

Going and Staying Public: SEC Proposes Simplified Disclosure for Most Public Companies

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On May 19, 2026, the Securities and Exchange Commission (the “SEC”) proposed [amendments](#) that would extend disclosure scaling and other accommodations currently available only to newly public companies and smaller companies to seasoned companies and mid-sized public companies (the “Filer Status Proposal”).

If adopted, the Filer Status Proposal would (1) simplify filer status for public reporting companies into two primary categories—large accelerated filers (“LAFs”) and non-accelerated filers (“NAFs”), (2) raise the market cap threshold and seasoning requirements for large accelerated filers and extend to all NAFs the existing accommodations and scaled disclosures applicable to Smaller Reporting Companies (“SRCs”) and Emerging Growth Companies (“EGCs”) and (3) further extend periodic reporting deadlines for the smallest NAFs, as measured by total assets.

On the same day, the SEC proposed amendments that would expand the availability of shelf registration by eliminating the eligibility requirements related to seasoning and public float, discussed in our recent [Debevoise In Depth](#). In a statement accompanying the proposed amendments, SEC Chairman Paul Atkins described the proposals as part of his “Make IPOs Great Again” agenda, which is intended to incentivize companies to “go and stay public.”¹

The proposed amendments follow the SEC’s recently issued proposal that would permit public companies to elect semiannual reporting in lieu of quarterly reporting, discussed in our recent [Debevoise In Depth](#). In his statement, Chairman Atkins signaled that the SEC is considering additional reforms to the public company disclosure regime, including broad revisions to Regulation S-K disclosure requirements.

¹ See Statement on Proposing Releases for Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, and Registered Offering Reform, Chairman Paul S. Atkins (May 19, 2026), available at <https://www.sec.gov/newsroom/speeches-statements/atkins-statement-on-proposing-releases-for-enhancement-of-emerging-growth-company-accommodations-and-simplification-of-filer-status-for-reporting-companies-and-registered-offering-reform-051926>

The key provisions of the Filer Status Proposal are further discussed below.

Filer Status Overview

Under the current disclosure regime, issuers are classified into five filer-status categories, each with different disclosure obligations, filing deadlines and regulatory accommodations. LAFs are subject to the most extensive reporting obligations, while issuers qualifying as SRCs and EGCs benefit from the broadest accommodations.

Under the Filer Status Proposal, companies will fall into one of two categories:

- **Large Accelerated Filer:** The Filer Status Proposal would revise the definition of “large accelerated filer” to mean an issuer that, as of the end of each of its two most recent second fiscal quarters, had an aggregate worldwide market value of voting and non-voting common equity held by non-affiliates of at least \$2 billion.
- **Non-Accelerated Filer:** The Filer Status Proposal would significantly expand the “non-accelerated filer” category, which would be defined as any issuer that is not an LAF. Consistent with the current framework, all issuers would initially qualify as NAFs upon becoming subject to the reporting requirements of the Exchange Act of 1934, as amended (the “Exchange Act”). However, if the proposed 60-month seasoning requirement is adopted, newly public companies would remain NAFs for at least five years following an IPO or initial registration.

As part of the new framework, the SEC has proposed eliminating the existing accelerated filer (“AF”) and smaller reporting company (“SRC”) categories, as well as the related definitions in Item 10 of Regulation S-K, Rule 405 and Rule 12b-2, on the basis that the expanded NAF category would render those classifications unnecessary.

Large Accelerated Filer Status Amendments

- **Public Float Threshold.** The Filer Status Proposal would increase the LAF public float threshold from \$700 million to \$2 billion. While the SEC acknowledged that it remains appropriate to subject issuers with the largest public floats to non-scaled disclosure requirements, it noted that the threshold has not been updated since the LAF filer status was established in 2005. The proposed increase is intended to ensure

that the category captures only the largest issuers and to restore the relative market coverage originally contemplated when the LAF category was adopted.²

- **Determination of Large Accelerated Filer Status.** Under the current rules, an issuer assesses whether it meets LAF status as of the end of each fiscal year based on its public float as of the last business day of an issuer's most recently completed second fiscal quarter, using either the closing price or the average of the bid and ask prices on that day.

Under the Filer Status Proposal, issuers would instead calculate public float using the average closing stock price over the final 10 trading days of the applicable second fiscal quarter, multiplied by the aggregate worldwide number of shares held by non-affiliates as of the last day of that quarter. In addition, an issuer would transition into or out of LAF status only if it remained above or below the applicable threshold for two consecutive years.

As a result, meeting or not meeting the conditions of LAF status for a single year would not suffice to change filer status from NAF to LAF or vice versa, and once an issuer enters a status, it would remain in that status for at least two years. Once an issuer qualifies for a change in filer status, the requirements and any applicable accommodations of the new filer status would apply beginning with the filing of its annual report on Form 10-K for the fiscal year in which the filer status was determined.³

- **Seasoning Requirements.** Under the Filer Status Proposal, an issuer would not become an LAF unless it 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, replacing the current 12-month "seasoning period."⁴ The proposed extended seasoning period would provide issuers with a longer transition period before becoming subject to the integrated audits required under Section 404(b) of the Sarbanes-Oxley Act, as well as the non-scaled disclosure requirements and

² At the time the SEC adopted LAF filer status in 2005, it was estimated that "companies with a public float of over \$700 million represent approximately 18 percent of the total number of companies on these markets and nearly 95 percent of the total public float on these markets." The SEC estimates that setting the public float threshold at \$2 billion would capture approximately 93.5 percent of total market public float, and cover approximately 20 percent of the total number of existing issuers.

³ Issuers who no longer meet the conditions for LAF status would be permitted to continue to voluntarily comply with the reporting rules as they apply to LAFs.

⁴ The revised requirement would include 60 full consecutive calendar months plus any portion of the immediately preceding month. For example, an issuer that first became subject to the Exchange Act reporting requirements on July 19, 2025 would satisfy the seasoning requirement on August 1, 2030.

accelerated filing deadlines applicable to LAFs, effectively creating a minimum five-year “on-ramp” for all newly public companies regardless of public float.

Non-Accelerated Filer Status Amendments

- **Definition of NAF.** Consistent with the current framework, all issuers would initially qualify as NAFs at the time of their initial public offering or registration. However, under the Filer Status Proposal, issuers would remain NAFs for at least five years as a result of the proposed 60-consecutive-calendar-month seasoning requirement. Thereafter, an issuer would determine its filer status annually, as of the last day of its fiscal year, and would continue to qualify as an NAF unless and until it maintained a public float of at least \$2 billion for two consecutive years. Conversely, an issuer that had become a LAF could regain NAF status if its public float remained below \$2 billion for two consecutive years.

As proposed, NAF status would include issuers currently designated as SRCs and EGCs and all issuers that fall within the new, higher threshold for NAF status, which would include many issuers that are currently AFs or LAFs.

- **ICFR and Auditor Attestation Requirement.** The Filer Status Proposal would expand and extend the availability of the exemption from the auditor attestation requirement under Section 404(b) of the Sarbanes-Oxley Act by increasing the upper bound for NAF status and delaying LAF status for newly public companies through the proposed seasoning requirements. However, NAFs would continue to be subject to the SEC’s rules under Section 404(a) of the Sarbanes-Oxley Act, which require management to establish, maintain and assess the effectiveness of internal control over financial reporting (“ICFR”). NAFs would also remain subject to annual financial statement audits by registered public accounting firms in which the auditor is required to obtain an understanding of ICFR as part of its risk assessment procedures and to management certifications regarding ICFR effectiveness.
- **Extension of SRC and EGC Accommodations.** Under the Filer Status Proposal, issuers that meet the proposed NAF status would be permitted to comply with the disclosure requirements and accommodations currently available to SRCs.

Scaled Disclosures Under Regulation S-K. NAFs would be permitted to, among other things, (1) include more limited business disclosure, (2) present two (instead of three) years of management’s discussion and analysis (“MD&A”), (3) provide two (instead of three) years of summary compensation table disclosure and (4) limit executive compensation disclosure to three (instead of five) named executive

officers. In addition, NAFs would be permitted to omit several disclosure items currently required for larger issuers, including (1) risk factor disclosure in Forms 10-K and 10-Q, (2) quantitative and qualitative disclosures about market risk and (3) compensation discussion and analysis, compensation policies and practices related to risk management, pay ratio disclosure and certain executive compensation tables.⁵

Scaled Disclosures Under Regulation S-X. The Filer Status Proposal would also extend SRC-style financial statement accommodations to NAFs. Under the current rules, Article 8 of Regulation S-X establishes the form and content requirements applicable to SRC financial statements. Under the proposal, NAFs that are not investment companies would be permitted to prepare their financial statements in accordance with Article 8, subject to limited exceptions. The proposal also includes changes to Article 8 in connection with these amendments in order to clarify or streamline certain of the requirements.

Extension of Certain EGC Accommodations. Under existing rules, EGCs are exempt from the ICFR auditor attestation requirement and are permitted to provide executive compensation disclosure using the rules applicable to SRCs and to provide two (instead of three) years of financial statement disclosure. The Filer Status Proposal extends these accommodations to NAFs.

NAFs would also be permitted to elect extended transition periods for complying with new or revised financial accounting standards issued by the Financial Accounting Standards Board, consistent with the accommodation currently available to EGCs. Unlike the existing EGC accommodation, however, the proposed relief would be available only during the first five years following an issuer's initial registration with the SEC.

Small Non-Accelerated Filer Status

The Filer Status Proposal would also establish a subcategory of the smallest NAFs ("SNFs"), consisting of issuers with total assets of \$35 million or less as of the end of each of the issuer's two most recent second fiscal quarters. An issuer would determine

⁵ The SEC also proposed revisions to the related-party transaction disclosure framework applicable to NAFs. Although Item 404 of Regulation S-K currently provides certain accommodations for SRCs, it also imposes disclosure obligations that are in some respects more extensive than those applicable to non-SRC issuers. For example, Item 404(d) currently requires SRCs to disclose related-party transactions exceeding the lesser of \$120,000 or 1% of average total assets for the last two fiscal years, while non-SRC issuers are subject only to the \$120,000 threshold. Item 404(d) also requires SRCs to disclose parent entities and the basis of control for each parent. Rather than extending these additional SRC-specific disclosure requirements to NAFs, the Filer Status Proposal would eliminate Item 404(d) altogether.

its filer status annually, as of the last day of its fiscal year. Once an issuer becomes an SNF, it would remain in SNF status until it becomes a LAF or reports more than \$35 million in total assets as of the end of each of its two most recent second fiscal quarters.

SNFs would be granted an additional 30 days to file their Form 10-K, extending their filing deadline from the 90 days applicable to NAFs to 120 days after fiscal year end. For Form 10-Q, SNFs would be granted an additional five days, extending their filing deadline from the 45 days applicable to NAFs to 50 days after fiscal quarter end.

Proposed Transition Period

Existing issuers would be required to assess their status as an LAF, NAF or, where applicable, SNF, based on public float and, if applicable, total assets, for the fiscal year preceding effectiveness of the final rules and the immediately preceding fiscal year. Issuers would be permitted to complete this assessment at any time 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.

For example, if final rules became effective on January 15, 2027, a calendar-year issuer would be required to complete its initial assessment no later than December 30, 2027, although the assessment could be completed at any time between January 15 and December 30, 2027.

Application to Asset-Backed Issuers and Foreign Private Issuers

The Filer Status Proposal excludes asset-backed issuers (as defined in Item 1101(b) of Regulation AB) and certain foreign private issuers (“FPIs”) from the determination and application of LAF and NAF filer status.

Asset-backed issuers have a separate disclosure regime under Regulation AB and do not use Regulation S-K to determine their disclosure requirements, except in limited circumstances. As a result, the scaling and disclosure accommodations available to SRCs and EGCs are largely inapplicable to asset-backed issuers. However, the SEC has proposed to add a check box to Form 10-K requiring an issuer to indicate whether it is an asset-backed issuer and to continue to require the 90-day reporting timeline for annual reports on Form 10-K for asset-backed issuers.

In addition, the proposed framework would not apply to FPIs that elect to report using the forms designated for FPIs, including Forms 20-F and 40-F. Notably, the SEC did not

propose conforming changes to the methodology used by Form 20-F filers to calculate public float for purposes of the ICFR attestation requirement, in part because of its ongoing evaluation of the FPI framework (previously discussed [here](#)). As a result, FPIs filing on Form 20-F would continue to determine public float for purposes of the ICFR attestation requirement based on the existing single-day measurement methodology and \$75 million public float threshold.

Requests for Comment

The SEC's proposal includes requests for comment on 37 questions related to the proposed amendments, a significant number of which focus on the proposed expansion of the NAF framework and the related scaled disclosure accommodations, which would substantially broaden exemptions and accommodations that are currently available only to newly public companies, EGCs and SRCs.

The public comment period for the proposed amendments will remain open for 60 days following publication of the proposing release in the Federal Register. Comments may be submitted via the SEC's form, available [here](#).

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Please do not hesitate to contact us with any questions.



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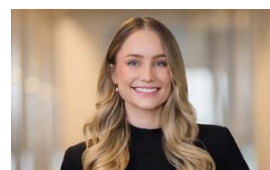
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