

SEC proposes semi-annual reporting for US domestic issuers

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On May 5, 2026, the Securities and Exchange Commission (SEC) proposed new rules that would give US domestic reporting companies the option to file semi-annual reports on new Form 10-S in lieu of quarterly reports on Form 10-Q. As a consequence, US domestic reporting companies electing this option would only need to file one annual report on Form 10-K and one semi-annual report on Form 10-S for each fiscal year.

What you need to know

- Under the proposed rules, semi-annual reporting would be available to all US domestic companies, without eligibility criteria relating to reporting history, filer status, financial performance or market capitalization.
- The SEC proposal does not change the SEC reporting requirements for foreign private issuers (FPIs), including Canadian companies reporting under the multijurisdictional disclosure system (MJDS), as those issuers are not required to file quarterly reports on Form 10-Q.
- Semi-annual reporting is currently being piloted in Canada, but only for smaller venture issuers with C\$10M or less of annual revenue. If the SEC proposal is adopted and US domestic reporting companies opt into semi-annual reporting, this could lead to a material divergence in reporting practices between Canadian reporting issuers and their US peers.

SEC move to semi-annual reporting

Currently, US domestic reporting companies are required to file quarterly reports on Form 10-Q, including interim financial statements and a related MD&A, for the first three fiscal quarters of each year (the fourth quarter is subsumed into the annual report on Form 10-K). Each of these quarterly reports is due 40 or 45 days after quarter-end, depending on the issuer's filer status.

Under the new SEC proposal, US domestic reporting companies would have the option to file semi-annual reports on new Form 10-S in lieu of quarterly reports on Form 10-Q. This option would be available to all SEC reporting US domestic issuers, regardless of reporting history, filer status, financial performance or market capitalization. The semi-annual reporting election would be made on the cover page of the annual report on Form 10-K and may not be changed until the next annual report. Issuers making this election would only need to file one semi-annual report on Form 10-S for the fiscal year in which such election is made. The semi-annual report on Form 10-S would have substantially the same form requirements as Form 10-Q (reviewed but unaudited interim financial statements

prepared in accordance with US GAAP; an accompanying MD&A; Sarbanes-Oxley (SOX) certifications and other miscellaneous form requirements, including exhibit filing requirements) and, like Form 10-Q, would be due 40 or 45 days after the end of the reporting period, depending on the issuer's filer status.

In addition, the proposed rules would amend Regulation S-X, which governs the financial statement requirements for periodic reports, registration statements and proxy statements, as well as other SEC rules and forms, to reflect the new semi-annual reporting option. Accordingly, the rules as proposed would allow US domestic reporting issuers to include semi-annual interim financial statements in SEC registration statements, including S-1 registration statements for an IPO, and to incorporate by reference semi-annual reports on Form 10-S into S-3 shelf and other registration statements.

The proposed rules would not prohibit semi-annual reporting issuers from electing to issue quarterly earnings releases, which would continue to be furnished or filed on Form 8-K. In addition, the rules as proposed would not affect the obligation of US domestic issuers to file Form 8-Ks in respect of certain material events during the year, and would not affect the selective disclosure requirements of Regulation FD or the US stock exchange rules that require US-listed issuers to release material information by press release or otherwise in a timely manner.

The proposal is subject to a 60-day public comment period, commencing on the date the proposing release is published in the Federal Register. Following conclusion of the public comment period, the SEC is expected to prepare and approve final rules (which may or may not include modifications from its initial rule proposal). Accordingly, the exact timing and content of the final rules is uncertain; however, given the significant attention given to this development, we would expect that the SEC will move swiftly to enact final rules following expiration of the public comment period.

Implications for US domestic issuers

The proposed rules, if adopted, are expected to substantially reduce the SEC reporting burden for US domestic companies who elect the semi-annual reporting option by reducing the number of interim reports from three quarterly reports on Form 10-Q to a single semi-annual report on Form 10-S. As a result, semi-annual reporting issuers will avoid the need to prepare financial statements and related MD&A, obtain reviews from independent public auditors, or file SOX certifications in respect of the quarterly reports on Form 10-Q that can be omitted, with such requirements being limited to the single Form 10-S filing made in respect of the first half of the year. This proposal is consistent with the SEC's stated goal to encourage more companies to go public in the United States, as both the initial SEC registration process and ongoing reporting would be simplified.

It remains to be seen, however, which US domestic companies will elect to report on a semi-annual basis. Issuers may be reluctant to transition to semi-annual reporting if other issuers in the same industry continue to report on a quarterly basis, and public and private shareholders (and other interested parties, such as bondholders and creditors) may continue to demand quarterly reporting. In addition, some issuers may prefer to continue reporting on a quarterly basis to avoid increasing the amount of time that insiders have material non-public information (MNPI) in respect of the issuer's financial performance; to facilitate discussions with investors and analysts in compliance with Regulation FD; and/or to facilitate disclosure and underwriter due diligence in connection with securities offerings.

Nevertheless, we expect that some issuers will welcome the option to adopt semi-annual reporting. It is possible that certain issuers may be able to address investor and MNPI concerns by issuing quarterly earnings releases without a corresponding quarterly Form 10-Q, although we foresee at least some market pressure for a quarterly review by independent auditors to accompany any such quarterly earnings release, particularly in the context of underwritten securities offerings where auditor comfort letters are required. However, the SEC has solicited public comments on whether changes to PCAOB Auditing Standards governing comfort letters should be made to allow auditors to provide negative assurance on semi-annual interim periods.

Implications for foreign private issuers and/or MJDS issuers

The SEC rule proposal principally affects US domestic reporting companies that are currently required to file quarterly reports on Form 10-Q, and does not change the SEC reporting requirements for foreign private issuers, including those reporting under the MJDS, since these issuers are not required to file quarterly reports on Form 10-Q. In addition, the rule proposal would not affect registration statements for FPIs on Forms F-1 or F-3 and MJDS registration statements such as Form F-10, because these forms do not require the financial statements included therein to be updated on a quarterly basis. All such foreign private issuers, including Canadian issuers filing under the MJDS, will continue to be required to furnish or file on Form 6-K any interim financial reports that are required under the laws of the home jurisdiction, including, in the case of Canadian issuers, interim quarterly reports (subject to Canada's current pilot program for semi-annual reporting, as discussed in our previous bulletin)¹. We do expect, however, that any such foreign private issuers who voluntarily report on US domestic forms will have the ability to elect to report with the SEC on a semi-annual basis.

Finally, we note that US domestic reporting companies that wish to raise capital in a prospectus offering in Canada would still require comparative financial statements for the most recently completed interim period, absent an exemption.

FOOTNOTE

¹. We discussed this topic in a previous bulletin, [Recent continuous disclosure developments: Canada's SAR pilot program and a possible rule change from the SEC](#).

To discuss these issues, please contact the author(s).

This publication is a general discussion of certain legal and related developments and should not be relied upon as legal advice. If you require legal advice, we would be pleased to discuss the issues in this publication with you, in the context of your particular circumstances.

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