus-Performance Disclosure.** The filer status proposal would extend to all NAFs the existing EGC exemption from the pay-versus-performance disclosure required by Item 402(v). Under the current rules, SRCs are permitted to provide a reduced version of the Item 402(v) disclosure covering three fiscal years (instead of five) and excluding the peer group TSR comparison, company-selected measure and tabular list. The filer status proposal goes further by extending the full EGC exemption, eliminating the Item 402(v) obligation entirely for NAFs.
- **No CEO Pay Ratio Disclosure.** NAFs would be exempt from the pay ratio disclosure required by Item 402(u).

- **No Disclosure of Compensation Policies and Practices as They Relate to Risk Management Required by Item 402(s).** NAFs would not be required to provide the disclosure under Item 402(s) regarding compensation policies and practices as they relate to risk management, including whether such policies create risks that are reasonably likely to have a material adverse effect on the company.
- **Scaled Equity-Grants-Near-MNPI Disclosure.** NAFs would remain subject to the disclosure of equity awards granted close in time to the release of material nonpublic information under Item 402(x) but would be permitted to limit the tabular disclosure to the smaller named executive officer group for NAFs. Separately, in a further scaling of this disclosure obligation, if the SEC's proposed semiannual reporting amendments are adopted and a company elects to file semiannual reports on Form 10-S in lieu of quarterly reports on Form 10-Q, there would be fewer periodic report filings that could trigger the Item 402(x) disclosure window. For a discussion of the semiannual reporting proposal, see our recent [Debevoise In Depth](#), "Breaking the Quarterly Cycle: SEC Proposes Optional Semiannual Reporting for Public Companies."
- **No Golden Parachute Compensation Disclosure.** In addition to the exemption from the golden parachute advisory vote under Rule 14a-21(c), NAFs would be exempt from the golden parachute compensation disclosure required by Item 402(t) in connection with mergers, acquisitions and similar transactions.

Notably, the proposed exemption for NAFs covers Items 402(s) through (v) only. Item 402(w)—the Dodd-Frank clawback recovery disclosure—is not within the scope of the exemption, and NAFs would continue to be required to provide this disclosure. In addition, NAFs would continue to provide director compensation disclosure under Item 402(r), which mirrors the requirements of Item 402(k) applicable to LAFs.

### **Other Compensation-Related Reports and Disclosures Not Required**

NAFs would also be exempt from (i) the disclosure of compensation committee interlocks and insider participation required by Item 407(e)(4); (ii) the compensation committee report required by Item 407(e)(5); and (iii) the disclosure of policies and procedures for the review, approval or ratification of related party transactions required by Item 404(b).

We discuss additional reduced disclosure obligations outside of the executive compensation space in our recent [Debevoise In Depth](#).

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## Voluntary Compliance

The scaled disclosure accommodations are permissive, not mandatory. Proposed Item 402(a)(7) provides that a non-accelerated filer “may” provide the disclosure in paragraphs (m) through (r) in lieu of the full Item 402 requirements—it does not prohibit a NAF from continuing to provide the more extensive disclosure applicable to LAFs. Similarly, the proposal would not preclude a NAF from voluntarily including say-on-pay or say-on-frequency proposals in its proxy statement. That said, we expect most NAFs will take advantage of the proposed flexibility to scale back disclosure and omit advisory votes, and companies transitioning from LAF to NAF status should monitor how market practice develops.

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## Regulatory Context and Governance Implications

The filer status proposal follows the SEC’s June 2025 Executive Compensation Roundtable, at which panelists from issuers, investors and compensation advisors broadly agreed that current compensation disclosure has become overly complex, expensive and burdensome relative to the benefit it provides investors. The roundtable was part of Chairman Atkins’s broader initiative to reassess the Regulation S-K disclosure framework and reduce requirements that may obscure material information. Rather than undertaking a wholesale rewrite of the executive compensation rules, the filer status proposal takes the simpler approach of revising the filer status definitions in Rule 12b-2, thereby reducing the number of registrants subject to Dodd-Frank executive compensation mandates—including say-on-pay, CEO pay ratio and pay-versus-performance—without requiring congressional action to repeal the underlying statutory provisions of Sections 14A and 953 of the Dodd-Frank Act.

With the say-on-pay vote no longer required for NAFs, proxy advisory firms may channel investor concerns about executive compensation into recommendations on the election of compensation committee members. ISS and Glass Lewis may also seek to use their scorecard methodologies and voting guidelines to pressure companies to continue providing broader disclosure voluntarily, creating de facto requirements through governance pressure even in the absence of SEC mandates.

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## Practical Considerations for Executive Compensation

Companies that would transition to NAF status should begin evaluating the impact on their compensation disclosure and governance practices:

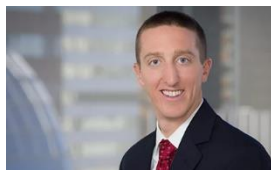
- **Assess Filer Status.** Current LAFs with a public float between \$700 million and \$2 billion, as well as issuers that have been reporting for fewer than 60 consecutive calendar months, should determine whether they would qualify as NAFs under the proposed Rule 12b-2 amendments. Under the transition provisions, existing issuers would complete their initial filer status assessment after effectiveness of the final rules but no later than the day prior to the last day of the fiscal year in which the rules become effective.
- **Monitor Market Practice on Advisory Votes.** Companies that transition from LAF to NAF status should monitor how market practice develops with respect to say-on-pay votes, including in response to any updated policies from proxy advisory firms. Even absent a mandatory vote, proxy advisory firms may continue to evaluate executive compensation practices and possibly issue adverse recommendations on compensation committee members.
- **Monitor the Comment Period.** Comments on Release No. 33-11419 are due July 20, 2026. Institutional investors and proxy advisory firms are expected to submit comments, and final rules could potentially be adopted by year-end 2026 and be effective for the 2027 proxy season.

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Please do not hesitate to contact us with any questions.



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