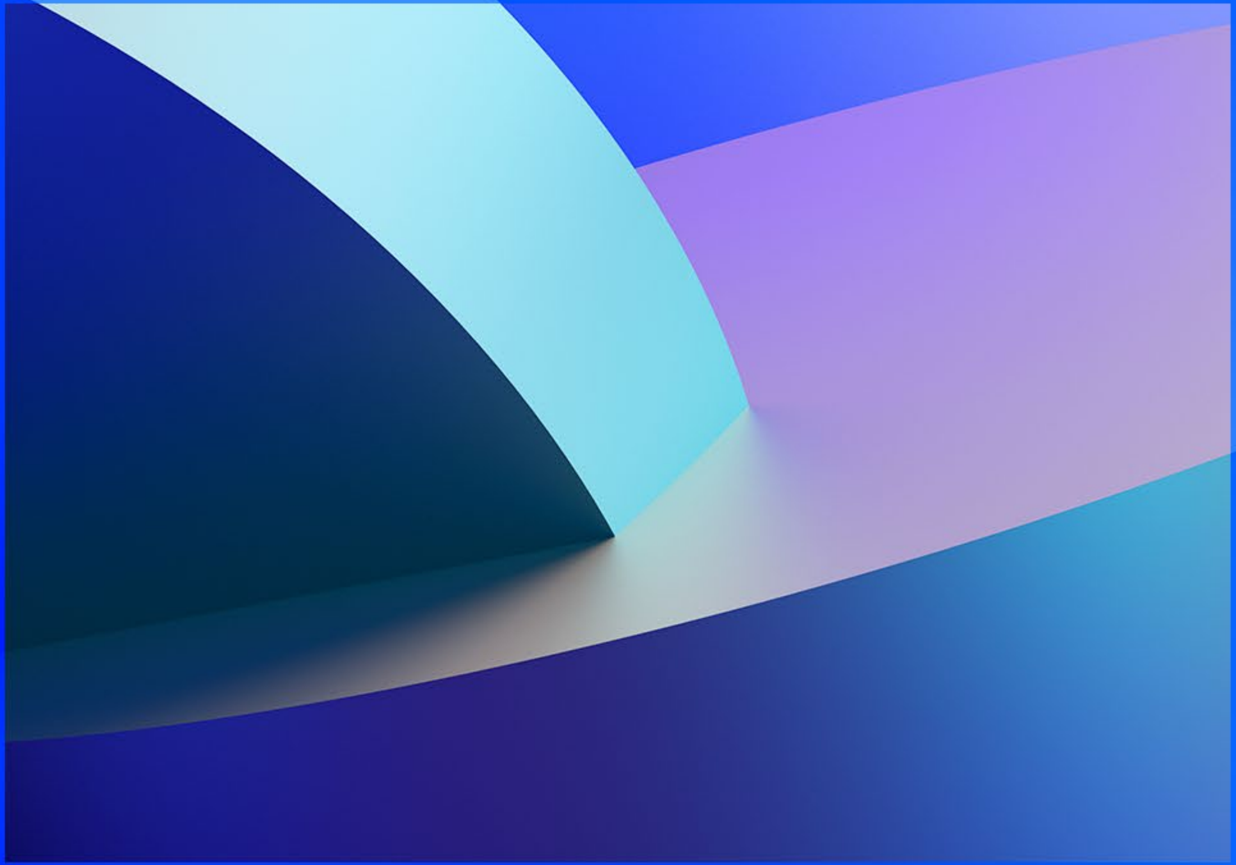
SEC Proposed Amendments: Semiannual Reporting and Accelerated Filer Status



How companies are considering the SEC's proposal on interim reporting flexibility and filer status

July 2026

Survey Results: Executive Summary

The Process

KPMG surveyed CFOs, Controllers, and Chief Accounting Officers to gather their initial reactions to the SEC's semiannual and filer status proposals

Initial Reaction to Semiannual Reporting Proposal

- Companies view the semiannual reporting proposal as meaningful, but most do not expect significant changes to reporting practices in the near term.
- Cost savings and resource redeployment are the primary benefits cited, particularly across audit, compliance, and finance functions.
- Investor expectations, peer practices, and capital market considerations remain the largest barriers to adoption.
- Most organizations expect to maintain quarterly earnings communications and governance activities regardless of reduced SEC filing requirements.

Items To Monitor

- Market reaction and adoption patterns among early adopters of semiannual reporting.
- Evolving investor, analyst, and lender expectations for quarterly information.
- Whether anticipated cost and efficiency benefits are realized while maintaining existing governance practices.
- The practical impact of revised filer status thresholds on compliance obligations and reporting behavior.

Bottom Line

The survey reflects cautious receptivity toward regulatory modernization but also underscores that market expectations are likely to remain the primary driver of reporting practices. Organizations appear more inclined to preserve quarterly transparency while selectively pursuing efficiency opportunities created by the proposed amendments

Background on the Semiannual Reporting Proposal

What's the issue

- The SEC has proposed[1] amendments to its periodic reporting framework that would allow domestic reporting companies to report on a semiannual basis as an alternative to quarterly reporting on Form 10-Q.
- The proposal introduces a new Form 10-S and outlines transition provisions and ongoing current reporting considerations.

What's the impact

- The ability to report semiannually could have broad implications for financial reporting oversight, investor communications and capital markets readiness.
- Reporting companies may need to perform entity-wide assessments to evaluate how a change in reporting frequency could affect the availability and comparability of interim information, the operation of disclosure controls and procedures, and reliance on other disclosure mechanisms such as earnings releases.

What's next

- The Executive Briefing linked below is designed to help you think through the implications of the proposal and ask the right questions within your organization.

For further information – including details on key questions to ask as you assess the options available – see KPMG's Executive Briefing.

[1] U.S. Securities and Exchange Commission, Federal Register, "Semiannual Reporting", May 7, 2026

Background on the Filer Status Proposal

What's the issue

- The SEC proposed simplifying the filer status framework by reducing complexity and eliminating overlapping thresholds, aiming for greater consistency and ease of application. Key proposed changes include:
    - **Two categories**: Consolidate into Large Accelerated Filers (LAF) and Non-Accelerated Filers (NAFs).
    - **Eliminate AF and SRC**: Remove Accelerated Filer and Smaller Reporting Company categories.
    - **Expand accommodations**: Extend SRC and EGC relief to all NAFs.
    - **New subcategory**: Create Small Non-Accelerated Filers (SNF) with longer filing deadlines.

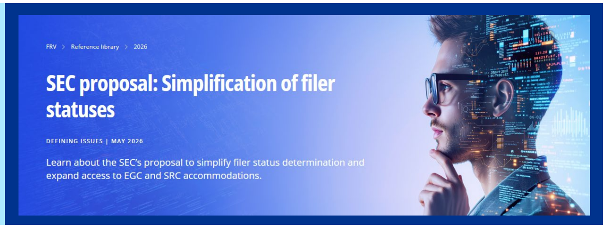
What's the impact

- The proposed streamlined structure would result in many issuers that are currently subject to Section 404(b) of the Sarbanes-Oxley Act— requiring auditor attestation of management's assessment of internal control over financial reporting (ICFR) by virtue of qualifying as an LAF or an AF — no longer being required to obtain such auditor attestation.

What's next

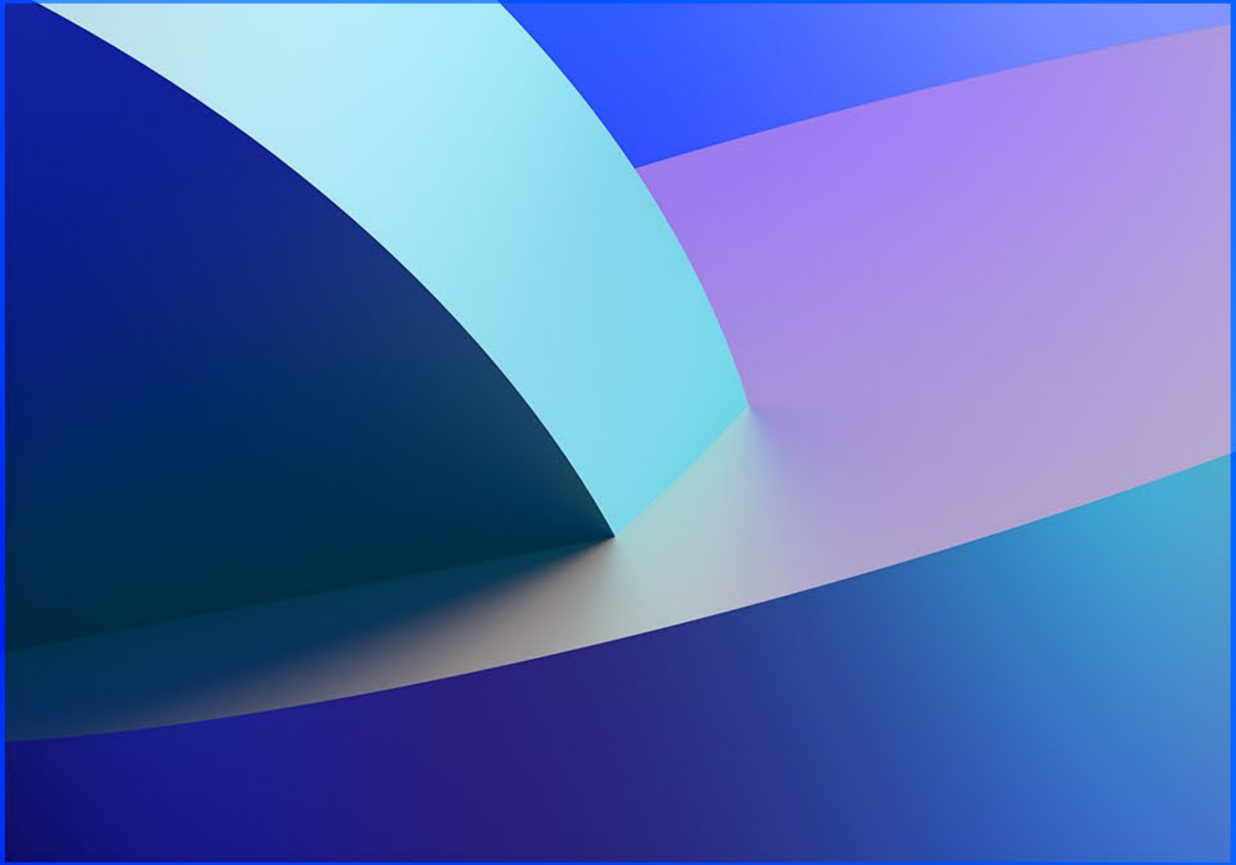
- Existing registrants would determine their LAF or NAF status based on the fiscal year-end prior to the final rules' effective date and must complete this assessment prior to the end of the fiscal year in which the rules take effect.

For further information – see KPMG's Defining Issues: SEC proposal: Simplification of filer statuses



SEC Release Nos. 33-11419; 34-105515; File No. S7-2026-18

Survey Results

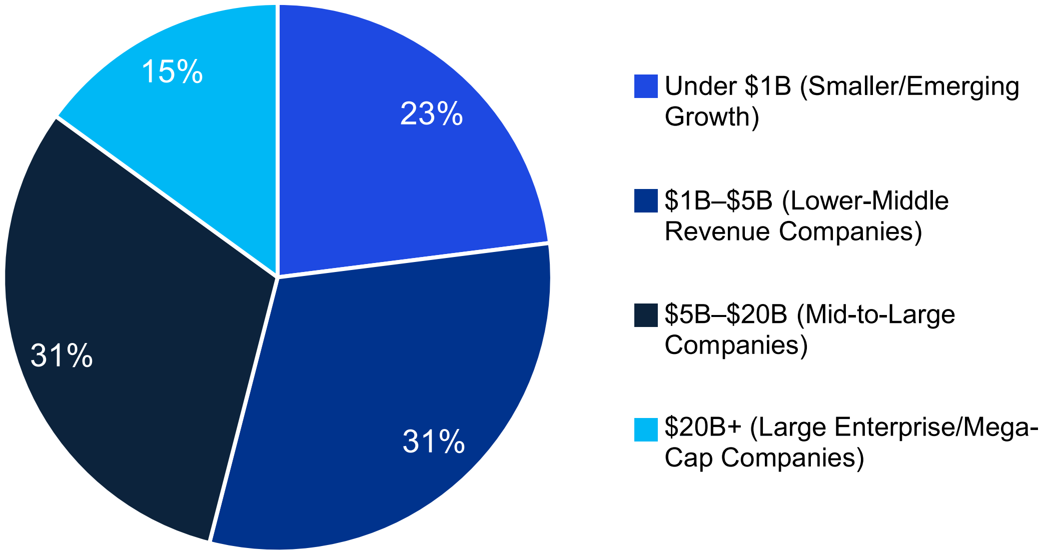


KPMG Survey

Size and Scope

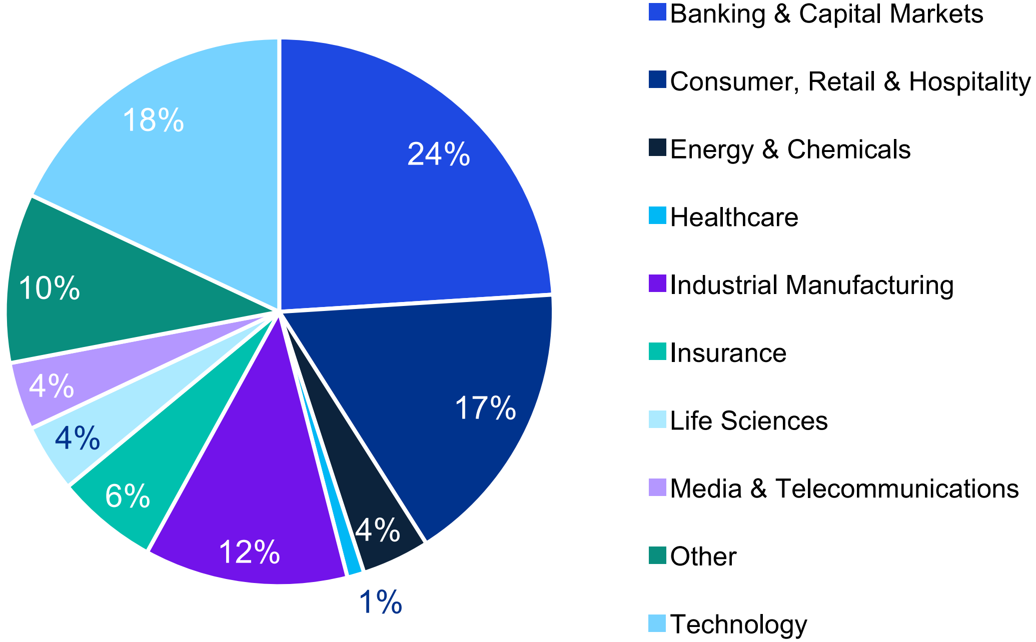
KPMG surveyed 156 organizations of a variety of sizes and industries and gathered responses to questions around the considerations of the SEC's semiannual and filer status proposals

Revenue size of companies surveyed



Note: Does not include Banking & Capital Markets companies

Industries of companies surveyed



KPMG Survey

Semiannual Reporting: Overall Assessment

Proposal's General Significance

Around half of the respondents surveyed view the SEC proposal as "moderately significant" to their organization. The remainder believe it is conceptually meaningful but with limited practical impact on their organizations given perceived investor expectations, peer practices, and access to capital market concerns.

Incremental Adoption Outlook

Semiannual reporting is seen as an incremental option, unlikely to drive immediate reporting changes or workflow shifts.

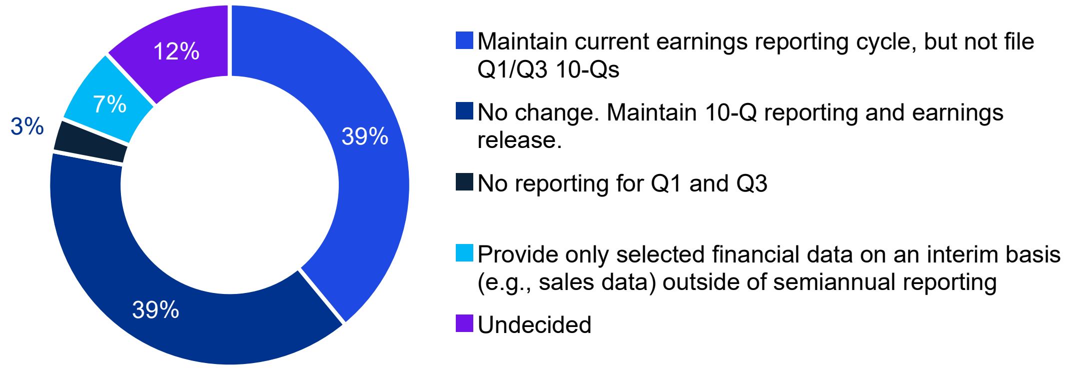
Consideration of Key Benefits

Respondents noted that the key benefits of adoption include the ability to redeploy finance resources and reduced audit, compliance, and governance costs.

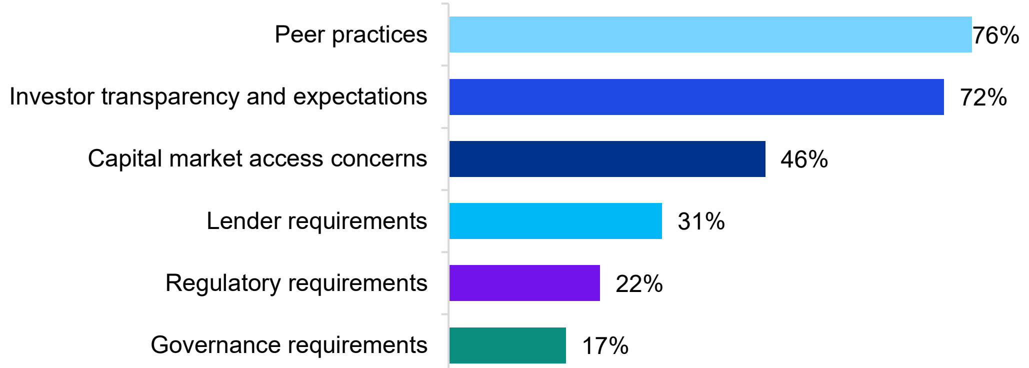
Market Adoption Dynamics

Adoption preferences appear to be split. A third of respondents indicated they would wait and see the experience and reaction received by the initial adopters, whereas a third indicated they would adopt on initial effective date or not elect at all.

Company leaning to new SEC proposal



Key factors that would limit your willingness to adopt



Note: Respondents could select multiple relevant categories

KPMG Survey

Semiannual Reporting: Peer & Stakeholder Considerations

Investor Expectations Impact

Analyst and investor feedback is overwhelmingly supportive of maintaining quarterly reporting and disclosure practices. Stakeholders expressed concerns that a shift to semiannual reporting could reduce transparency, impair investor confidence, increase market uncertainty, and limit access to timely information. While some respondents indicated that eliminating 10-Q filings may be acceptable, most emphasized the continued need for quarterly earnings releases and financial updates to meet investor expectations and support informed decision-making.

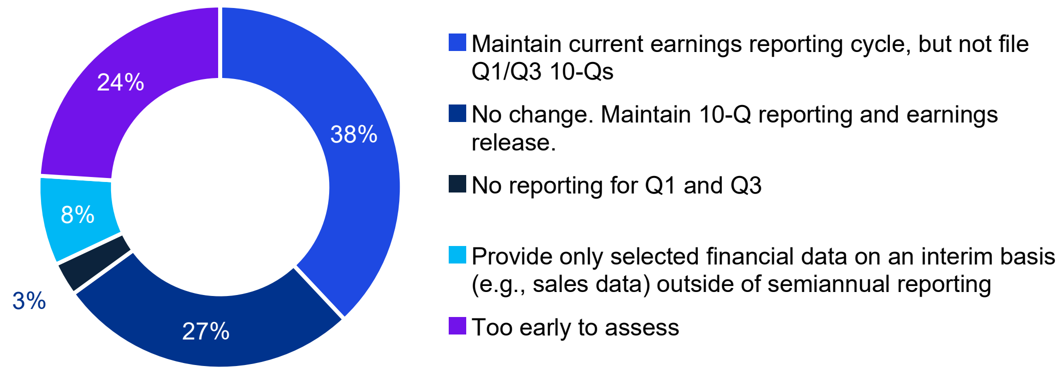
Regulatory Reporting requirements

Stakeholders believe meaningful benefits will depend on either aligning regulatory reporting with a semi-annual SEC reporting model or pursuing broader modernization of existing regulatory requirements.

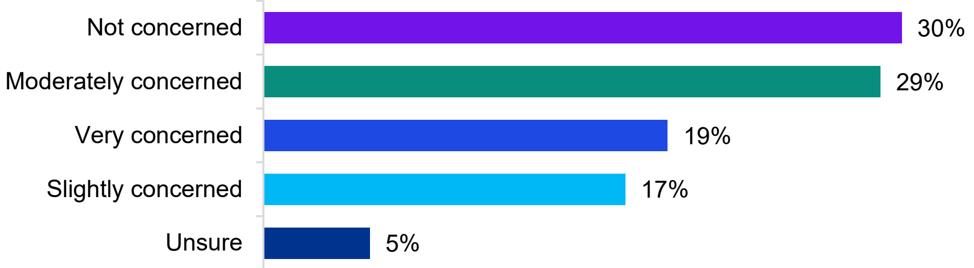
Other Stakeholders

Slightly over half the respondents noted existing financing arrangements were dependent on quarterly financial information, and some noted those would be difficult to amend. Half of the respondents are willing to amend those arrangements with a counterparty that is moving to semiannual reporting.

What do you expect your peer group to select?



Concern about comparability with peers that remain quarterly



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Semiannual Reporting: Governance Considerations

Quarterly Governance Cadence

94% of respondents expect to maintain quarterly governance and oversight despite fewer SEC filings, preserving audit and board activities.

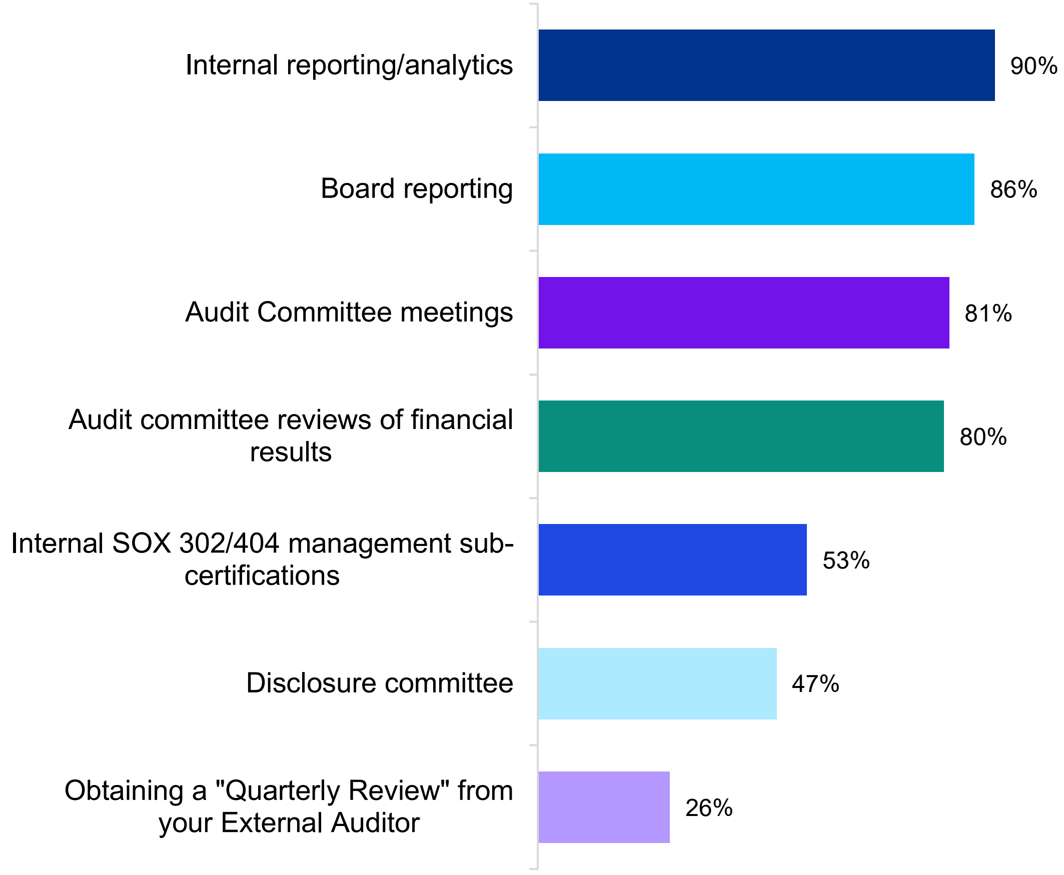
Importance of Form 8-K Readiness

Form 8-K readiness becomes critical for timely disclosure of material events without quarterly filing checkpoints. Most companies believe they can manage this within their existing control environment.

Disclosure Discipline and Risk

Maintaining disclosure discipline is critical to address regulatory and reputational risks, requiring strong judgment and coordination. Survey respondents believe that they already have this discipline and would not need to implement additional measures.

Governance function that would remain quarterly



Semiannual Reporting: Operational Considerations

Reduced Audit & Assurance Costs

The most frequently cited benefit was lower audit-related spend, including reduced audit fees, less auditor involvement and review procedures and lower costs associated with external auditors, legal reviews, and comfort letter processes.

Internal Resource & Labor Efficiencies

Respondents consistently pointed to savings from reduced internal reporting effort, lower staffing and personnel demands, less time spend preparing, reviewing and coordinating quarterly filings, and the ability to redeploy finance, account, legal and investor relations resources to higher-value activities.

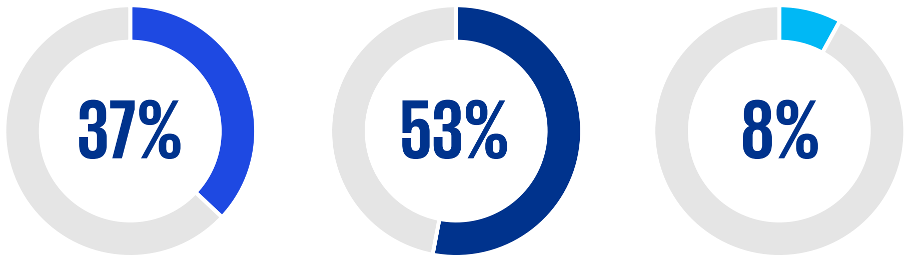
Lower Compliance & Reporting Burden

Many respondents highlighted efficiencies from few filings and disclosure requirements, streamlines reporting, governance and compliance processes, and reduced legal, regulatory, and administrative costs associated with quarterly reporting.

Expected that there would be cost saving from semiannual reporting

YES	NO
56%	44%

Expected change to external auditor responsibilities over earnings information



37%	53%	8%
Limited change - even if not required, we would want the auditor to perform limited assurance procedures over the quarterly information as part of their overall audit	Reduction of effort - we would expect the auditor to scale back their procedures	No change - even if not required we would expect the auditor to perform a full review of the interim financial statements each quarter

Note: 2% of respondents were “Unsure” of the expected changes.

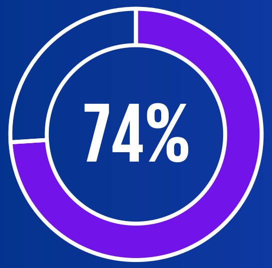
KPMG Survey

Filer Status: Overall Assessment

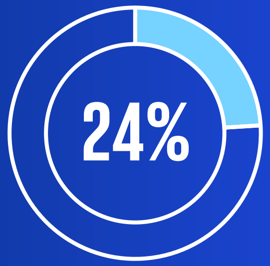
Scope of Respondents

85% of survey respondents are currently Large Accelerated Filers, with smaller representation from Accelerated Filers, Non-Accelerated Filers, smaller reporting companies and emerging growth companies.

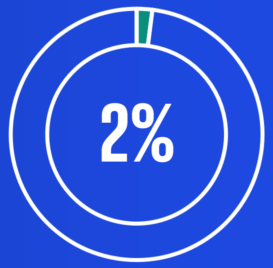
If SEC's Filer Status Proposal was adopted as proposed



Large Accelerated Filer (Public Float >$2B and reporting company for >60 consecutive months);



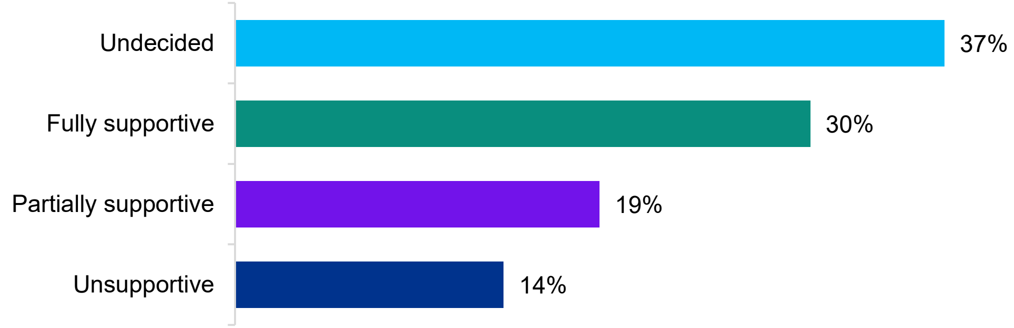
Non-Accelerated Filer Market Capitalization <$2B or reporting company for <60 consecutive months)



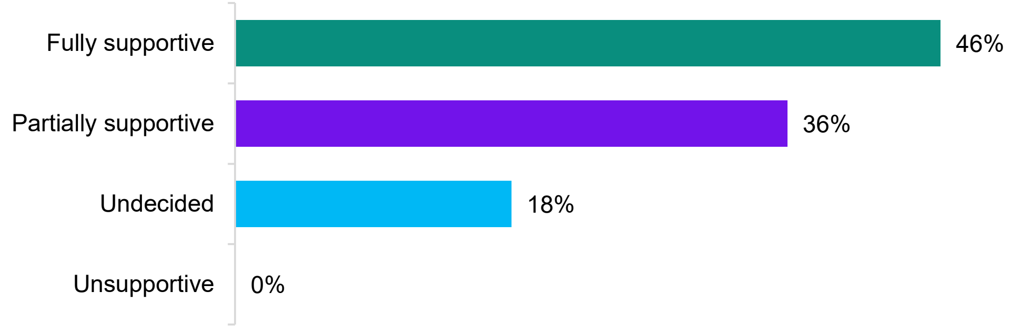
Emerging Growth Company (no change)

Preliminary sentiments on new SEC proposal

Those that would remain or become a <u>Large Accelerated Filer</u> feel



Those that would become or remain a <u>Non-Accelerated File</u> feel



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