

Proposed SEC Rules Would Lighten Executive Compensation Disclosure Load for Many Public Companies

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KEY POINTS

- Under the SEC's proposed rules, public companies would be classified only as large accelerated filers or non-accelerated filers.
- Non-accelerated filers would be subject to scaled executive compensation disclosure requirements similar to those for emerging growth companies and would not be required to conduct Say-on-Pay or related advisory votes.
- The SEC estimates that about 81% of public companies would qualify as non-accelerated filers under the proposed framework, while large accelerated filers would represent roughly 93.5% of total public float.
- Large accelerated filers — generally companies public for at least five years with a public float of at least \$2 billion for two consecutive years — would remain subject to the full executive compensation disclosure regime.
- If adopted, the proposed rules could take effect as early as the 2027 proxy season.

On May 19, 2026, the Securities and Exchange Commission (SEC) proposed rule amendments that would significantly simplify executive compensation disclosure requirements for many public companies. The proposed rules would split public companies into large accelerated filers and non-accelerated filers. Non-accelerated filers would be subject to scaled executive compensation disclosure rules, similar to those presently applicable to emerging growth companies (EGCs), and they would not be required to conduct Say-on-Pay and related advisory votes. The SEC estimates that approximately 81% of public companies would be non-accelerated filers subject to these scaled disclosure rules. The remaining public companies would be large accelerated filers, representing the majority (about 93.5%) of public float, and they would remain subject to substantially the same executive compensation disclosure rules that currently apply to large accelerated filers.

CURRENT FRAMEWORK

Under the current framework, a public company can be (i) a non-accelerated filer, an accelerated filer, or a large accelerated filer; and (ii) an EGC, smaller reporting company (SRC) or neither, with overlaps between the various categories. A company's filer and reporting status is generally based off of its public float and annual revenues.

EGCs and SRCs may take advantage of scaled disclosure rules. Neither an EGC nor an SRC is required to (a) include a Compensation Discussion & Analysis (CD&A) in its annual proxy statement, (b) provide executive compensation tables other than a scaled Summary Compensation Table (limited to a two-year lookback period for three named executive officers (NEOs), with no automatic inclusion of the CFO) and Outstanding Equity Awards at

Fiscal Year End table for those NEOs, or (c) provide a Pay Ratio disclosure. In addition, EGCs, but not SRCs, are exempt from the requirement to provide a Pay Versus Performance disclosure and conduct Say-on-Pay, Say-on-Frequency, and Say-on-Golden-Parachute advisory votes.

Public companies that are neither EGCs nor SRCs are subject to the full set of executive compensation disclosure rules, and are obligated to conduct Say-on-Pay, Say-on-Frequency, and in the context of a merger or acquisition, Say-on-Golden-Parachute advisory votes.

See [Appendix A](#) for a summary chart of the compensation disclosure rules currently applicable to EGCs, SRCs and other public companies.

PROPOSED FRAMEWORK

Under the SEC's new proposed framework, a public company would be classified as either a large accelerated filer or a non-accelerated filer. A company that has been public for five years and has at least a \$2 billion public float (increased from the current \$750 million threshold) would be considered a large accelerated filer. The company's public float would be measured based on its trailing stock price as of the last 10 trading days of the second quarter of the company's fiscal year. The \$2 billion threshold would have to be met for two consecutive years to qualify as a large accelerated filer. All other public companies would be considered non-accelerated filers.

Non-accelerated filers would be subject to the same scaled executive compensation disclosure requirements that currently apply to EGCs. They would not need to (a) include a CD&A in their annual proxy statements, (b) provide executive compensation tables other than a scaled Summary Compensation Table (limited to a two-year lookback period for three NEOs, with no automatic inclusion of the CFO) and Outstanding Equity Awards at Fiscal Year End table for those NEOs, or (c) provide a Pay Ratio or Pay Versus Performance disclosure. In addition, non-accelerated filers would not be required to conduct Say-on-Pay, Say-on-Frequency, or Say-on-Golden-Parachute votes.

Large accelerated filers would remain subject to the full set of executive compensation disclosure rules.

See [Appendix B](#) for a summary chart of the compensation disclosures rules that non-accelerated filers and large accelerated filers would be subject to under the proposed rules.

EFFECTIVENESS

The SEC is requesting comments on the proposed rules by July 20. The proposed rules could potentially be effective as early as the 2027 proxy season, if the SEC approves final rules this year. Under the SEC's proposed transition period, existing public companies would assess their status as a non-accelerated filer or large accelerated filer as of the end of the fiscal year before the year in which the final rules go into effect. The company's status would be based on its public float for that fiscal year and the preceding fiscal year.

The SEC continues to consider other reforms to the executive compensation disclosure regime and to Regulation S-K more generally. As a result, there could be more changes coming down the pike.

WHAT TO DO NOW

We encourage public companies to assess whether they expect to be classified as non-accelerated filers or large accelerated filers if these rules were to go into effect. Based on that projection, companies should begin to consider what the executive compensation sections of their proxy statements should look like, balancing new potential rules and investor expectations. While we would expect many public companies who fit within the non-accelerated filer category to take advantage of scaled disclosure requirements, they will also need to evaluate whether there are disclosures that are important to retain based on investor and proxy advisory firm expectations. Early discussions with third party advisors, such as external counsel and independent compensation consultants, could also help to inform such discussions at the compensation committee level.

To discuss the potential impact of the proposed rules at your company, please reach out to any of the authors of this client alert or your regular Troutman Pepper Locke contacts.

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