

SEC Proposes to Simplify Filer Status and Expand Emerging Growth Company Accommodations

WRITTEN BY

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KEY POINTS

- The SEC proposal would consolidate five filer categories into two — LAFs and NAFs — with a SNAF subcategory.
- The proposal would raise the public float threshold for LAF status to \$2 billion, add a 60-month Exchange Act reporting seasoning period, and thereby reduce the number of companies treated as LAFs.
- Under the proposal, all NAFs would receive a unified package of scaled disclosures and accommodations currently limited to EGCs and SRCs, including exemption from auditor attestation of ICFR.
- The SEC proposal would extend filing deadlines for SNAFs and require all public companies, including NAFs, to disclose material unresolved SEC staff comments in Form 10-K and Form 20-F.
- The proposed filer status changes are designed to work together with the Registered Offering Reform Proposal and the Semiannual Reporting Proposal to reduce disclosure burdens while concentrating full reporting obligations on the largest, most seasoned issuers.

On May 19, 2026, the Securities and Exchange Commission (SEC) issued [proposed amendments](#) to its public company reporting framework to extend disclosure scaling and other accommodations, which are currently available only to newly public companies and smaller companies, to seasoned companies and mid-sized public companies. The proposal is part of SEC Chair Paul Atkins's "Make IPOs Great Again" agenda to incentivize companies to go and stay public. The SEC's proposal would simplify the filer status regime for reporting companies by creating two primary categories: large accelerated filers (LAFs) and non-accelerated filers (NAFs), and eliminating the current categories of smaller reporting companies (SRCs) and accelerated filers. The proposal's key changes include:

- Raising the public float threshold for LAF status from \$700 million to \$2 billion and extending the seasoning requirement for LAF status from 12 months to 60 consecutive calendar months of Exchange Act reporting;
- Eliminating the accelerated filer and SRC filer categories;
- Extending certain existing accommodations and scaled disclosures to all NAFs;
- Creating a small NAFs (SNAFs) subcategory, measured by total assets, and providing such issuers with extended deadlines to file periodic reports; and
- Updating the rules defining which issuers are small entities for purposes of the Regulatory Flexibility Act.

Although framed as an "enhancement of emerging growth company accommodations," the proposal would not change the statutory definition of an emerging growth company (EGC), which is set by the Jumpstart Our Business Startups (JOBS) Act. An issuer qualifies as an EGC if it had less than \$1.235 billion in total annual gross

revenues (the current inflation-indexed threshold) during its most recently completed fiscal year, and it retains that status for up to five years following its initial public offering, subject to earlier loss of status if it becomes a LAF or exceeds the applicable revenue or nonconvertible debt thresholds. Rather than disturb that definition, the SEC proposes to migrate most of the accommodations historically available only to EGCs and SRCs into a unified regime tied to NAF status, so that access to those accommodations would turn primarily on filer status and public float rather than on the EGC or SRC labels.

Two EGC-specific benefits are statutory in nature and would remain available only to statutory EGCs, because the SEC lacks authority to extend them by rule:

- The Freedom of Information Act (FOIA) confidentiality protection under Section 6(e)(2) of the Securities Act for nonpublic draft registration statements submitted prior to an EGC's initial public offering; and
- The statutory limitations on the application of certain Public Company Accounting Oversight Board (PCAOB) rules and standards to EGC audits, including the exemption of EGC audits from the critical audit matters reporting requirement under PCAOB Auditing Standard (AS) 3101 and the statutory prohibition on applying mandatory audit firm rotation or auditor discussion and analysis requirements to EGC audits absent an SEC determination.

Non-EGC companies submitting draft registration statements for nonpublic review would continue to be able to use the SEC's Rule 83 confidential treatment procedures regarding FOIA requests; however, unlike the statutory EGC protection, Rule 83 requires a case-by-case determination by SEC staff as to whether a FOIA exemption applies and does not provide the same automatic confidentiality assurance. The shareholder advisory votes under Section 14A of the Exchange Act are different. While the SEC cannot rewrite the statutory EGC exemption from those votes, it is separately invoking its exemptive authority under Section 14A(e) to exempt all NAFs, not only EGCs, from the say-on-pay, say-on-frequency, and say-on-golden-parachute vote requirements.

CURRENT FILER STATUS FRAMEWORK AND RATIONALE FOR PROPOSED AMENDMENTS

The current SEC public company reporting framework establishes filer categories for domestic public companies based primarily on a company's public float, annual revenue, and reporting history, which determines the deadlines for filing annual and quarterly reports, the specific disclosure required to be included in filings, and compliance with auditor attestation requirements for internal control over financial reporting. Domestic reporting companies are classified among multiple filer status categories, including: LAFs, accelerated filers, NAFs, SRCs and EGCs. These categories often overlap and apply simultaneously, requiring domestic public companies to annually reevaluate their current filer status and compliance requirements under the various filer regimes. To address concerns over the complexity of the current framework and compliance costs, which can disproportionately affect small- and mid-sized public companies, the proposed amendments seek to simplify the existing reporting framework into two main filer categories and ease compliance costs.

SEC Commissioner Mark Uyeda stated that the proposed amendments "would reduce regulatory burdens while ensuring that the vast majority of the public float remains subject to the full set of disclosure requirements" and would take the SEC "one step closer to making the consequences and burdens of being a public company less onerous, and less off-putting, for small issuers."

THE PROPOSED AMENDMENTS

SIMPLIFIED FILER CATEGORIES

Under the proposed amendments, the current five filer categories would be consolidated into two primary filer categories: LAFs and NAFs, with a subcategory of SNAFs for the smallest public companies. Because EGC is a statutory category created by the JOBS Act, it would be retained but would become largely redundant in practice, as discussed below. All domestic reporting companies that do not meet the LAF requirements would be classified as NAFs, thereby becoming the default filing category for most public companies. The proposed amendments would also eliminate the current categories for accelerated filers and SRCs along with their relevant requirements. The SEC estimates that, if the proposed amendments were in place today, only 19.2% of current public companies would be LAFs (compared to 35.4% currently), while approximately 80.8% would be NAFs.

The SEC's proposed amendments also would establish a subcategory for SNAFs, defined as an NAF that has total assets of \$35 million or less as of the end of each of the two most recent second fiscal quarters. The SEC estimates that 17.9% of public companies (or 22.2% of NAFs) would qualify as SNAFs. SNAFs would be afforded extended periodic report filing deadlines, as discussed below.

RAISES THE LAF THRESHOLD AND ALTERS THE TESTING METHODS, THEREBY REDUCING THE NUMBER OF REPORTING COMPANIES THAT QUALIFY AS LAFS

Under the proposed amendments, the public float threshold for LAF status would be increased from \$700 million to \$2 billion. Public float would be calculated by multiplying the aggregate worldwide number of shares of the issuer's voting and nonvoting common equity held by nonaffiliates as of the last day of the issuer's second fiscal quarter by the average stock price over the last 10 trading days of that quarter. Under the proposed amendments, a company also would be required to exceed the \$2 billion public float threshold for two consecutive fiscal years before qualifying as a LAF. Similarly, in order to exit LAF status, a company would need to remain below the \$2 billion public float threshold for two consecutive fiscal years. This single \$2 billion entry-and-exit threshold would replace the current framework's separate, lower exit thresholds, currently \$560 million for a LAF to exit to accelerated filer status and \$60 million for either a LAF or an accelerated filer to exit to NAF status, thereby eliminating a significant source of complexity under the existing rules, as companies would no longer lurch back and forth between statuses from year to year.

Currently, companies must be reporting under the Exchange Act for 12 months prior to becoming a LAF. The proposed amendments would extend this seasoning requirement from 12 months to at least 60 consecutive calendar months of Exchange Act reporting, effectively creating a minimum five-year on-ramp for every new public company before it could become subject to LAF obligations, regardless of public float. This stands in contrast to the JOBS Act's EGC on-ramp, which provides accommodations for up to five years (a maximum). Under the proposal, even a company that goes public with a market capitalization well in excess of \$2 billion would remain an NAF for its first five years, thereby deferring compliance with non-scaled disclosure requirements, accelerated reporting deadlines, and ICFR auditor attestation.

REVISED AND EXPANDED NAF STATUS

Under the proposed amendments, all NAFs would be entitled to a unified set of scaled disclosures and accommodations currently available only to companies that qualify as SRCs and/or EGCs. The scaled disclosures and accommodations include:

- NAFs would be permitted to include only two years (rather than three years) of audited financial statements and

Management's Discussion and Analysis (MD&A) disclosure;

- NAFs would be permitted to provide more limited business descriptions and to omit risk factor disclosures in Forms 10-K and 10-Q. Additionally, NAFs would not be required to provide a stock performance graph (except for investment companies, including business development companies and face-amount certificate companies, which would continue to be subject to performance graph requirements to maintain parity with other registered investment companies), supplementary financial information, or quantitative and qualitative disclosures about market risk. NAFs that are resource extraction issuers would also be exempt from the payment disclosure requirements applicable to such issuers under Exchange Act Rule 13q-1. Business development companies and face-amount certificate companies that are NAFs would be subject to certain tailored financial statement requirements under proposed Rule 3-19 of Regulation S-X, rather than the full Article 8 accommodations available to other NAFs, recognizing differences in the operations and structures of these investment companies;
- NAFs would be entitled to provide compensation disclosure for up to three (rather than five) named executive officers and only two years (rather than three years) of summary compensation data. In addition, NAFs would be exempt from the requirement to provide Compensation Discussion & Analysis disclosure, pay ratio disclosure, and pay versus performance disclosure, and would be permitted to omit golden parachute compensation disclosure in connection with merger and acquisition transactions;
- NAFs would be exempt from the requirement to conduct "say-on-pay," "say-on-frequency," and golden parachute shareholder advisory votes. Because the statutory EGC exemption cannot be extended by rule, the SEC proposes to reach this result through its exemptive authority under Section 14A(e) of the Exchange Act, applied to all NAFs;
- NAFs would, but only during their first five years after initial registration with the SEC, be permitted to elect to defer adoption of new or revised financial accounting standards until those standards apply to companies that are not issuers, an accommodation currently available to EGCs. The election would be irrevocable, and, unlike the other accommodations, it would not depend on filer status and would lapse on the last day of the fiscal year in which the fifth anniversary of the company's initial registration effective date occurs; and
- NAFs would be exempt from the requirement to obtain auditor attestation of internal control over financial reporting (ICFR) under Section 404(b) of the Sarbanes-Oxley Act, representing a significant cost reduction. Management's ICFR assessment and report would remain required for all NAFs.

In addition, the proposal would eliminate the more rigorous related-party transaction disclosure requirements that currently apply specifically to SRCs under Item 404(d) of Regulation S-K. Currently, SRCs must disclose related-party transactions exceeding the lesser of \$120,000 or 1% of average total assets for the last two fiscal years and must disclose all parent companies and the basis of control. Rather than extending these heightened SRC-specific requirements to all NAFs, the proposal would eliminate Item 404(d) entirely. As a result, NAFs would be subject only to the standard \$120,000 threshold applicable to other registrants under Item 404(a).

The proposal would also impose one new obligation on NAFs. Consistent with the companion Registered Offering Reform Proposal ([Release 33-11418](#)), which would expand Form S-3 and shelf eligibility to substantially more issuers, the SEC proposes to amend Item 1B of Form 10-K (and Item 4A of Form 20-F) to require all public companies, including NAFs, to disclose the substance of any material unresolved staff comments received at least 180 days before fiscal year end. That disclosure requirement currently applies only to accelerated filers, LAFs, and well-known seasoned issuers.

EXTEND REPORTING DEADLINES AVAILABLE TO THE SMALLEST NAFS

The proposed amendments would provide SNAFs with extended filing deadlines. SNAFs would be required to file their Annual Reports on Form 10-K 120 days (rather than 60 days for LAFs or 90 days for NAFs) after fiscal year end and their Quarterly Reports on Form 10-Q 50 days (rather than 40 days for LAFs or 45 days for NAFs) after

fiscal quarter end. Therefore, for the three filer groups, the proposed rule would establish the following reporting deadlines:

Filer Category	Annual Report (Form 10-K)	Quarterly Report (Form 10-Q)
LAFs	60 days after fiscal year end	40 days after quarter end
NAFs	90 days after fiscal year end	45 days after quarter end
SNAFs	120 days after fiscal year end	50 days after quarter end

IMPLICATIONS AND PRACTICAL GUIDANCE

PROPOSED TRANSITION PERIOD AND ASSESSMENT OF FILER STATUS

Existing companies would assess their status based on public float for the fiscal year-end immediately preceding the date the proposed amendments take effect and the immediately prior fiscal year. SNAF status is determined based on total assets over the same timeframe. Companies may make the assessment any time after effectiveness of the proposed amendments but no later than the day before the last day of the fiscal year in which the proposed amendments become effective. For example, if final rules become effective on January 15, 2027, a calendar-year-end company would be required to complete its initial assessment no later than December 30, 2027, but could do so at any time between January 15 and December 30, 2027. Once a company completes its assessment and qualifies as an NAF, it may begin relying on the applicable accommodations for subsequent filings. Existing companies would not carry forward their prior filer status for purposes of the initial assessment; a current LAF would be treated as “not currently a LAF” in applying the proposed definitions.

EXCLUSIONS FROM THE PROPOSED AMENDMENTS

Asset-backed issuers are excluded from the proposed filer status definitions. Foreign private issuers (FPIs) that elect to comply with the rules and use the forms designated for FPIs (Forms 20-F and 40-F) would not be subject to the proposed LAF and NAF definitions and generally could not rely on the proposed scaled-disclosure accommodations. Notably, the SEC did not propose conforming changes to the methodology used by Form 20-F filers to calculate public float for purposes of the ICFR attestation requirement. As a result, FPIs filing on Form 20-F would continue to determine public float for purposes of the ICFR attestation requirement based on the existing single-day measurement methodology and the current \$75 million public float threshold, unless they qualify as an EGC.

The proposing release also specifically requests comment on the treatment of special purpose acquisition companies (SPACs). The proposal does not include any accommodations specific to SPACs or other business combinations. As a result, under the general rule, the 60-month seasoning period for the company would begin when the SPAC first becomes subject to Exchange Act reporting obligations at its initial public offering, and no reset would occur upon the subsequent business combination with a private operating company. The SEC has expressly requested comment on whether it should instead permit a new seasoning period to begin at the time of the de-SPAC transaction, or at different times for companies that incur Exchange Act reporting obligations in other ways, such as spin-offs. Companies with active de-SPAC transactions should monitor this issue closely, as the final rule’s treatment of the seasoning period could materially affect the timeline on which a post-combination operating company becomes subject to LAF obligations.

REDUCED REPORTING BURDENS

Other than LAFs, most companies under the proposed framework would be subject to less stringent deadlines and

reporting requirements. As NAFs, a larger number of reporting companies would have accommodations and scaled disclosure options available, which are currently reserved for certain other designations. The SEC estimates that the proposed changes would apply to companies representing approximately 6.5% of total market public float, while companies representing approximately 93.5% of total market public float would remain subject to LAF reporting requirements. Notably, NAFs that no longer wish to rely on the proposed accommodations would be permitted to continue to voluntarily comply with the reporting rules applicable to LAFs.

The SEC acknowledges, however, that the proposal involves meaningful trade-offs. The release recognizes that reducing the number of public companies subject to non-scaled disclosure, ICFR auditor attestation, and shareholder advisory votes will decrease the information available to investors and “potentially mak[e] it more difficult and costly for investors to make informed investment and voting decisions, resulting in potentially less informative share prices.” The release further acknowledges that the smallest issuers “tend to be disproportionately represented among issuers with restatements and allegations of fraud,” and that eliminating the ICFR auditor attestation requirement for newly eligible NAFs could result in “less effective ICFR, negative impacts on financial controls, reporting quality, [and] risk of fraud.” The SEC’s position is that these costs are outweighed by expected reductions in compliance burdens, the potential for more companies to go and stay public, and the continued availability of audited financial statements and management’s ICFR assessment from all NAFs. Companies and their advisors should weigh these acknowledged trade-offs when evaluating the proposal’s implications for their specific circumstances.

SIMPLIFIED FILER STATUS AND REPORTING

The consolidation to two main filer categories, LAFs and NAFs (plus SNAFs), should make filer status determinations more straightforward and reduce annual reevaluation and other compliance burdens.

CONCENTRATED BURDENS ON THE LARGEST, MOST SEASONED ISSUERS

With the increase in the public float threshold for LAF status to \$2 billion and the extended 60-month seasoning requirement, LAF obligations, including accelerated deadlines, say-on-pay, and ICFR auditor attestation, would be confined to a relatively small group of public companies that nonetheless represents the vast majority of aggregate public float.

EGC STATUS WOULD REMAIN, BUT ITS SIGNIFICANCE WOULD DIMINISH

Because EGC is a statutory category, the SEC cannot eliminate it by its proposed amendments. The proposed amendments extend most EGC accommodations to all NAFs, regardless of whether they meet the statutory EGC definition. As a result, the SEC acknowledges that EGC status would, in many cases, become unnecessary in practice for purposes of accessing scaled disclosure and other accommodations. However, certain EGC-specific statutory benefits would remain available only to statutory EGCs and would not be extended to NAFs. Companies advising on IPO timing or audit engagement matters should continue to track whether an issuer qualifies for statutory EGC status, notwithstanding the expanded NAF accommodations.

EVALUATE VOLUNTARY CONTINUED DISCLOSURE AND ICFR ATTESTATION

Companies that would transition to NAF status should consider whether to voluntarily continue providing full disclosures and/or obtaining ICFR auditor attestation. Considerations include investor expectations and potential

analyst coverage implications, obligations under existing agreements (such as debt covenants, credit facilities, or other contractual arrangements that may reference current filer statuses or require specific disclosures), proxy advisor policies, and the likelihood that the company may requalify as a LAF in the future. Companies should also carefully evaluate the litigation implications of scaling back or eliminating risk factor disclosures and other currently required disclosures in their periodic reports, as the protective effect those disclosures may provide in securities litigation could be lost. These strategic decisions may be particularly nuanced for companies whose peer group includes a mix of companies that elect to scale back disclosures and companies that do not, as inconsistent adoption could raise investor questions about transparency and governance.

The proposed amendments have a 60-day comment period, with comments due by July 20, 2026. The SEC has requested comments on numerous questions spanning the proposing release, including questions related to the proposed LAF threshold and calculation methodology, the expansion of the NAF framework and the related scaled disclosure accommodations, the SNAF provisions, the proposed transition mechanism, and the economic analysis. Companies that are supportive of the proposed changes or have additional viewpoints for the SEC to consider are encouraged to engage in the comment process. Final rules could be adopted before the end of 2026, and if so, could impact registered offerings and reporting beginning in 2027.

The proposed filer status amendments are designed to work in tandem with two other recently proposed SEC rulemakings. The companion Registered Offering Reform Proposal (Release 33-11418), issued on the same day, would dramatically expand the number of companies eligible to use Form S-3 for shelf registration and extend registration and communication benefits currently reserved for well-known seasoned issuers to a broader set of exchange-listed issuers. Additionally, the SEC's Semiannual Reporting Proposal ([Release 33-11414](#)), issued on May 5, 2026, would permit all registrants to elect to file reports on a semiannual rather than quarterly basis. Together, these three proposals would significantly reshape the regulatory landscape for public companies by reducing both the content and frequency of required disclosures and expanding access to the capital markets.

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