



SEC Updates & Insights

Global Financial Reporting and Valuation Conference

December 2025



Mission



01

Investor protection



02

**Facilitating
capital formation**



03

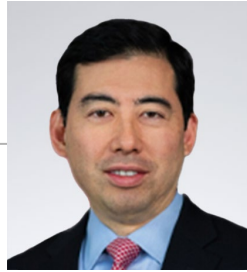
**Maintaining fair, orderly,
and efficient markets**

SEC Commissioners



Paul S. Atkins
Chairman

Term ends
June 2026/2031



**Mark T.
Uyeda**

Term ends
June 2028



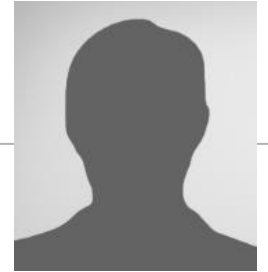
**Hester
M. Peirce**

Term ended
June 2025^



**Caroline A.
Crenshaw**

Term ended
June 2024^



**Democratic
commissioner**

Term ends
June 2027

^ The commissioners may continue to serve up to approximately 18 months after terms expire if they are not replaced before then.

Insights into SEC priorities

01

Innovation

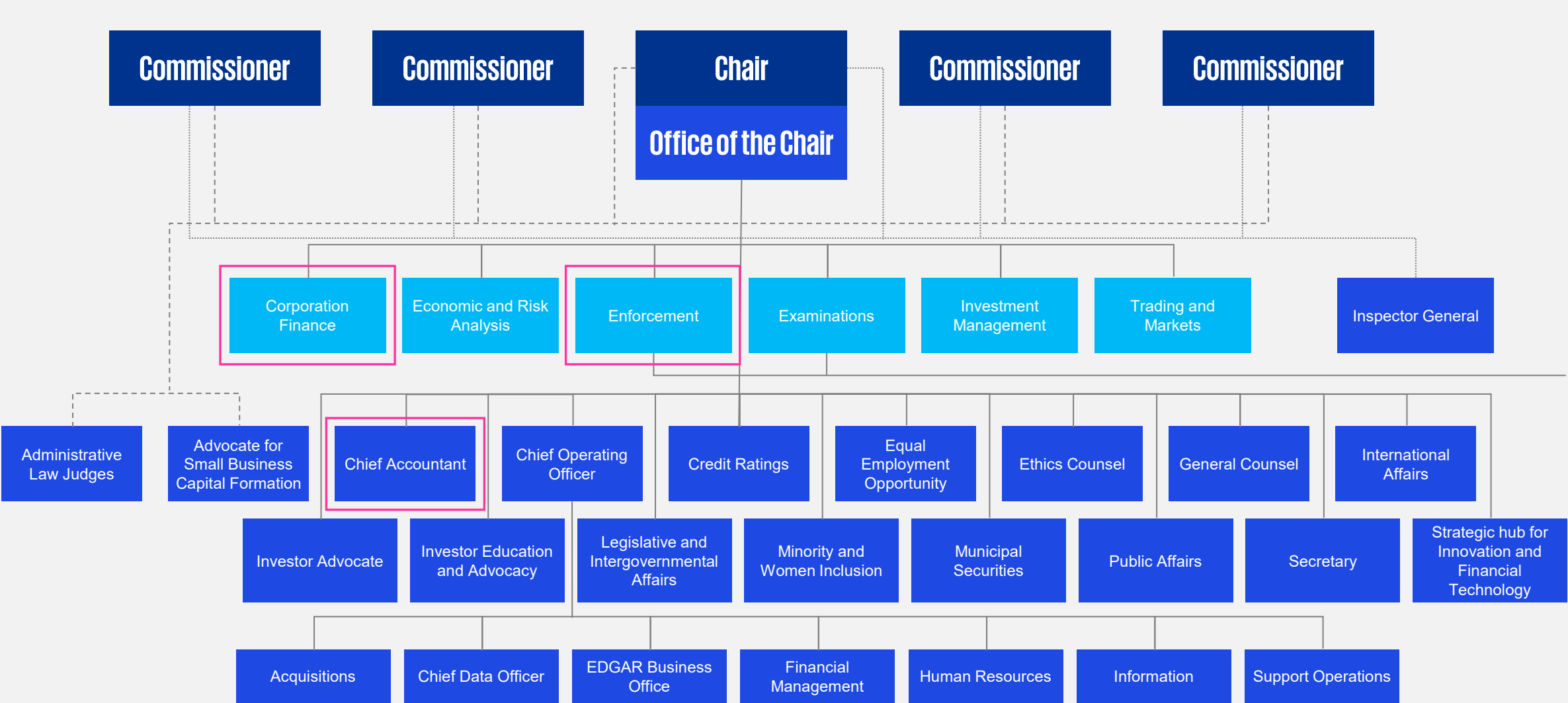
02

Transparency

03

Stakeholder engagement

Divisions and offices



SEC Directors

James J. Moloney



Director of the
Division of
Corporation
Finance

- Appointment effective in October 2025
- Co-chair of Gibson Dunn & Crutcher's securities regulation and corporate governance practice
- Previously served as attorney-adviser and special counsel in the Office of Mergers and Acquisitions at the SEC from 1994 to 2000

Brian T. Daly



Director of the
Division of
Investment
Management

- Appointment effective July 8, 2025
- Previous experience in private practice with focus on legal and compliance matters within the investment management industry

Jamie Selway



Director of the
Division of
Trading and
Markets

- Appointment effective June 17, 2025
- Recent experience in private practice holding roles such as advisor to capital markets, chief economist, and researcher

Judge Margaret Ryan



Director of the
Division of
Enforcement

- Appointment effective September 2, 2025
- Nominated in 2006 by former President George W. Bush as a senior judge of the U.S. Armed Forces Court of Appeals
- Previously a partner in Wiley Rein & Fielding LLP's litigation and appellate practice.

Kurt Hohl



Chief
Accountant

- Appointment effective July 7, 2025
- Principal adviser to the SEC on accounting and auditing matters
- Previously served as an Associate Chief Accountant in the Division of Corporation Finance from 1989 to 1997
- Recent experience in private practice

Recent SEC actions

A new beginning

- Issued Staff Legal Bulletin No. 14M; rescinded SLB No. 14L
- Crypto
 - Withdrew Staff Accounting Bulletin No. 121; replaced it with SAB 122
 - Crypto Task Force established to develop a comprehensive regulatory framework for crypto assets
 - Roundtables held to discuss regulatory framework for crypto
- Cyber and Emerging Technologies Unit created to combat cyber-related misconduct
- Ended defense of the Climate-Related Disclosure Rule
- Issued, revised, or withdrew over 60 compliance and disclosure interpretations
- Roundtables scheduled to discuss executive compensation disclosures
- Concept release issued on definition of foreign private issuer



Agency Rule List- Spring 2025

1	Foreign Private Issuer Eligibility (Pre rule Stage)	6	Updates to "Small Entity" Definitions for Purposes of the Regulatory Flexibility Act (Proposed Rule Stage)
2	Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies (Proposed Rule Stage)	7	Shelf Registration Modernization (Proposed Rule Stage)
3	Rule 144 Safe Harbor (Proposed Rule Stage)	8	Crypto Market Structure Amendments (Proposed Rule Stage)
4	Updating the Exempt Offering Pathways (Proposed Rule Stage)	9	Rationalization of Disclosure Practices (Proposed Rule Stage)
5	Crypto Assets (Proposed Rule Stage)	10	Shareholder Proposal Modernization (Proposed Rule Stage)

SEC enhances accommodations to boost capital formation

The enhanced accommodations include:

Expansion of eligible forms

The nonpublic review process now includes the initial registration of a class of securities on Forms 10, 20-F, or 40-F under either Section 12(b) or Section 12(g) of the Exchange Act.

Submission flexibility

Companies can submit draft registration statements for nonpublic review anytime under the Securities Act or Exchange Act

- Previously this was restricted to within 12 months of the initial registration statement's effective date.

De-SPAC transactions

The nonpublic review process now includes the registration statement for a de-SPAC transaction, provided the co-registrant target is independently eligible to submit a draft registration statement under the new accommodations.

Underwriter name omission

Companies may omit the underwriter(s) name from their initial draft registration statement submissions (when otherwise required by Items 501 and 508 of Regulation S-K) if they include the name in subsequent submissions and public filings.

On March 3, 2025, the SEC announced [enhanced accommodations](#) for issuers submitting draft registration statements for nonpublic review. These accommodations apply to:

- Initial registration statements under the Exchange Act
- Subsequent Securities Act and Exchange registration statements filed after IPO
- De-SPAC transactions
- Foreign private issuers

Applicability: Companies that will be filing registration statements for public offerings.

Foreign private issuers can either submit draft registration statements under enhanced accommodations, follow EGC procedures (if eligible), or adhere to the guidance in SEC's May 30, 2012 [statement](#).

Division of Corporation Finance

**Recent activity and disclosure
observations**

Filing review process



**Required and
selective reviews**



**Scope of
reviews**



**Staff
comments**

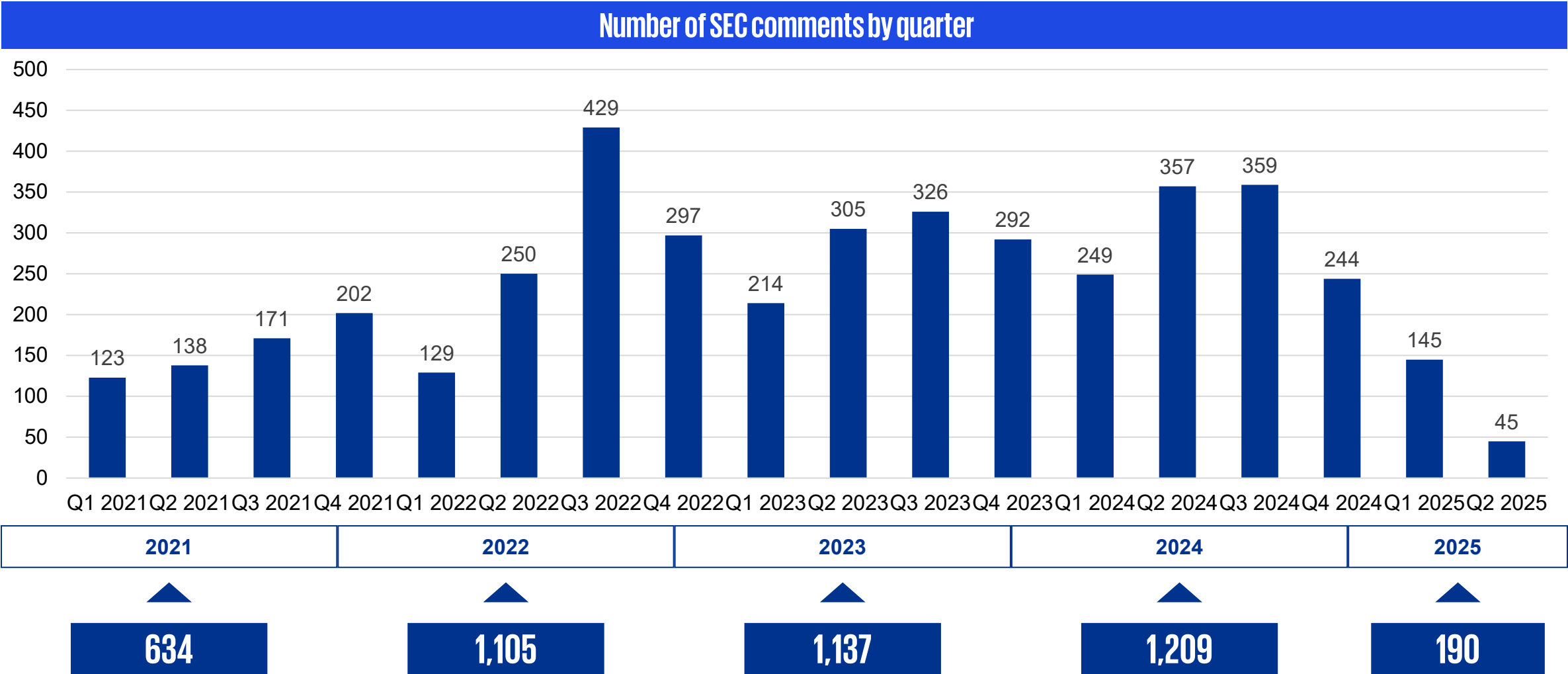


**Company
response(s)**



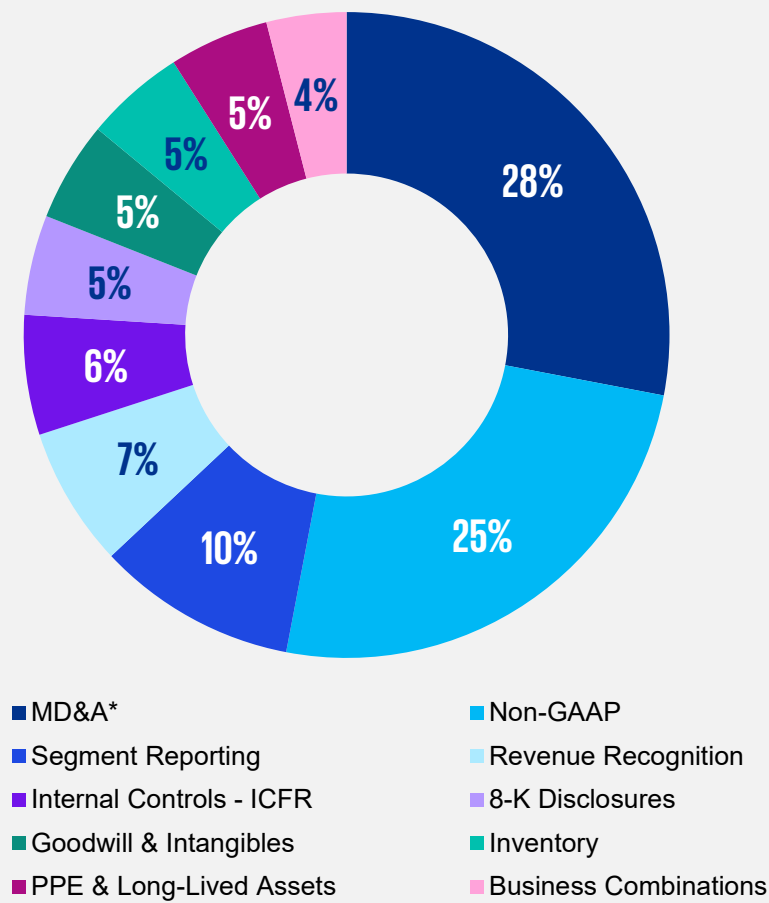
**Closing a
filing review**

Comment letter trends



SEC comment letters trends

Top 10 comment topics (7/1/24 to 6/30/25)



MD&A

Results of operations

Insufficient detail or quantification related to fluctuations in metrics and/or risk factors disclosed

Liquidity issues

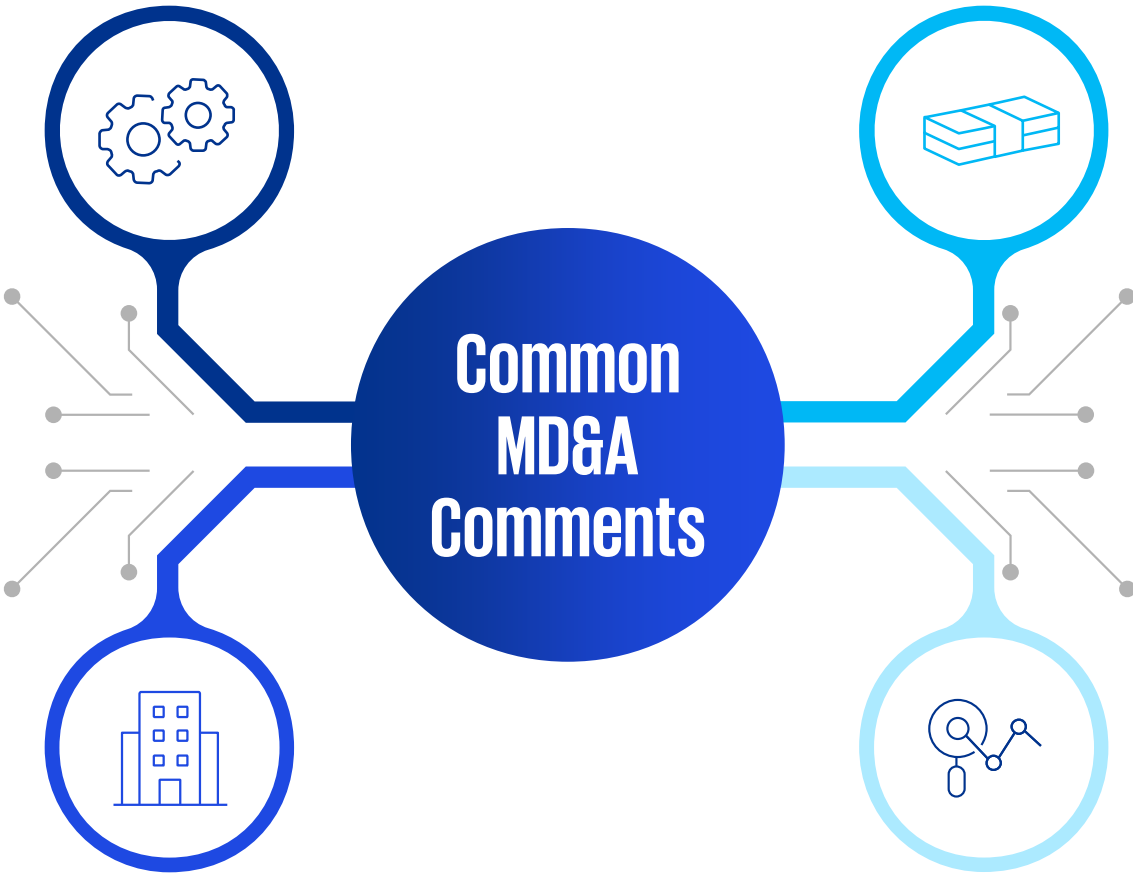
Inadequate disclosures, insufficient detail regarding material terms of debt agreements

Market Risks

Impact of inflation and disclosure regarding factors contributing and actions to mitigate

Non-GAAP

Use of Non-GAAP measures without corresponding required disclosure



MD&A Example – Results of Operations



What the Disclosure said

“Sales and marketing expenses increased \$79.1 million, or 22%, due to increases in sales commissions and bonus associated with increased revenues relative to the prior year; increases in employee compensation tied to strategic go to market investments; and, an increase of \$11.0 million in stock-based compensation. In addition, in fiscal 2025, there were increases year over year in certain marketing and go to market activities, which included a live sales kickoff event and participation in certain strategic conferences, including the RSA conference, which did not occur in fiscal 2024.”

Disclosed in MD&A – Results of Operations



What the SEC commented

“We note you refer to several factors impacting the period-over-period change in operating expenses, however, you only quantify the impact of stock-based compensation. Where a material change is attributed to two or more factors, including any offsetting factors, revise to describe the contribution of each factor in quantified terms. Refer to Item 303(b) of Regulation S-K.”

Non-GAAP disclosures

Tailored accounting principles

(C&DI 100.04)

Inappropriate adjustments affecting the recognition measurement principles of GAAP

Normal, recurring, cash operating expenses

(C&DI 100.01)

Inclusion of adjustments prohibited and labelled as non-GAAP

Prominence

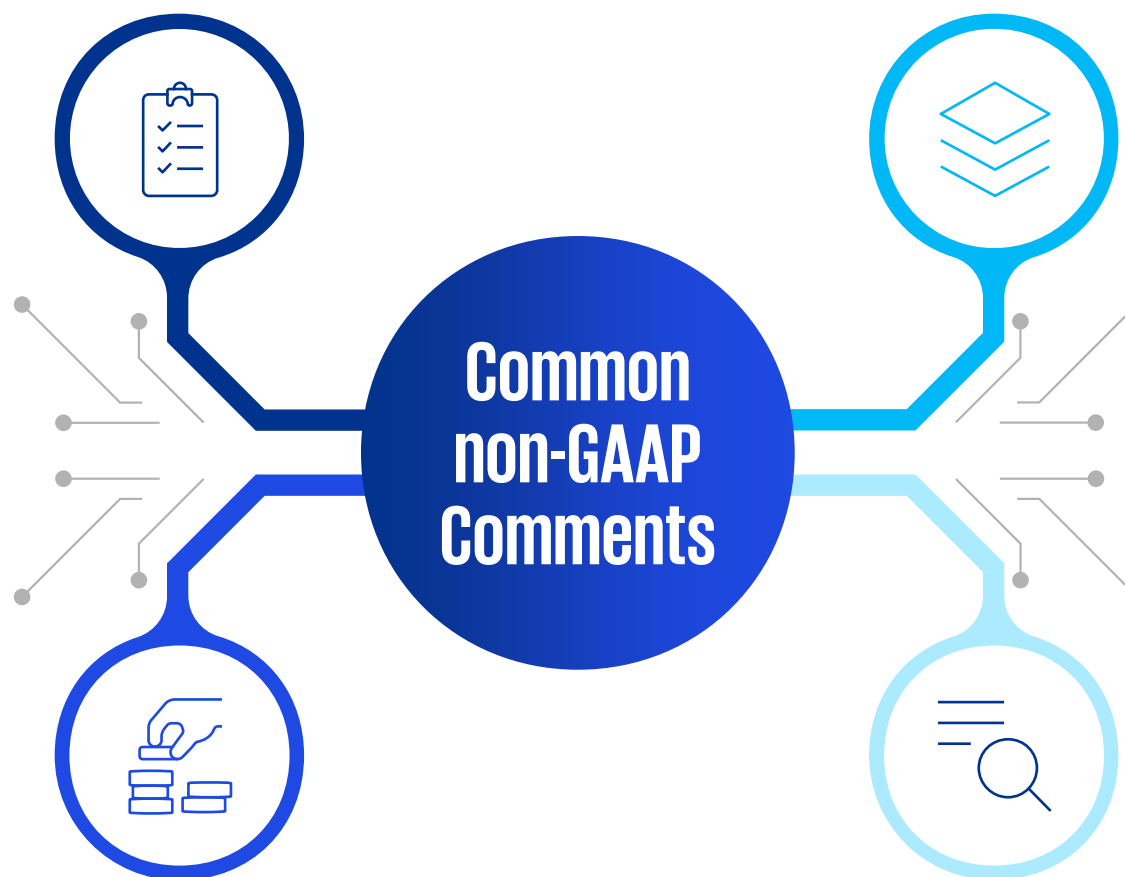
(C&DI 102.10 – a, b, c)

Reconciliation to the inappropriate GAAP measure, missing reconciliation to GAAP measure

Appropriate labeling and disclosure

(C&DI 100.05 & 100.06)

Clearly label adjustments and avoid using names that are similar to the GAAP measures.



Non-GAAP Example



What the SEC commented

"We note the non-GAAP adjustments for "Product development" and "Letter of credit fees" in your calculation of Adjusted EBITDA...Considering these costs appear to represent normal, recurring, cash operating expenses necessary to operate your business, please remove these adjustments from future filings or tell us why you believe inclusion complies with non-GAAP rules."

Disclosed in MD&A – Results of Operations



[Click here for more
on Non-GAAP guidance](#)



What the Disclosure said

(in thousands)	Year ended December 31,		
	2024	2023	2022
Net loss	\$ (59,779)	\$ (196,971)	\$ (26,584)
Income (loss) from discontinued operations, net of tax	13,183	(121,177)	(12,398)
Loss from continuing operations	(72,962)	(75,794)	(14,186)
Interest expense, net	45,332	41,486	39,211
Income tax expense	12,172	9,818	9,071
Depreciation & amortization	11,125	14,300	16,247
EBITDA	(4,333)	(10,190)	50,343
Impairment of goodwill and long-lived assets	3,729	—	—
Benefit plans, net	31,937	37,505	(37,528)
(Gain) loss on asset sales, net	(354)	134	(2,523)
Stock compensation	4,509	7,121	7,487
Restructuring activities and business services transition costs	1,296	2,619	5,981
Advisory fees for settlement costs and liquidity planning	1,234	1,107	1,509
Loss on debt extinguishment	7,267	—	—
Settlement and related legal costs (recoveries)	4,044	(1,474)	9,109
Acquisition pursuit and related costs	643	827	5,504
Product development ⁽¹⁾	8,228	9,023	4,100
Foreign exchange	109	2,594	1,025
Financial advisory services	—	—	1,424
Letter of credit fees	7,036	7,702	5,204
Other - net	3,550	3,837	3,932
Adjusted EBITDA	\$ 68,895	\$ 60,805	\$ 55,567

Disclosed in MD&A – Results of Operations

Form 8-K Non-GAAP Example



What the SEC commented

“Please revise your reconciliation here and in your earnings releases in Form 8-K to begin with the most directly comparable GAAP measure and reconcile to the non-GAAP measure. Refer to Question 102.10(b) of the Compliance & Disclosure Interpretations on Non-GAAP Financial Measures ("C&DI").”



[Click here for more
on Non-GAAP guidance](#)



What the Disclosure said

Reconciliation of Adjusted EBITDA to Net Cash Provided by Operating Activities		
(dollar amounts in thousands)	Three Months Ended December 31,	
	2024	2023
Adjusted EBITDA ¹	\$ 92,002	\$ 87,869
Interest paid	(7,986)	(10,785)
Income taxes paid, net of refunds received	(40,350)	(82,018)
Gain on sale of used rental equipment	(9,900)	(8,678)
Foreign currency exchange loss	270	(144)
Amortization of debt issuance costs	60	2
Change in certain assets and liabilities:		
Accounts receivable, net	5,187	(9,204)
Prepaid expenses and other assets	(13,101)	(21,936)
Accounts payable and other liabilities	24,686	15,148
Deferred income	(14,089)	6,186
Net cash provided by (used in) operating activities	\$ 36,779	\$ (23,560)

Disclosed in Form 8-K – Earnings Release

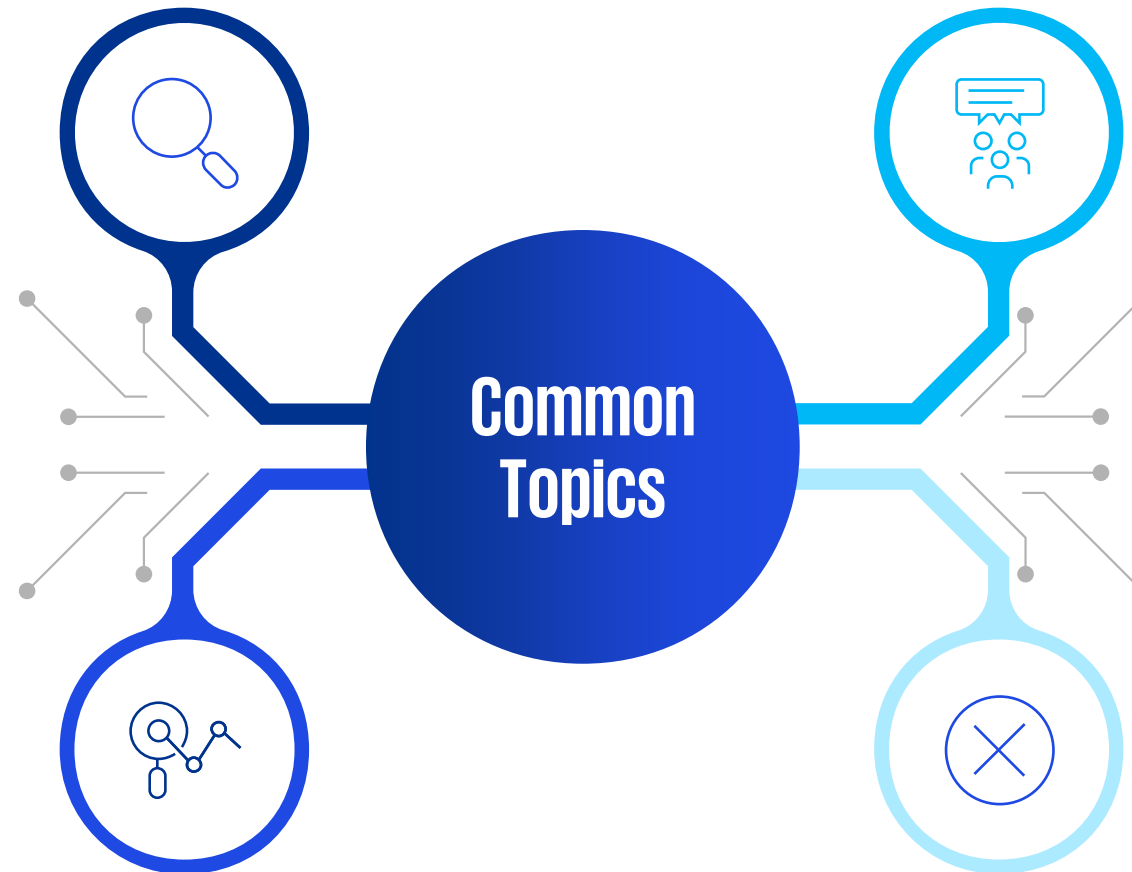
Segment reporting

Identification of operating and reportable segments

Reorganization of operating segments, basis for applying aggregation guidance, acquired businesses

Non-GAAP

Segment measure of profit/loss included, basis for chosen metrics



MD&A

CODM review of metrics, contradictory discussion of segments in relation to segments identified

Missing required disclosures

Reconciliation of segment measures to consolidated measures, disclosure of segment for significant customers

Segment ASU 2023-7 Specific Comments

Please more fully explain to us how you believe you have complied with the requirements to disclose significant expenses and other segment items required by ASC 280-10-50-26A and 26B or explain how you intend to revise your disclosures in future filings to comply with this guidance. If you have no significant expense categories, please tell us where and how you explain the nature of the expense information the CODM uses to manage operations as required by ASC 280-10-50-26C or explain how you intend to revise your disclosures in future filings to comply with this guidance.



We note your disclosure that “management views the Company as a single segment.” Please tell us how you determined that your disclosure complies with the requirements pursuant to ASC 280-10-50. Reference is also made to ASU 2023-07.

We note your statement that “Significant expenses that comprise property operating expenses within NOI primarily include building common area and maintenance expenses, insurance, property taxes, property management fees, as well as certain expenses that are not recoverable from tenants.” Please tell us how you determined it was unnecessary to quantify each of these significant expenses. In your response, please address your consideration of ASC 280-10-50-26A.

Segment Non-GAAP Measure


Comment

You disclose that the primary measure used by the chief operating decision maker (“CODM”) is segment income or loss from operations; however, we note that you also present segment gross profit. Please tell us whether the CODM receives segment gross profit for each reportable segment and how it is used. If the CODM uses more than one measure of segment profit or loss, such as segment gross profit and segment operating income, to assess segment performance and to decide how to allocate resources, tell us which of the reporting segment profit or loss measures is required to be disclosed in accordance with ASC 280-10-50-28A. In this regard, the measure required to be disclosed is that which management believes is determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the consolidated financial statements. **Additional measures may be disclosed pursuant to ASC 280-10-50-28A through 50-28C.**



In connection with your response to the preceding comment, if both segment gross profit and segment operating income are used by the CODM and will be disclosed:

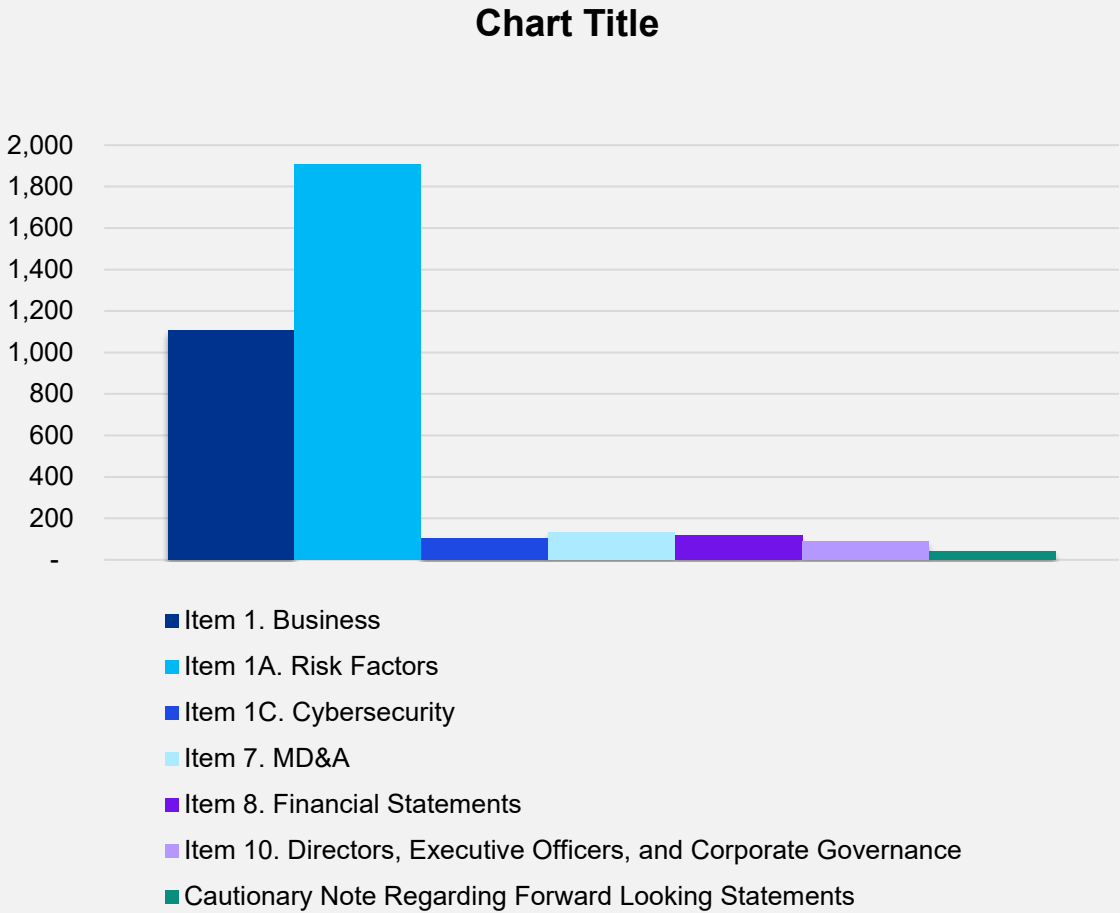
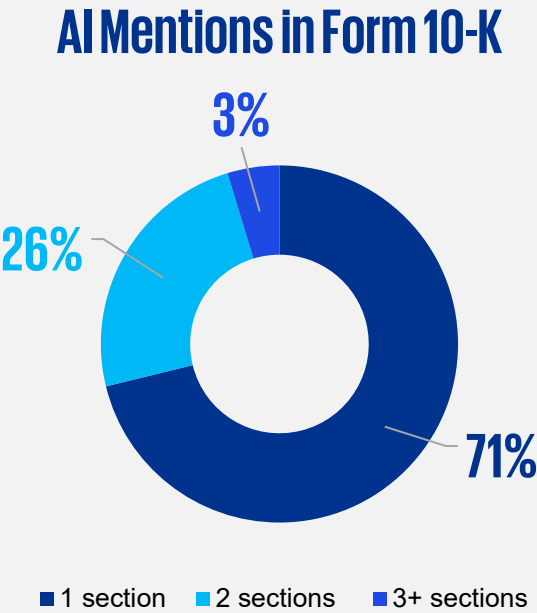
- Please tell us how you considered the disclosures required by ASC 280-10-50-29(f) for segment gross profit; and.
- Please tell us what consideration was given to identifying the additional measure of segment profit or loss as non-GAAP and providing disclosures required by Item 10(e)(1)(i) of Regulation S-K in the filing.



Emerging Themes & Focus Areas for 2026

AI trends and disclosures

- Regulation S-K requires a company to disclose information regarding its business operations, governance, and risk factors.
- While there are no specific requirements related to AI, to the extent material to the operations, governance, or risk to the organization, a company may need to consider disclosure.



Data Source: Intelligize; Form 10-Ks filed March 4, 2024 through March 3, 2025

Crypto Assets

SEC has indicated that crypto assets will be a priority in 2026

As digital asset markets continue to evolve, the SEC will help draw clear regulatory lines, create a tailored disclosure framework and ensure investors have the information needed to make investment decisions



What to watch for in 2026: Crypto Disclosures

- SEC Focus Intensifies
 - Priority area in 2026
 - Refocus from Enforcement to proactive rulemaking
 - Dedicated Crypto Task Force and repurposed Crypto Assets and Cyber unit to Cyber and Emerging Technology Unit (CETU) that will focus on fraud
 - Dedicated Crypto Office to review filings
- Disclosure and Accounting areas of consideration
 - Staff statement on offerings and registrations of securities in crypto markets
 - More tailored business section and risk factors
 - MD&A disclosure addressing fluctuations in financial performance due to crypto activity
 - Fair Value Accounting becomes standard



Any questions?





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