



July 2, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

**Re: Semiannual Reporting
Release Nos. 33-11414; 34-105368; 39-2563; IC-36140
File No. S7-2026-15**

Dear Ms. Countryman:

The U.S. Chamber of Commerce (“Chamber”) submits these comments in response to the proposed rules from the Securities and Exchange Commission (“SEC” or “Commission”) regarding Semiannual Reporting (the “Proposal”). The Chamber also commends the Commission for its ongoing commitment to review existing regulations that impact capital formation in the United States.

As the Commission acknowledges in the Proposal, much has changed in the U.S. capital markets since 1970 when the SEC first moved to mandate quarterly reporting. The makeup of the U.S. economy has changed notably, with manufacturing and heavy industry declining in relative size, and technology-based and service-oriented companies composing a much higher percentage of the public company base. The Proposal is right to note the “varied circumstances” that each public company faces and which in some instances may support a shift to semiannual reporting.¹

The Chamber previously provided input to the SEC regarding semi-annual reporting when the SEC requested information and held a public roundtable on the subject in 2019.² As discussed in those comments, supporters of optional semiannual reporting typically point out the high compliance burden for issuers and the potential for quarterly reporting to contribute to “short-termism” in the capital markets. On the other hand, those that support quarterly reporting argue that it produces greater transparency, results in a lower cost of capital, and serves as a discipline for companies. Our thoughts on the question remain consistent with our 2019 submissions to the SEC.

¹ Proposal at 16

² See Chamber Letters of March 19, 2019, and July 17, 2019. Available at: <https://www.sec.gov/comments/s7-26-18/s72618-5821159-187492.pdf>; <https://www.sec.gov/comments/s7-26-18/s72618-5177716-183506.pdf>

Critics of quarterly reporting note the associated cost and compliance burden, as well as the distraction to management and potential incentives for management to focus on short-term results at the expense of greater long-term value creation. Semiannual reporting could afford more time for companies that elect that reporting frequency, including their financial and management teams, to spend on value-adding activities and projects.

At the same time, the Commission should be mindful of potential operational considerations associated with changes in reporting frequency, including the need to prepare comparative interim financial information in periods when issuers transition between semiannual and quarterly reporting frameworks.

The Chamber also echoes the sentiments of Commissioner Peirce regarding the focus on *content* of disclosure rather than frequency of disclosure.³ Much of the administrative burden of SEC reporting stems from decades' worth of ever-increasing disclosure mandates that have increased the volume and cost of quarterly and annual reports but made it more difficult for investors to determine the most salient information about a business. The SEC's ongoing Reg S-K reform initiative will go a long way towards modernizing disclosure and encouraging more companies to enter the public markets.⁴

Many companies will determine that, based on feedback from their investors and analysts, continuing with quarterly reporting is in the best long-term interest of their shareholders. Companies may also consider the potential impact on the liquidity of their stocks from a shift to semi-annual reporting and decide to maintain their current reporting frequency. Even for companies that elect semiannual reporting, many may continue to prepare and provide quarterly financial information to satisfy contractual obligations, lender requirements, and capital markets expectations, further supporting the Proposal's reliance on private ordering.

Boards of directors—guided by their fiduciary duties to all shareholders—are best suited to determine whether quarterly or semiannual reporting is best for their respective companies. Even with the option to report quarterly or semiannually, many companies are likely to elect to remain on a quarterly reporting calendar for any number of reasons, including covenants in financing agreements, analyst and investor preferences unique to their companies, regulatory requirements existing outside the federal securities laws, decision making and risk management, and other fiduciary concerns.

The Chamber does not prefer one cadence of reporting over another. But we also believe that the Proposal's optionality approach rightfully leaves the decision to companies to decide whether semiannual reporting is in the best interests of their businesses and investor bases.

³ Quarterly Questions: Statement on the Proposed Amendments to Allow Semiannual Reporting. Commissioner Hester Peirce (May 5, 2026) <https://www.sec.gov/newsroom/speeches-statements/peirce-statement-proposing-semiannual-reporting-050526>

⁴ See e.g. April 10, 2026 Chamber letter to SEC on Reg S-K reform <https://www.uschamber.com/finance/letter-to-sec-on-reforming-regulation-s-k-cll-15>

DISCUSSION

The Proposal's approach towards disclosure of financial information.

The vast majority of public companies report earnings by means of a press release that is contemporaneously reported to the Commission under Item 2.02 of Form 8-K. Because the content and format of the earnings release is subject to fewer mandatory SEC disclosure rules, public companies have greater flexibility to tailor content to meet the unique needs of their respective companies and investors. They are also able to focus the discussion on issues of particular relevance to their respective industries or geographies.

Companies electing semiannual reporting would remain subject to existing governance and control requirements and would need to continue providing timely disclosure of material information. Companies electing semiannual reporting may also need to reassess the design of insider trading policies, including blackout periods and trading windows, to ensure they remain appropriately calibrated to the timing of periodic and current disclosures.

A typical earnings release includes material financial information that is repeated in the Form 10-Q. Similarly, the typical earnings release also includes a narrative description of the material developments in the prior quarter (or year in the case of an annual report), again similar to content in the MD&A in Form 10-Q (or Form 10-K). Other material events, such as material litigation or recent M&A activity, also are disclosed in an earnings release, again potentially overlapping with disclosure in Form 10-Q.

To accompany the earnings call, many companies also prepare a slide deck containing useful charts and graphics that are not repeated in the Form 10-Q. Management may also highlight recent developments, such as a new product launch or other strategic ventures, that may not receive the same level of discussion in Form 10-Q due to the nature of its disclosure requirements.

While a number of public companies file Form 10-Q on the same day they report earnings under Item 2.02 of Form 8-K, many others still defer the Form 10-Q filing for many days until after the earnings release. In the interim, issuers have already conducted the earnings call, news media has reported on the results, and the capital markets have reacted to the information, leading to market adjustments in stock prices long before the lengthier Form 10-Q is filed. Even for those companies that make both filings on the same day, the seminal events are still the earnings release and subsequent call. Put another way, most companies will attest that their stock does not trade upon the filing of a Form 10-Q or 10-K, indicia that all material information relating to a completed quarter is disclosed through the earnings process, and hence the reason that most company trading windows are tied to the release of earnings and not the filing of SEC periodic reports.

These dynamics may not change for some companies that elect to report semiannually on Form 10-S.⁵ Certain filers may continue the practice of releasing earnings and hosting investor calls before the filing of the applicable Form 10-S or Form 10-K.

We also expect some issuers to follow the hybrid approach discussed in the Proposal. Such companies would formally report results semiannually, but publish “flash” numbers or other off-cycle updates more frequently when circumstances warrant. Although the Proposal suggests Item 2.02 of Form 8-K would not technically be available to such hybrid issuers, they could still make substantially similar information available to investors under Item 7.01 or Item 8.01.

Reducing the frequency of SEC reporting can help reduce compliance and reporting costs.

Preparing a Form 10-Q can be an arduous task, even at the largest public companies. The Chamber agrees that transparency and disclosure are important elements of an efficient capital market and the ability of a business to raise capital from investors. Still, while reporting instills discipline, it is important for the SEC to weigh whether certain disclosures impose costs or burdens that are unnecessary.

For smaller public companies in particular, the quarterly reporting process can consume a disproportionate amount of corporate resources. In this context, the Chamber has supported legislation in Congress that would simplify quarterly reporting requirements for emerging growth companies (EGCs) and provide EGCs with the option of issuing a press release with financial results in lieu of a 10-Q.⁶ Additionally, many foreign private issuers currently report semiannually without any perceived harm to investors.

Reducing administrative burdens on public companies has the potential to make the public markets more attractive relative to the private markets. A chief complaint we hear from large private companies that are hesitant to go public is that the costs and burdens of quarterly reporting outweigh their benefits of being a publicly traded company. Remaining privately-held denies public shareholders, particularly retail shareholders, the opportunity to invest and benefit in the appreciation in value of the company over time.

⁵ We believe the content of Form 10-S as proposed, which would largely track the content of current Form 10-Q, is adequate and do not recommend any changes that would expand the requirements in Form 10-S.

⁶ See May 27, 2021 Letter from U.S. Chamber in Support of the “Modernizing Disclosures for Investors Act” https://www.uschamber.com/assets/documents/ccmc/210527_ModernizingDisclosuresforInvestorsAct_Rep.-Wagner.pdf

Quarterly reporting vs. quarterly guidance.

A separate but related issue to quarterly reporting is the voluntary practice of some public companies to provide quarterly or annual earnings guidance. Even companies that do not publish internal guidance may feel pressure to take steps to meet analyst targets or other consensus estimates.

More specifically, providing an explicit target can motivate executives to manage to those targets, as investors expect management to meet or exceed those targets, penalizing firms that do not. The distraction to management that accompanies quarterly reporting and the attendant focus on short-term results often comes at the expense of greater long-term value creation. Even many advocates for maintaining the status quo with respect to quarterly reporting on Form 10-Q would prefer to see less emphasis placed on chasing short-term targets.

Furthermore, many long-term investments do not fit quarterly timelines. Certain industries naturally operate on multi-year timelines that do not lend themselves easily to quarterly measurement. Pharmaceutical and other biotech companies may spend years developing a single new product, for example. Aerospace, energy transition and infrastructure projects likewise take years to plan and develop.

For these and other similarly-situated types of companies, quarterly reporting can distort the market's assessment of businesses whose value creation is better measured in years rather than months. To that end, semiannual reporting could better align the actual business cycle with the SEC disclosure cadence.

Form 8-K has expanded significantly since 1970 and now requires real-time reporting of many significant corporate events.

In 1970 when the SEC adopted Form 10-Q, Form 8-K required reporting on only a handful of events, with the expectation that Form 10-Q (or Form 10-K) would serve as the primary source of company information for investors. Through many amendments over the intervening decades, Form 8-K now requires reporting on a significant number of intra-period events, typically within four business days, and enables companies to voluntarily provide additional information. Importantly, the SEC is not proposing to change the current Form 8-K reporting deadline.

Material corporate events that must be reported on Form 8-K include major acquisitions or divestitures, changes in executive leadership, bankruptcy proceedings, entry into significant agreements, departures of directors, earnings announcements, and other material developments that could influence investment decisions. Because Form 8-K filings are event-driven rather than scheduled, they provide investors with timely access to critical information regardless of the timing of quarterly or semiannual reports.

The information disclosed through Form 8-K provides investors with timely and relevant updates for material off-cycle developments, allowing them to make more

informed investment decisions. By requiring companies to report certain significant events promptly, and by requiring broad dissemination of other material information disclosed to members of the investment community under Regulation FD, the SEC helps ensure that investors have access to the same information at approximately the same time. This transparency reduces information asymmetry, where some market participants might otherwise possess important knowledge before others.

A shift from quarterly financial reporting to semiannual reporting could reduce the frequency of information available to investors and other market participants. One of the primary concerns associated with such a change is the possibility of increased information asymmetry, in which corporate managers possess significantly more current information than investors. However, the reporting requirements of Form 8-K and Regulation FD help mitigate many of these concerns by ensuring that material events are disclosed promptly, even if periodic financial reports are less frequent.

For companies electing to move to a semiannual reporting system, Form 8-K disclosures would serve as an important mechanism for maintaining market transparency between reporting periods. Investors would still receive prompt notification of material developments instead of waiting for the next periodic report on Form 10-Q, Form 10-S or Form 10-K.

The SEC should encourage the PCAOB to harmonize Auditing Standard 6101.

If the SEC permits public companies to transition from quarterly reporting to semiannual reporting, it should also encourage the Public Company Accounting Oversight Board (“PCAOB”) to revise the 135-day staleness requirement contained in PCAOB Auditing Standard 6101, *Letters for Underwriters and Certain Other Requesting Parties*. The current standard, which generally prohibits PCAOB-registered audit firms from providing comfort letters on financial information older than 135-days, was developed within a regulatory framework that assumes investors, underwriters, and auditors have access to quarterly financial information.

If reporting becomes semiannual, maintaining the existing staleness threshold would create unnecessary obstacles to capital formation, increase compliance costs, and undermine the intended benefits of the SEC’s reporting reform. To ensure consistency between SEC disclosure requirements and PCAOB auditing standards, it will be necessary for the PCAOB to modify the 135-day requirement to accommodate a semiannual reporting environment.

The rationale for the 135-day requirement may be less compelling for companies reporting semiannually. Under a semiannual reporting regime, a company’s most recent financial statements could easily exceed 135 days before the next periodic filing becomes available. As a result, many issuers seeking to access the capital markets during that interim period would encounter situations in which standard negative assurance comfort cannot be provided if certain financial information is deemed stale, even when they are fully compliant with SEC reporting requirements.

This outcome would create a regulatory inconsistency in which the SEC allows financial information to remain current for reporting purposes while PCAOB standards effectively treat the same information as not entitled to customary negative assurance comfort.

Maintaining the 135-day rule would also increase costs for issuers. Companies conducting public offerings on or after the 135-day period may be forced to prepare additional interim financial information and management representations, or engage auditors in expanded procedures solely to satisfy the comfort-letter requirements.

These additional costs would be particularly burdensome for smaller public companies, EGCs, and issuers that access the capital markets frequently. Such expenses would diminish one of the primary benefits of semiannual reporting: reducing regulatory burdens and allowing management to focus on long-term value creation rather than frequent compliance activities.

Likewise, the 135-day rule could unintentionally discourage capital formation. Public companies often rely on timely access to equity and debt markets to fund growth opportunities, acquisitions, research and development, and other strategic initiatives. If the staleness requirement makes it more difficult or expensive to complete securities offerings during large portions of the year, companies may delay or forgo transactions that would otherwise benefit shareholders and the broader economy. Revising the staleness threshold would help ensure that capital markets remain efficient and accessible under a semiannual reporting model.

The SEC should therefore coordinate with the PCAOB to extend the staleness period under AS 6101 to align more closely with the semiannual reporting cycle. For example, the threshold could be increased to approximately 225 days or another period that reflects the timing of semiannual filings. Alternatively, AS 6101 could be revised to allow an accountant to provide negative assurance based on interim financial information included in a quarterly earnings release or similar disclosure, without requiring a full AS4105 review of that information. Such an approach would prevent reliance on excessively outdated financial information while recognizing that the SEC's reporting environment has fundamentally changed.

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We commend the Commission for reconsidering the current approach to quarterly reporting. We support SEC initiatives such as the Proposal that encourage private ordering. We appreciate your consideration of these comments, and we are available to discuss them further with the Commissioners or Staff at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Flood", is centered on the page. The signature is fluid and cursive, with a prominent initial "M" and "F".

Mike Flood
Senior Vice President
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce