

July 20, 2026¹

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F St. N.E.
Washington, DC 20549-1090

RE: File No. S7-2026-15, Semiannual Reporting

Dear Ms. Countryman:

CFA Institute², in consultation with its Corporate Disclosure Policy Council (“CDPC”)³, appreciates the opportunity to provide comments to the Securities and Exchange Commission (the “SEC” or “Commission”) on its proposed rule, [Semiannual Reporting](#) (the “Proposal”)⁴.

CFA Institute has a long history of promoting fair and transparent global capital markets and advocating for strong investor protections. An integral part of our efforts toward meeting those goals is ensuring that corporate financial reporting and disclosures and the related audits provided to investors and other end users are of high quality. Our advocacy position is informed by our global members who invest both locally and globally.

CFA Institute opposes the Proposal. Investors support quarterly reporting.

The Proposal’s Economic Analysis does not give substantive attention to the impacts and costs of the Proposal to investors. We believe the Commission should not rely on this analysis in reaching a conclusion regarding whether the Proposal is necessary or appropriate

¹ On September 2, 2026, CFA Institute published the final version of [Investor Perspectives: Quarterly Reporting](#). The final version includes editorial revisions and visual enhancements to the pre-production draft of the publication, which was referenced in this letter. This letter has been revised to make limited conforming changes to descriptions, references, and page and exhibit citations so that this letter aligns with the final report. The initial version of this letter is available upon request through the CFA Institute Contact Center at <https://help.cfainstitute.org/>. The underlying survey results and the report’s overall findings remain unchanged, as do the views and recommendations expressed in the report and this letter.

² With offices in Charlottesville, VA; New York; Washington, DC; Hong Kong SAR; Mumbai; Beijing; Abu Dhabi; and London, CFA Institute is a global, not-for-profit professional association of more than 200,000 members, as well as 157 member societies around the world. Members include investment analysts, advisers, portfolio managers, and other investment professionals. CFA Institute administers the Chartered Financial Analyst® (CFA®) Program. For more information, visit www.cfainstitute.org, follow us on [LinkedIn](#), or subscribe to our [YouTube channel](#).

³ The objective of the CDPC is to foster the integrity of financial markets through its efforts to address issues affecting the quality of financial reporting and disclosure worldwide. The CDPC is composed of investment professionals with extensive expertise and experience in the global capital markets, some of whom are also CFA Institute member volunteers. In this capacity, the CDPC provides the practitioners’ perspective in the promotion of high-quality financial reporting and disclosures that meet the needs of investors.

⁴ Throughout this letter we use the term “Proposal” to refer to the [SEC version of the proposing release](#) (File No. S7-2026-15) issued on May 5, 2026.

in the public interest without a more complete consideration of the cost to investors of the Proposal. We respectfully urge the Commission to withdraw the Proposal.

ORGANIZATION OF OUR RESPONSE

On June 11, 2026, we submitted a [comment letter](#) to the Commission with our preliminary thoughts on the Proposal. We filed that letter to provide a draft of our report [Investor Perspectives: Quarterly Reporting](#) (referred to throughout this letter as the “2026 Survey Report” or similar)⁵ and to add a professional investor voice to the chorus of individual investors’ comments filed with the Commission. In that letter, we also asked the Commission to do three things: 1) defer the comment deadline for this Proposal and for other recent rulemakings given their short and overlapping comment periods, 2) consider the interrelationships and ordering of the proposals and forthcoming proposals, and 3) consider the interdependent nature of the economic analysis of the existing and forthcoming proposals, including whether the Commission should do combined economic analysis. We respectfully restate those requests here.

Given the importance of the Proposal to investors, we have responded to as many of the detailed questions posed by the Commission as we could in the time given. Those responses are in **Appendices A, B, and C** as noted below, in the order they were presented in the Proposal to accommodate any electronic aggregation of responses. We also respond to the questions posed by Commissioner Peirce in her statement [Quarterly Questions: Statement on the Proposed Amendments to Allow Semiannual Reporting](#) in **Appendix D**.

We summarize our views expressed in the question responses from the appendices in the body of the letter after we provide a brief history of the CFA Institute’s position on quarterly reporting and a summary of the findings in our 2026 Survey Report. Both are foundational to understanding our views on the Proposal. Before that, we begin by considering the SEC’s commentary in the lead-up to the Proposal to respond to certain narratives driving the Proposal and the broader Commission agenda with respect to disclosure rationalization.

For ease of reference, we provide the following guide:

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⁵ On September 2, 2026, CFA Institute published the final version of [Investor Perspectives: Quarterly Reporting](#).

CONSIDERATION OF THE SEC'S COMMENTARY LEADING UP TO THE PROPOSAL'S RELEASE

We observe several policy narratives driving this Proposal and the broader Commission agenda with respect to disclosures:

1. “Letting the market decide” will result in a more optimal outcome for reporting frequency and other disclosure matters;
2. Other jurisdictions use semiannual reporting, and it works well;
3. Refocusing disclosure requirements on materiality; and
4. Increasing the number of public companies, i.e., “Make IPOs Great Again.”

We discuss each of these, along with our views on each, to situate our views on the Proposal within the broader policy debate.

Narrative 1: “Letting the market decide” will result in an optimal outcome for reporting frequency and other disclosure matters.

Chairman Atkins set out this framing in a Financial Times op-ed titled “*Let the Market Decide How Often Companies Report*.”⁶ In that article, Chairman Atkins argued that the government should provide the “minimum effective dose” of regulation and urged the Commission to “remove its thumb from the scales” so that the market could determine the optimal reporting frequency based on company-specific factors such as industry, size, and investor expectations. Chairman Atkins carried that framing into his May 5, 2026, statement on the Proposal⁷, stating that the rigidity of the Commission’s current rules has prevented companies and investors from determining for themselves the interim reporting frequency that best serves their needs.

CFA Institute agrees that issuers and investors are diverse. But the flaws in the “let the market decide” argument are 1) an assumption that the market for corporate disclosure is competitive, when it is rather lopsided, and 2) ignoring the need for comparability by investors who analyze issuers’ disclosures on a comparative basis.

Investors are numerous, dispersed, and individually limited in their ability to negotiate. Issuers are far fewer in number, and the number of issuers with securities that offer high-quality investment opportunities is fewer still. Most investors cannot realistically bargain issuer-by-issuer over reporting frequency or any specific disclosure topic. Diversified institutional investors hold securities of thousands of issuers and retail investors have even less practical ability to negotiate for disclosure. Bargaining can be even more challenging for prospective investors who have not yet taken a position in an issuer’s securities.

⁶ [Let The Market Decide How Often Companies Report](#), Financial Times, 29 September 2025.

⁷ [SEC.gov | Statement on Proposing Release for Semiannual Reporting](#)

Importantly, other elements of the Commission’s regulatory framework are making the largest institutional investors (e.g., index or passive funds) – who may wield the greatest power to negotiate with issuers by virtue of their significant shareholdings – more cautious about engagement with investee companies. Recent Commission staff guidance on Schedule 13D and 13G eligibility states that Schedule 13G may be unavailable ***where a shareholder’s engagement with management goes beyond discussion and exerts pressure to implement specific measures or policy changes***, including where the shareholder conditions support for director nominees on the issuer’s adoption of the shareholder’s recommendation.⁸

Notwithstanding the merits of that interpretation, the point is that the Commission should not assume in this rulemaking that investor engagement will discipline issuer decisions to reduce disclosure as many of ***the largest investors have communicated to us that they no longer have the power to direct issuers without running afoul of Schedule 13G***.

Issuer choice over reporting frequency impairs comparability by producing a patchwork of reporting practices. Some companies may file Form 10-Q. Some may file Form 10-S and issue detailed quarterly earnings releases. Some may provide releases with only narrative commentary. Some may provide no quarterly information at all.

The costs of that fragmentation are generally borne more by investors, rather than issuers, for whom the reporting practice of their peers is less important. A market in which reporting frequency and reporting content vary by issuer and over time would require investors to constantly keep track of which company is reporting what and when, adjust the time period of models, compare performance using reporting periods of different lengths, and make decisions with stale information. There is a cost to investors of this fragmentation. It is already challenging for investors to determine market share winners and losers because financial information is disclosed at a highly aggregated level under US GAAP. Putting reporting frequency in flux would add even greater difficulty to that analysis.

Mandatory reporting addresses the uneven bargaining power across issuers and investors and investors’ need for comparability by establishing a floor across the investment universe for both reporting content and frequency. Issuers have the choice to disclose above that floor, through various means like earnings releases, guidance, earnings calls, and presentations. Some issuers today provide a wealth of these voluntary disclosures, while others do not.

Also — as we discuss in our remarks on the Proposal’s economic analysis which follows — the Proposal ultimately allows issuers to decide frequency and in doing so fails to recognize that issuers have little to no information on the costs to investors of such a decision.

In many ways, the notion of “letting the market decide” fails to consider a broad range of factors and obstacles which make that inefficient and ineffective for investors.

⁸ [“Under Pressure”: Walking the Fine Line of Section 13\(D\) Passive Investor Status | White & Case LLP](#)

Narrative 2: *Other jurisdictions use semiannual reporting, and it works well.*

The argument against Narrative 1 above makes the case for the Commission setting a reporting frequency floor rather than leaving it to issuer choice. The debate then turns to what that floor should be, i.e., how often should the Commission require issuers to report? Proponents of semiannual reporting argue that every three months is too frequent, while every six months is more reasonable because semiannual reporting works in foreign jurisdictions including the UK, most of Europe, Hong Kong, and Australia.

The issues with adopting semiannual reporting, as in those jurisdictions, are:

- 1) there is little to no persuasive evidence provided in the Proposal that semiannual reporting works better for capital formation or investor protection than quarterly reporting;
- 2) the US markets have had quarterly reporting since 1970 and have clearly performed well during that time and better than many markets in foreign jurisdictions; and
- 3) foreign jurisdictions with semiannual reporting have more expansive continuous disclosure obligations than the Commission's Form 8-K system to keep investors informed of material matters during the long reporting periods.

We discuss each of these at length in our 2026 Survey Report and in our responses to the Proposal's questions in the appendices but expand on the third point here.

The European Union and United Kingdom Market Abuse Regulation frameworks generally require issuers to disclose inside information that directly concerns the issuer as soon as possible, subject to limited delay conditions.⁹ Australia's ASX Listing Rule 3.1 requires a listed entity, once aware of information that a reasonable person would expect to have a material effect on the price or value of its securities, to immediately inform the market, subject to limited exceptions. Hong Kong's statutory inside-information regime similarly requires a listed corporation to disclose inside information as soon as reasonably practicable after it comes to the corporation's knowledge, subject to safe harbors.¹⁰

The current reporting framework in the US is different. Form 8-K requires disclosure when ***specified*** events occur, and Item 8.01 permits voluntary disclosure of other events the registrant deems important. Changes in market share, margin pressure, changing customer behavior, competitive shifts, or deterioration across individually small developments do not necessarily trigger mandatory Form 8-K disclosure.

Form 10-Q captures a much broader range of events and circumstances than Form 8-K. Quarterly earnings announcements are "clearing events" for investors because Form 10-Q

⁹ EU Regulation (EU) No596/2014, Article 17 (Article 17 of the UK Market Abuse Regulation (UK MAR))

¹⁰ Hong Kong e-Legislation Citation: Cap. 571, Section 307B(1) of the Securities and Futures Ordinance states that – "A listed corporation must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose the information to the public."

elicits material information in the interim financial statements, MD&A, liquidity, risk factor updates, and elsewhere, additionally subject to the Commission’s Rule 12b-20 requirement to include any other material information necessary to make the statements made not misleading.

Adopting semiannual reporting while leaving the Form 8-K reporting framework unchanged combines the weaker part of foreign jurisdictions with the weaker part of the US reporting framework. It would reduce periodic reporting frequency by permitting a semiannual model, but without adopting the broader continuous-disclosure obligations to keep investors informed during the longer reporting period.

Narrative 3: Refocusing disclosure requirements on materiality.

A third narrative underlying the Proposal is the Commission’s expressed interest in making materiality a more prominent feature of the disclosure framework. Chairman Atkins has repeatedly described materiality as the Commission’s “north star” in disclosure regulation and has tied that principle to a broader review of Regulation S-K and public-company reporting burdens. Some have argued that a greater emphasis on materiality is a preferable and more operable alternative to reducing reporting frequency, a notion that Commissioner Peirce requests comment on in her statement on the Proposal.¹¹

CFA Institute agrees that investors do not benefit from immaterial disclosure. As we wrote in our comment letter to the Commission on Reforming Regulation S-K¹², we support a disciplined review to determine whether requirements could be modified to elicit more material information – because we observe many filings that are rather short on details and include several examples in our letter – and to reduce boilerplate.

While we would have to evaluate the merits of any specific proposal to change or reduce requirements in Regulation S-K, we’re skeptical that increasing the emphasis on materiality would deliver for investors. As we’ve expressed many times, investors are not overloaded with immaterial information and advances in information technology have made investors ever more capable of interpreting information.¹³ Over the last four years, for example, generative AI has become broadly available, providing even retail investors with information processing capabilities previously held only by the largest investment firms. ***As information becomes cheaper to produce and consume, investors expect more information, not less.***

With respect to the Proposal on semiannual reporting, eliminating two Form 10-Q filings would reduce the number of times each year that management would make broad materiality

¹¹ [SEC.gov | Quarterly Questions: Statement on the Proposed Amendments to Allow Semiannual Reporting](#)

¹² [CFA Institute’s consultation response to SEC Chair Atkins’ statement on reforming Regulation S-K.](#)

¹³ In the member survey we conducted and included in our 2013 report [Financial Reporting Disclosures: Investor Perspectives on Transparency, Trust, and Volume](#) issued in conjunction with the Commission’s Disclosure Effectiveness Initiative, we found very little support for reducing the volume of disclosures: only 5% of survey respondents indicated that the objective of the Disclosure Effectiveness Initiative ought to be reducing the volume of disclosures. More anecdotally, our membership has rarely expressed a desire for less information from companies, only for more.

assessments for disclosure from four to two. Form 8-K is left unchanged. The Proposal, therefore, does not increase emphasis on materiality; it simply amounts to the Commission soliciting material disclosure less often. A company may experience margin pressure, liquidity stress, demand improvements, or other trends that are important to investors before the end of a six-month period. Those developments do not independently trigger Form 8-K; they would only be visible through the disclosures that Form 10-Q (or Form 10-S, less often) elicits.

A materiality-focused rulemaking should improve the relevance, clarity, timeliness, and comparability of required disclosure. It should not reduce timeliness and comparability.

Narrative 4: *Increasing the number of public companies, i.e., “Make IPOs Great Again”*

Motivating the Proposal and other disclosure reduction rulemaking projects is the desire to increase the number of public companies.¹⁴ Chairman Atkins has discussed many times that the number of companies listed in the US is 40% lower today than it was in the mid-1990s. Also, companies that do go public today tend to do so at a more advanced age than in the past, i.e., “after their Series D or E round of private fundraising, whereas thirty years ago, an IPO would be the equivalent of today’s Series B or C.”¹⁵

CFA Institute supports increasing the attractiveness of public markets. More companies going public earlier in their life cycle can broaden the ability of ordinary savers to participate in economic growth. Public markets provide liquidity, transparency, price discovery, accountability, and broad access in ways private markets do not fully replicate.¹⁶

The case that quarterly reporting is a meaningful cause of the decline in the number of public companies has not been established. During the long period in which the SEC has required quarterly reporting on Form 10-Q, the number of public companies has risen, fallen, and stabilized. Jurisdictions with quarterly reporting (e.g., US, Canada, most of Asia) have not seen a decline in listings any worse than jurisdictions with semiannual reporting (e.g., UK, most of Europe, Hong Kong). In fact, the opposite is true, with listings growing in certain Asian jurisdictions, and Europeans contending with listings migrating across the Atlantic to the US.

Public-company participation is affected by many structural factors, including the growth of private capital, mergers and industry consolidation, changes in business models and capital needs, underwriting and other IPO costs, litigation risk, tax policy, and research coverage.

As we wrote in our comment letter on Reforming Regulation S-K¹⁷, we urge the Commission to constitute an advisory committee to study public and private market structure and issue

¹⁴ [SEC.gov | Statement on Proposing Release for Semiannual Reporting](#): “This proposal is part of my Make IPOs Great Again agenda that is aimed at incentivizing companies to go and stay public.”

¹⁵ [SEC.gov | Remarks at the Stanford Rock Center for Corporate Governance](#)

¹⁶ See [Understanding the Growth of Private Markets](#) CFA Institute Research & Policy Center (22 June 2026).

¹⁷ [CFA Institute’s consultation response to SEC Chair Atkins’ statement on reforming Regulation S-K.](#)

recommendations to the Commission and other policymaking and standard-setting bodies. The Commission could use prior efforts such as the [Advisory Committee on Improvements to Financial Reporting](#) and the [Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees](#) as models for such a committee.

More specifically, we suggest that an Advisory Committee on Public and Private Market Structure be constituted to consider the following points:

- The change in the number of public and private companies in the US, peer countries, and emerging markets in different time periods.
- Most and least likely reasons for the changes in number, with discussion of the strengths and weaknesses of various explanations.
- The effects of the change in the number of public and private companies in the US and whether they are positive, neutral, or negative with respect to the SEC's statutory mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation (i.e., is there a problem?).
- Consideration of the impact of the growing "retailization" of private companies that results in those companies raising capital from the public but without complying with most of the features of public companies.
- Recommendations for the SEC and other policymaking and standard setting bodies.

We believe that an Advisory Committee on Public and Private Market Structure could deliver thoughtful, nonpartisan insights on this important topic.

BRIEF HISTORY OF CFA INSTITUTE'S POSITION AND WORK ON QUARTERLY REPORTING

CFA Institute supports quarterly reporting.

Our interest in this issue is rooted in our understanding of how important information, including interim information, has been to the development of the US capital markets since the Great Depression. In the Preface to our [2026 Survey Report](#) we review that history as it provides essential context to why investors broadly care so deeply about this issue. The individual investor concerns the Commission is receiving through over 200,000 comment letters received to date echo the challenges investors experienced in the period leading up to the 1929 crash, which led to the Securities and Exchange Act of 1933 and the Securities and Exchange Act of 1934. We would encourage the Commissioners and SEC Staff to review that history.

The Background section of our [2026 Survey Report](#) explains in greater detail that our support for quarterly reporting predates the Commission's 1970 Form 10-Q requirements.¹⁸

In a [letter dated February 16, 1955](#), the National Federation of Financial Analysts Societies (predecessor to CFA Institute) wrote the following to the SEC:

During the intervening period between annual reports, much can happen which will affect either favorably or unfavorably on the value of a security. ***In consequence, the withholding of information on an interim basis regarding operations gives the insiders, or the large investor who is in a position to obtain private information, a real advantage over the typical investor.*** The Securities and Exchange Act recognized the danger inherent in the lack of current and continuing information prior to the adoption of the Act as being in part responsible for sudden and unreasonable fluctuations in the price of securities and precipitated and intensified manipulation. ***Not only will the availability of interim information reduce special advantage, but it helps to eliminate a feeling of distrust or possible misinterpretation of the existing situation in corporate affairs.***

We strongly advocated for quarterly reporting and rebutted many of the same arguments against it that prevail today in our widely cited 1993 white paper, [Financial Reporting in the 1990s and Beyond](#):

AIMR [predecessor to CFA Institute] unequivocally supports quarterly financial reporting and is opposed to any movement to eliminate it.

...

Financial analysis thrives on information...For capital allocation to proceed efficiently in our economy, information must be disseminated both promptly and publicly...***[I]f financial information is not disclosed to the public promptly, it will become known first to a small number of privileged "insiders," only later filtering down to the public at large.*** Those circumstances place an onerous burden on [our] members, all of whom are prohibited from using material nonpublic information by [our] Code of Ethics and Standards of Professional Conduct.

...

The economic affairs of an enterprise should be reported in financial statement form at regular and frequent intervals. ***A year or six months is too long to wait for facts, either good or bad, to be***

¹⁸ See [Issue Brief: Impact of Quarterly Reporting](#). CFA Institute (October 29, 2019) for positions and rationale.

disclosed formally. Less than three months is too short a period for most businesses to make meaningful measurements of economic activity; it would also require excessive periodic assessments of financial status. Thus, quarterly interim reporting satisfies optimally the tradeoff between the maximum length of time an analyst should have to wait to receive a report on an enterprise's economic status and the minimum period of time for which meaningful financial measures can be made.

We [responded to](#) the Commission's 2018 [Request for Comment on Earnings Releases and Quarterly Reports](#) in support of quarterly reporting and the practice of maintaining distinct earnings releases and Form 10-Q filings – a position which was supported by our [2019 survey and publication](#).

Specifically, that survey found minimal support for reductions in the requirements that make up the Commission's interim disclosure framework. Only:

- 36% of respondents supported a move to semiannual reporting for all companies;
- 31% of respondents supported permitting all companies to elect a semiannual reporting frequency;
- 22% supported giving companies flexibility to eliminate disclosures from the Form 10-Q if they were already included in the earnings release (the so-called "Supplemental Approach" to the Form 10-Q that the Commission requested comment on); and
- 11% supported abandoning Form 10-Q filings in favor of companies solely providing earnings releases.

After [President Trump again requested](#) the Commission to consider a move from quarterly to semiannual reporting in the fall of 2025, we again surveyed our membership to see if their views on reporting frequency, earnings releases vs. Form 10-Q filings, the implications of changing reporting frequency, and the relationship between management and investor behavior and reporting frequency had changed since 2019.

While we did not expect members' views to have changed much, we believed it was important to obtain up-to-date perspectives since much has happened since 2019, including: the COVID-19 pandemic, rapid improvements in information technology including the mass adoption of generative AI, and several years more experience with semiannual reporting in the UK and Europe, which had switched from quarterly reporting in the 2010s.

As we discuss in the next section, our January 2026 member survey had a higher response rate than our 2019 survey, and the results indicate support for the Commission's existing quarterly reporting disclosure framework and opposition to reductions to the frequency of reporting.

INVESTOR PERSPECTIVES: QUARTERLY REPORTING (OUR 2026 SURVEY REPORT)

Our comments in this letter are largely based on our report [*Investor Perspectives: Quarterly Reporting*](#).

The report discusses the results of an extensive 46-question survey of CFA Institute members around the world who work as investment analysts and portfolio managers. Conducted in January 2026¹⁹, the survey received more than 2,500 responses, including over 1,000 written comments.²⁰ We cite to specific exhibits and respondent comments from the report throughout our responses to the Commission's questions in this letter. A table showing all the survey exhibits cited within our responses to the Proposal's questions is presented in the **Appendix** for reference and precedes the responses to the questions in **Appendices A, B and C**.

At a high level, the key findings from the survey are:

1. **Retain Quarterly Reporting** — A majority of respondents (62%) oppose replacing quarterly reporting with semiannual reporting and also oppose (approximately 70%) granting issuers broad flexibility to choose or change their own reporting frequency. Respondents emphasized the importance of comparability and consistency across companies and industries. There is very broad support (82%) for allowing voluntary quarterly reporting if semiannual reporting is mandated.
2. **If New Form 10-S is Implemented, Require More Information** — A slight majority of respondents (52%) agreed that if the SEC moves to semiannual reporting, it should adopt a new Form 10-S for issuers to file. Half of respondents (50%) indicated that any reduction in reporting frequency should require more extensive — not less extensive — disclosures in interim reports to compensate for the longer reporting interval.
3. **Earnings Releases and Quarterly Reports (Form 10-Qs) Are Distinct, Useful and Complementary, Not Substitutes** — A significant majority of those surveyed viewed earnings releases and Form 10-Qs as complementary rather than substitutable disclosure documents. Fewer than 10% supported abandoning Form 10-Q in favor of just earnings releases. Most respondents highlighted the importance of the structured nature of Form 10-Q filings and the importance of the incremental financial statement disclosures, auditor involvement, management certifications, and greater legal accountability. Respondents did not agree that earnings releases are more or less useful than Form 10-Qs, as they contain different information.

¹⁹ As the survey was fielded before the Proposal, the survey questions test various policy alternatives rather than the precise mechanics of the Proposal.

²⁰ The survey results reflect the views of responding CFA Institute charterholders in selected roles and may not represent all CFA Institute charterholders or investors. When we use the terms “respondents,” “those surveyed” or similar, we are referring to those who responded to the survey. At times throughout this letter, we use the term “investors” more generally (similar to the use of the term in the Proposal including in Requests for Comment). In such cases, we do not intend to represent the views of *all* investors.

4. **Under a Voluntary Quarterly Reporting Regime, Respondents Largely Support Retaining Form 10-Q and Enhancing Legal Liability of Earnings Releases** – A significant majority of respondents (74%) disagreed with the view that Form 10-Q should be abandoned; 66% supported a requirement that companies electing voluntary quarterly reporting continue to file Form 10-Q. Sixty-three percent of respondents agreed that those earnings releases should be “filed” rather than “furnished” with the SEC to strengthen investor protections against misleading information.
5. **Under a Voluntary Quarterly Reporting Regime: Only a Minority Expect Quarterly Reporting Will Continue, Most Expect Less Information**— Respondents expect that most companies would discontinue quarterly reporting if it became optional and that quarterly disclosures would become materially less informative and less comparable. Only 32% of respondents expect that the US companies in which they invest will continue to report quarterly if doing so becomes optional. Even fewer (21%) expect voluntary Form 10-Q filings, while 57% of respondents expect earnings releases will contain less information in a voluntary quarterly reporting regime.
6. **Those Surveyed Have Significant Concerns Regarding, and Low Expectations of, Semiannual Reporting**— Respondents expressed significant concerns regarding reducing reporting frequency, with significant numbers expressing apprehension across a variety of implications including that six-month reporting intervals would be too long in current markets and might increase the cost of capital. Respondents also cited reduced comparability across companies, potential effects on dividend continuity, greater reliance on voluntary disclosures and non-GAAP measures, and heightened risks of unequal information access, delayed disclosure of negative information, and increased insider trading risk due to longer periods between mandatory disclosures.
7. **Management Incentives, Not Reporting Frequency, Impact Long-Termism** — Respondents did not express a clear consensus that moving to semiannual reporting would meaningfully increase long-termism (41% agreed). Unexpectedly, given that an annual reporting period is even longer term than semiannual, fewer respondents (35%) believed that moving to annual reporting would foster long-termism, and there was much higher conviction among those who strongly disagree with this longer period. Instead, those surveyed overwhelmingly (85%) identified tying management compensation to the achievement of long-term goals as a significantly more important driver of long-term decision-making. There was no consensus that companies and investors in semiannual jurisdictions are more long-term-oriented than those in quarterly reporting jurisdictions.

Recommend a More Comprehensive Economic Analysis – The report further recommends that the SEC undertake a comprehensive empirical assessment of the likely effects of a shift

to semiannual reporting. Such analysis should evaluate both the assumptions underlying arguments in favor of semiannual reporting and a range of potential consequences that have received comparatively less attention in the policy debate. These are highlighted in the [Conclusions and Recommendations²¹ for Policymakers section of the 2026 Survey Report](#). Based upon the survey results and comments received, we judge that most investors are unlikely to be convinced that reducing reporting frequency would improve market quality or better serve their informational needs. We discuss these findings in more detail in our responses to the Commission's questions in the Proposal in the appendices attached and summarized in the next section.

SUMMARY OF OUR RESPONSES TO QUESTIONS IN THE PROPOSAL

Our responses to the questions posed by the Commission in the form they have been presented are in **Appendices A, B and C**. We also respond to the questions posed by Commissioner Peirce in her statement [Quarterly Questions: Statement on the Proposed Amendments to Allow Semiannual Reporting](#) in **Appendix D**. We summarize our responses to the questions below using a thematic grouping of questions.²²

We focus here on the questions posed regarding the proposed amendments on semiannual reporting. A summary of our views on the Proposal's Economic Analysis is in the next section. Given timing and resource constraints, we did not respond to the Commission's questions on the proposed amendments to Regulation S-X and related questions in detail.

Whether to Permit Semiannual Reporting (Scope and Eligibility) (Questions 1–5)

CFA Institute opposes permitting Exchange Act reporting companies to elect semiannual reporting in lieu of quarterly reporting on Form 10-Q. We recommend that the Commission retain mandatory quarterly reporting for all domestic reporting companies. Quarterly reporting provides investors with timely, comparable, structured, and legally accountable information that supports price discovery, reduces information asymmetry, and promotes confidence in public markets.

Survey evidence does not support either a broad or scaled move to semiannual reporting. In our 2026 member survey, only 35% of respondents supported moving from quarterly to

²¹ On pages 121-125 of the 2026 CFA Institute Survey Report we provide five recommendations based upon the survey as follows:

1. Maintain quarterly reporting in quarterly reporting jurisdictions.
2. Recognize that many respondents across jurisdictions, even those in semiannual reporting jurisdictions, support quarterly reporting and share views on the consequences of reduced reporting frequency.
3. Recognize significant concerns with semiannual reporting and limited belief that it would increase long-termism.
4. Limit flexibility in reporting frequency to avoid comparability challenges.
5. If voluntary quarterly reporting is allowed, establish formal structured reporting requirements (require Form 10-Q). An earnings release is a complement to, not a substitute for, a Form 10-Q.

²² The themes and groupings are our own.

semiannual reporting, while 62% supported retaining quarterly reporting. Support was even lower for a scaled approach limited to smaller reporting companies, non-accelerated filers, emerging growth companies, or similar categories. We therefore do not support making semiannual reporting available either to all issuers or only to selected categories of issuers.

Nor do we support a mandatory semiannual regime. A mandatory semiannual regime would be worse than the Proposal because it would eliminate the ability of companies to continue filing Form 10-Q voluntarily. Although a mandatory semiannual regime might create a degree of uniformity, it would still result in a patchwork of voluntary quarterly reporting practices. The better way to preserve timeliness and comparability of information is to retain mandatory quarterly reporting.

If, notwithstanding investor opposition, the Commission adopts Form 10-S, the filing deadline should be no later than current Form 10-Q deadlines and preferably sooner. Second-quarter Form 10-Q already includes year-to-date (first-half) financial statements and MD&A, and its reporting deadline has been workable for many years. Longer deadlines would further delay access to information; investors will already be waiting months (e.g., for calendar-year companies, January results would not become available until the first-half results are released in August).

Comparability, Trend Analysis, and Required Quarterly Breakouts (Questions 6, 7, 14, & 30)

Semiannual reporting would impair investors' ability to compare company performance over time and across peer companies. Moving from quarterly to semiannual reporting reduces the number of interim observations from four to two and can conceal significant intra-period changes. A company may report modest first-half growth, while its first quarter was strong and its second quarter deteriorated sharply. Investors should not have to wait until the annual report to identify such trends.

The same problem arises in peer comparisons. A quarterly filer's first- or third-quarter results would be public while a semiannual filer's corresponding information would remain unavailable. Investors would be forced to compare current information for one company with stale information for another. Even after a semiannual filer reports, investors would not be able to compare quarterly performance unless the semiannual filer separately provides quarterly breakouts. Hybrid reporters (i.e., those that file Form 10-S and voluntary releases on Form 8-K for Q1 and Q3) would pose a comparability challenge with varying types and amounts of disclosure even if two companies both report a 1Q earnings release.

For these reasons, if the Commission adopts Form 10-S, it should not merely require the same narrative and financial information as Form 10-Q over a six-month period. It should require Form 10-S to include quarterly financial statements and MD&A for the first and second quarters and require Form 10-K to include quarterly financial statements and MD&A for the third and fourth quarters. Investors should not be required to reverse-engineer

quarterly or second-half information from six-month or annual totals when issuers can provide that information directly.

Reporting Frequency Elections, Notice, Corrections, and Transition (Questions 8–12 & 34)

CFA Institute opposes issuer choice over reporting frequency. If the Commission nevertheless adopts a semiannual reporting election, the election should be prominent, electronically tagged, and easy for investors and data aggregators to identify. The election should appear on all relevant forms containing interim or annual financial statements and should be displayed prominently on EDGAR.

Investors would benefit from earlier notice of any decision to stop filing quarterly reports. A reporting-frequency election should trigger a Form 8-K filing within four business days of that decision being finalized. Reporting frequency affects analyst models, peer comparisons, investor engagement, and expectations about future information flow. Earlier notice would reduce confusion and help prevent the market from interpreting a late change in reporting frequency as an attempt to delay unfavorable information.

The rules should also prevent opportunistic or frequent changes in reporting frequency. If semiannual reporting is adopted, any election should remain in place for at least three years, except that semiannual filers should be permitted to return to quarterly reporting. Newly public companies should not receive special flexibility to change reporting frequency mid-year. New public companies have limited reporting histories, which makes predictable and comparable quarterly information especially important.

If a reporting-frequency election is made in error, correction through Form 10-K/A alone would not provide sufficiently prominent notice because the error affects future reporting cadence. Correction should also require a Form 8-K clearly identifying the corrected reporting frequency, effective fiscal year, next expected periodic report, and steps taken to prevent recurrence. The error correction process must be sufficiently robust to prevent its misuse as a way for issuers to change their reporting frequency election after the deadline.

If the Proposal is adopted, the compliance date should be no earlier than fiscal years beginning two years after final rule adoption. This would give issuers and investors time to evaluate the change, discuss reporting frequency, and potentially address the issue through a shareholder vote.

Form 10-Q Burden, Form Design, and Accounting Issues (Questions 13, 15, 28, & 29)

CFA Institute recommends retaining Form 10-Q as the required interim reporting form. If semiannual reporting is adopted, a distinct Form 10-S is preferable to replacing Form 10-Q with a new universal interim report. Form 10-Q is embedded in contracts, debt covenants, and market infrastructure. Replacing Form 10-Q would impose unnecessary systemwide costs even on companies that remain quarterly filers.

If the Commission is concerned about Form 10-Q burden, it should consider targeted improvements that elicit more material information and reduce boilerplate. It should not weaken the core features investors rely on, including interim financial statements, MD&A, auditor review, structured data, management certifications, legal accountability, and year-to-date comparisons. Weakening those requirements would shift costs from issuers to investors and reduce the usefulness of public filings.

We are not aware of a fundamental accounting standard barrier to six-month interim reporting. The more significant accounting issue would arise if a semiannual filer later returns to quarterly reporting and must present prior-year quarterly comparatives that were previously not presented. Allocating half-year amounts between quarters requires significant judgment in areas such as income taxes, earnings per share, and impairment charges. If the Proposal proceeds, the FASB, IASB, and PCAOB should consider whether guidance is needed as we do not believe that authoritative literature exists in this area.

We are not aware of any securities exchange rule changes necessary to effectuate semiannual reporting.

Earnings Releases, Form 8-K, Regulation FD, and Voluntary Disclosure (Questions 18–22)

Voluntary quarterly earnings releases would not be an adequate substitute for mandatory quarterly reporting on Form 10-Q. Earnings releases and Form 10-Q are complements, not substitutes. Those surveyed value earnings releases for timeliness, but they value Form 10-Q for structured financial statements, MD&A, auditor review, management certifications, legal accountability, and comparability.

Respondents to our survey do not expect that voluntary quarterly disclosure will sufficiently replace mandatory quarterly reporting. In our 2026 survey, only 32% of respondents believed companies would continue reporting quarterly if semiannual reporting became the minimum requirement. Only 21% believed companies would voluntarily file Form 10-Q and 57% expected voluntary quarterly earnings releases to contain less information than earnings releases today.

If semiannual filers issue first- or third-quarter earnings releases, those releases will become the principal source of quarterly financial information for months. In that setting, CFA Institute recommends that such releases be filed, not furnished, under Form 8-K Item 2.02. If interim financial statements are included, they should be prepared in accordance with US GAAP and reviewed by the independent auditor. Investors would rely more heavily on those releases than they do today, because there would be no Form 10-Q shortly afterward.

Form 8-K and Regulation FD disclosure requirements would not sufficiently offset the reduction in periodic reporting. Form 8-K is an enumerated-event framework and does not require recurring disclosure of the aggregation of operating developments, trends, and financial results that investors receive through Form 10-Q. Regulation FD addresses selective disclosure; it does not require disclosure in the first instance. Market forces may induce some

issuers to provide voluntary quarterly information, but the resulting disclosure would be uneven, less standardized, and less comparable.

If the Commission proceeds with the Proposal, we urge the Commission to expand the number of disclosure “triggers” for Form 8-K or consider a broader, more principles-based approach to continuous disclosure as is common in semiannual reporting jurisdictions. This would mitigate some of investors’ concerns about the timeliness of information.

Controls and Auditor Involvement (Questions 23–26 & 57)

Less frequent certifications, controls disclosures, and auditor reviews would reduce the discipline imposed by the current quarterly reporting framework. Management certifications and controls disclosures are important features that distinguish Form 10-Q from earnings releases and other voluntary disclosures. Reducing certifications from four times per year to two could delay investor awareness of control-related issues and weaken the disciplining effect Form 10-Q has on other quarterly communications.

CFA Institute does not take a technical position on how auditor procedures, audit strategy, or comfort-letter practices would change under semiannual reporting. Those issues should be addressed by audit committees, auditors, underwriters, and the PCAOB. Survey evidence, however, suggests that auditor involvement is valued by respondents. If semiannual filers continue to obtain quarterly reviews to support earnings releases, securities offerings, or a possible return to quarterly reporting, the Proposal’s cost savings may be overstated. If they do not, investors lose a feature they value.

Analyst Coverage and Capital Markets Effects (Question 27)

Semiannual reporting could also reduce analyst coverage. Research on the UK experience in adopting semiannual reporting found that companies that stopped quarterly reporting experienced a decrease in sell-side analyst coverage. Reduced analyst coverage can impair price efficiency, reduce liquidity, and increase the cost of capital. Any effect on analyst coverage should be included in the Commission’s economic analysis.

The same point applies to securities offerings. If semiannual filers continue preparing more current quarterly financial information for offering purposes, those substitute costs should be reflected in the economic analysis.

Insider Trading and Trading Windows (Questions 31 & 32)

Semiannual reporting would likely require companies to reconsider blackout periods, trading windows, and Rule 10b5-1 practices. CFA Institute has not surveyed investors on the mechanics of such policies, but trading windows are commonly tied to the reporting calendar. If required reporting becomes semiannual, companies would need to consider whether trading windows should be modified (i.e., shortened) because of the extended periods that insiders would possess internal financial information.

CFA Institute believes semiannual reporting would increase insider-information risk. The concern is not that insider trading law would cease to apply. Rather, longer reporting intervals increase the amount of time during which insiders possess nonpublic financial information that may become material. In a quarterly system, insiders possess roughly two months of internal results before a trading window closes. In a semiannual system, that period could more than double.

Survey evidence (and the comments that the Commission has received from retail investors) confirms concerns about insider trading. Sixty-six percent of respondents in our 2026 survey expressed concern that longer reporting periods would afford management greater ability to take advantage of insider information in stock transactions. If semiannual reporting is adopted, the Commission should issue guidance on blackout periods, trading windows, and the amount of disclosure in an earnings release necessary to open a trading window.

Investors do not want the bare minimum of information presented in an earnings release to open a trading window for insiders. Investors need enough information to make investment decisions.

Public Company Formation, Long-Termism, and Competitiveness (Questions 16, 17, & 33)

CFA Institute is not aware of evidence that Form 10-Q reporting is a principal reason companies remain private, go private, or decline to list in the United States. The number of US public companies has risen, fallen, and stabilized during the long period in which quarterly reporting has been required. Public-company formation depends on many factors, including private capital availability, mergers, industry consolidation, business models, IPO costs, and tax policy.

Nor is there persuasive evidence that semiannual reporting promotes long-termism. Our survey evidence does not support reporting frequency as the primary driver of long-term decision-making. Only 41% of respondents to our survey agreed that moving to semiannual reporting would increase long-termism, while 85% agreed that aligning management compensation with long-term goals would have a greater impact. Research in the UK found no material effect of lengthening the required reporting frequency on corporate investment.

CFA Institute also is not aware of evidence that quarterly reporting harms the competitiveness of US companies or discourages foreign listings. US markets remain the largest and most liquid in the world, and high-profile foreign companies have chosen US listings. Foreign private issuers do not uniformly report semiannually; they generally follow home-country requirements, and many major markets require quarterly reporting.

REMARKS ON THE PROPOSAL'S ECONOMIC ANALYSIS

In our [2026 Survey Report](#), we highlight the importance of the SEC performing a thorough economic analysis to balance the narratives being promulgated in support of semiannual reporting – which we touch on in the first section of this letter – that are principally focused on the benefits to issuers without consideration of the costs to investors.

From our perspective, the Proposal's Economic Analysis does not give substantive attention to the impacts and costs of the Proposal to investors. The Commission should not rely on this analysis in reaching a conclusion regarding whether the Proposal is necessary or appropriate in the public interest without a more complete consideration of the cost to investors of the Proposal.²³

What the Quantitative Economic Analysis Includes

The quantitative portion of the Economic Analysis focuses solely on the costs of preparing Commission forms from the issuer perspective. The Commission estimates that issuers who adopt semiannual reporting:

1. Will save approximately \$330,000 annually from not having to prepare three quarterly reports (approximately \$394 million in aggregate annually, assuming 20% of eligible issuers elect semiannual reporting).
2. Will incur approximately \$132,000 annually to prepare one semiannual Form 10-S, which the Commission assumes will cost 20% more than the existing second-quarter Form 10-Q because it covers six months of activity rather than three months. This equals approximately \$158 million for Form 10-S preparation, plus approximately \$1.1 million for the annual election checkbox, or approximately \$159.1 million total.
3. The costs included in the estimate include:
 - Internal company personnel time (e.g., management, finance and accounting staff),
 - Outside professional fees (e.g., legal counsel, auditors, consultants and financial printers/XBRL service providers), and
 - Other compliance and filing costs associated with preparing, reviewing and filing the new Form 10-S.

The SEC estimates annual gross benefits of \$394.35 million. The undiscounted 10-year sum is \$3.9435 billion, while the SEC reports discounted present values of \$3.414 billion (3%) and \$2.865 billion (7%). In its quantitative analysis, the Commission:

1. Presents avoided Form 10-Q costs and Form 10-S/checkbox costs separately. Using its displayed annual amounts yields net monetized savings of approximately \$235.5 million annually, or \$2.36 billion undiscounted over 10 years, a substantially smaller amount.

²³ Commission's [Current Guidance on Economic Analysis in SEC Rulemakings](#): "The Commission has long recognized that a rule's potential benefits and costs should be considered in making a reasoned determination that adopting a rule is in the public interest."

2. Assumes that 20% of reporting companies will elect semiannual reporting but provides limited empirical support for that assumption. The estimate is based largely on judgment, survey evidence, and qualitative considerations rather than historical evidence, since no precedent currently exists in US markets.
3. Bases much of its cost estimates on inflation-adjusted historical survey data but does not include estimates accounting for whether technology has already reduced reporting costs or is likely to reduce them further over the projection period. Specifically, the analysis does not attempt to quantify whether technological advances – including generative AI, automation, improved financial systems, or modern reporting software – may reduce either current reporting costs or the costs of preparing quarterly reports in the future.

What the Quantitative Economic Analysis Excludes

The economic analysis fails to include:

- ***An Estimate of Costs for Hybrid (Voluntary Quarterly) Reporters*** – The Proposal recognizes that some issuers may file Form 10-S while voluntarily providing quarterly earnings releases or other quarterly disclosures, but the analysis does not estimate how many issuers would become hybrid reporters or what the net costs and benefits of that reporting model would be.
- ***Estimates of Substitute Disclosure Costs*** – The analysis does not estimate the costs issuers may incur to provide substitute information in response to investor expectations, analyst demands, debt covenants, underwriter comfort-letter requirements, rating agency needs, board processes, or other capital-market pressures. If many issuers continue to produce quarterly information in some form, the estimated issuer savings may be overstated.
- ***Any Quantitative Estimate of Investor Costs from Reduced Reporting Frequency*** – The quantitative element of the economic analysis focuses entirely on issuer compliance costs. While the SEC quantifies direct compliance costs of issuers preparing Form 10-Q and Form 10-S, the SEC’s quantitative analysis fails to quantify the direct costs to investors of, for example, needing to modify models and projections as well as the changes that data providers may need to make to their collection systems and processes, and additional data extraction from press releases.

Additionally, while the SEC discusses other investor impacts – including less timely information, information asymmetry, increased insider trading concerns, lower confidence or trust in voluntary disclosures, comparability issues, analyst coverage concerns, decreased liquidity, wider bid-ask spreads, increased volatility, and higher cost of capital – it does not quantify these effects, even though it acknowledges they may be economically significant. Small increases in volatility, wider bid-ask spreads, and higher costs of capital could easily cost more than the paperwork savings estimated by the SEC in this Proposal.

- ***An Explanation Regarding Why Issuers Are Best Positioned to Make the Cost-Benefit Analysis on Reporting Frequency*** – The analysis assumes reporting frequency is primarily an issuer decision, and it assumes companies can determine the reporting frequency that best balances costs and benefits. However, many of the principal costs identified by the SEC – such as reduced market liquidity, greater information asymmetry, and lower comparability – are generally borne by investors and the market generally, not by the issuer making the election. As a result, an issuer's private incentives may not fully reflect the broader market costs.

This assumption – along with obstacles noted previously related to Schedule 13D and 13G communications for large passive investors – demonstrates that “allowing the market to decide” on reporting frequency is a narrative, not a process which will actually occur.

- ***A Comparative Analysis of Quarterly and Semiannual Reporting Jurisdictions*** – Since the Commission is proposing reporting frequency requirements that are highly similar (though not identical)²⁴ to those in several foreign jurisdictions, the relevant question is whether those jurisdictions’ experiences make the case for change in the US? Do issuers in the (albeit smaller) UK, Europe, Australia, Hong Kong, and South Africa markets have a more optimal reporting frequency than the US? Why or why not?
- ***A Demonstration That the Proposal Can Increase the Number of Public Companies or Make IPOs Great Again*** – The economic analysis does not provide a compelling demonstration or argument regarding how reducing reporting frequency will increase the number of public companies, “Make IPOs Great Again” or increase capital formation. These are among the SEC’s stated objectives for the Proposal.

Tabular Depiction of Costs and Benefits for Issuers and Investors

While the Economic Analysis runs 75 pages, there is no concise presentation that summarizes and compares the Proposal’s costs and benefits. We have summarized our perspective on the claimed costs and benefits in the table which follows.

²⁴ Foreign semiannual reporting jurisdictions generally require semiannual reporting rather than permitting an election between quarterly and semiannual as in the Commission’s Proposal. However, we believe the practical difference between these models is insignificant since under both models the mandatory minimum reporting frequency is semiannual and issuers are granted flexibility with respect to quarterly reporting.

ISSUERS		INVESTORS	
Benefits	Costs	Benefits	Costs
- Savings from 3 fewer Form 10-Qs. ≈\$330,000 per switching issuer, ≈ \$394 million aggregate annual compliance savings) - Net annual savings: (≈\$198,000 per switching issuer, ≈\$236 million aggregate annual.) - Lower legal, accounting, auditor review and XBRL costs. - Less management time devoted to quarterly reporting. - Reduced disclosure of competitively sensitive information. - Greater flexibility to determine reporting frequency. - Resources potentially redirected toward investment or operations. - Potential reduction in earnings management pressure.	- Cost of one Form 10-S (≈\$132,000 per switching issuer; ≈\$158 million for Form 10-S preparation, plus ≈\$1 million for the election checkbox; ≈\$159 million total) - Annual reporting frequency election. - Transition and implementation costs. - Potential negative signalling effects. - Potential loss of analyst coverage. - Potentially higher cost of capital. - Incremental voluntary disclosures. - Potential reduction in liquidity.	- Potential reduction in issuer compliance costs (if savings are passed along to investors). - Potential time savings of fewer earnings seasons. - Possible (though never demonstrated) increase in the number of public companies. - Potential (though not demonstrated) long-term management focus if reduced reporting discourages short-termism. - No quantification by SEC of benefits to investors.	- No quantification by SEC of costs to investors. - Transition and implementation costs including: - Costs to investors of data extraction and analysis changes and valuation model changes. - Cost to data providers of considering and accommodating different reporting frequencies. - Reduced frequency and timeliness of disclosures and information for investment decision-making (six-month reporting intervals). - Reduced structuring and completeness of interim financial information. - Greater reliance on voluntary disclosure of interim (quarterly) information. - Potential for voluntary quarterly release to place more emphasis on non-GAAP measures. - Reduced comparability across quarterly, semiannual, and hybrid reporters. - Greater information asymmetry between sophisticated investors with greater access to management and retail investors. - Longer periods of undisclosed information leading to greater insider information asymmetry and insider trading risks. - Reduced management performance accountability. - Less legal accountability and fewer management certifications associated with Form 10-Q. - Reduced analyst coverage. - Less efficient price discovery. - Higher costs of capital. - Higher volatility. - Higher trading costs (e.g., wider bid-ask spreads). - Lower liquidity. - Potential shift from quarterly to semiannual dividend policy. - Potentially lower capital formation because investors receive less information.
Other Considerations			
- Little demonstrable evidence regarding how many issuers will become hybrid and semiannual reporters. - No estimate of hybrid reporting (voluntary quarterly) costs. - No estimates of substitute disclosure costs for investor requests for information. - No comparative analysis of quarterly and semiannual reporting jurisdictions. - No consideration of impact of technology in the economic analysis (e.g., does AI change the cost-benefit analysis?) - The analysis presumes that issuers are best positioned to perform the cost-benefit analysis, without understanding investor concerns. - No demonstration or quantification regarding the increase in the number of public companies, increase in IPOs or increase in capital formation.			

Economic Analysis is Incomplete and Shifted to Commenters

Taken together, the Economic Analysis only quantifies the effects to issuers of reduced reporting frequency and only for those who elect semiannual reporting without considering the costs of hybrid reporters. The analysis fails to consider quantitatively any of the costs to investors of such a change in reporting frequency. Additionally, it assumes management can make an effective cost-benefit decision on behalf of investors, and it fails to demonstrate whether the SEC's stated objective of increasing the number of public companies, increasing the number of IPOs, or increases in capital formation could reasonably be achieved. Even minor increases in volatility, wider bid-ask spreads, or higher costs of capital – when applied to the aggregate market capitalization of Exchange Act reporting companies – would likely dwarf the limited quantitative issuer paperwork savings the SEC has estimated.

We are also disappointed by the fact that the Proposal asks commenters to supply information on issuer take-up, hybrid reporting, substitute disclosure, investor information loss, analyst coverage, cost of capital, liquidity, competition, capital formation, and long-termism. In our view, the Economic Analysis should be estimating these effects, providing visibility into key assumptions, and demonstrating the results of the SEC's analysis as justification for the issuance of the Proposal and why changing reporting frequency is even being floated by the Commission. In our view the Commission is effectively shifting the burden to commenters to establish the Proposal's likely economic effects.

Additionally, as we noted in our [preliminary comment letter](#) to the Commission, we find it puzzling that the SEC is issuing this Proposal first among its various “disclosure rationalization” proposals. Interim reports are updates to annual reports, which are updates to registration statements. Other proposals – and anticipated forthcoming proposals – are likely to change the regulations (i.e., Regulation S-K) and forms (i.e., Form 10-K, S-1, and S-3) that govern annual reports and registration statements. Inherently, the economic analysis in this Proposal is incomplete if further reductions of disclosures within the interim reports are made by reforming annual reports and registration statements. These proposals and the related economic analyses must be performed in a sequenced and cumulative manner.

Overall, we worry that the lack of substantive economic analysis in this Proposal does not give the Commission and stakeholders proper insight into a vast and expensive experiment in the world's largest capital market.

CONCLUSION

For more than 70 years (since the 1950s, as CFA Institute's history and our most recent survey demonstrate) our members have supported quarterly reporting. More than 200,000 comment letters were submitted on the Proposal, many from individual investors. Their arguments echo investor concerns that led to the creation of the Securities Act of 1933 and Securities Exchange Act of 1934.

In our view, the Proposal does not make a compelling argument that a case for change exists. The asserted claims—that the change will increase the number of public companies, advance the 'Make IPOs Great Again' objective, and promote capital formation—have not been demonstrated. Further, the economic analysis needs to give substantive attention to the impacts and costs of the Proposal to investors. We also believe the Proposal's economic analysis needs to be considered on a cumulative basis with other proposed and forthcoming rules. Because of these factors, we believe the Commission should not rely on this analysis in reaching a conclusion regarding whether the Proposal is necessary or appropriate in the public interest.

For these reasons we respectfully request that the Commission withdraw the Proposal.

Thank you for your consideration of our views and perspectives. We would welcome the opportunity to meet with you to provide more detail on our letter. If you have any questions or seek further elaboration of our views, please contact Sandra J. Peters at sandra.peters@cfainstitute.org and Matthew P. Winters at matt.winters@cfainstitute.org.

Sincerely,



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In many of our responses to the Proposal questions (from Pages 32-34, 58-61, 62, 64 and 140-143 of the [Proposed Rule](#)) – in **Appendices A, B and C** which follow – there are footnote references to survey questions and the related exhibits from our report [Investor Perspectives: Quarterly Reporting](#). For ease of reference, the table below cross-references the Commission’s questions to the relevant survey exhibits.

QUESTION	2026 SURVEY PAPER EXHIBITS	QUESTION	2026 SURVEY PAPER EXHIBITS
1-34	SEMIANNUAL REPORTING AMENDMENTS	35 to 47	REGULATION S-X AMENDMENTS
1	Exhibits 6; 7–8; 10–11; 44–45; 50		Questions are addressed in aggregate.
2	Exhibits 36; 38	48-58	ECONOMIC ANALYSIS
3	Exhibits 7–8; 50	48	Exhibits 6; 10–11; 50; 66; 68–69
4	Exhibits 7–8	49	Exhibits 44–46; 50; 55–62
5	Exhibits 15; 55	50	None cited
6	None cited	51	None cited
7	Exhibit 50	52	Exhibits 44–45
8	None cited	53	Exhibits 66 and 69
9	None cited	54	Exhibits 44–46; 50
10	Exhibits 10–11	55	Exhibits 58–62
11	None cited	56	None cited
12	None cited	57	None cited
13	Exhibits 12–14	58	Exhibits 48; 50; 53; 55; 58–62
14	Exhibits 15–16; 26–28		
15	Exhibits 26–30		
16	Exhibits 7-8		
17	Exhibits 66–67; 68; 69		
18	Exhibits 32; 44–46		
19	Exhibits 36–38; 40–41		
20	Exhibits 30–31		
21	Exhibit 43		
22	Exhibits 44–46; 57–60		
23	Exhibit 29		
24	Exhibit 30		
25	None cited		
26	Exhibits 26–31		
27	None cited		
28	None cited		
29	None cited		
30	Exhibits 15–16; 55–56		
31	Exhibit 62		
32	Exhibits 47; 62		
33	Exhibit 3		
34	None cited		

**RESPONSES TO QUESTIONS 1-34:
PROPOSED AMENDMENTS FOR SEMIANNUAL REPORTING**

1. ***Semiannual Reporting: Should an Optional Election Be Allowed? – The proposed amendments would allow Exchange Act reporting companies to elect to file interim reports on a semiannual basis in lieu of quarterly reports on Form 10-Q.***
- ***Should companies have this option, or should all companies continue to be required to file Form 10-Q?***
 - ***What types of companies are likely to elect the option to file semiannual reports?***
 - ***Are companies in certain industries more likely than those in other industries to elect to file semiannual reports?***

CFA Institute does not support permitting Exchange Act reporting companies to elect semiannual reporting in lieu of quarterly reports on Form 10-Q. We recommend that the Commission continue to require companies to file quarterly reports on Form 10-Q.

Timely, accurate, and comparable financial information is fundamental to efficient capital markets. CFA Institute has consistently supported mandatory quarterly reporting in a structured format, including interim financial statements with the same degree of detail and transparency as annual financial statements, to achieve a reasonable degree of standardization across companies to facilitate securities analysis.²⁵ Mandatory quarterly reporting also reduces information asymmetry between insiders and investors and promotes savers' confidence in capital markets.

Our position from *Financial Reporting in the 1990s and Beyond* remains as true in 2026 as it did when we published that report 33 years ago:

*AIMR [predecessor to CFA Institute] unequivocally supports quarterly financial reporting and is opposed to any movement to eliminate it.*²⁶

Support Quarterly, Not Semiannual Reporting – CFA Institute member surveys confirm continued support for quarterly reporting.

- Only 35% of survey respondents supported moving from quarterly to semiannual reporting in our 2026 survey, virtually unchanged from our 2019 survey, in which 36% supported semiannual reporting.^{27,28}
- Only 27% of respondents (23% of respondents in Americas region) supported semiannual reporting for smaller reporting companies, non-accelerated filers, or emerging growth companies.²⁹

²⁵ See [Issue Brief: Impact of Quarterly Reporting](#). CFA Institute (October 29, 2019) for positions and rationale.

²⁶ *Financial Reporting in the 1990s and Beyond*. Association of Investment Management Research (AIMR) p. 53.

²⁷ 2026 CFA Institute Survey Report, Exhibit 6.

²⁸ 2019 CFA Institute Survey Report, Chart 19.

²⁹ 2026 CFA Institute Survey Report, Exhibits 7-8.

Optionality and Flexibility are Less Supported Than Semiannual Reporting – In our surveys, respondents oppose a system in which issuers choose their own reporting frequency.

- Only 21% support allowing companies to elect quarterly, semiannual, or annual reporting, and the same percentage of respondents' support allowing companies to change their reporting frequency over time.³⁰ Principal concerns include comparability and complexity.
- 84% of respondents agreed that flexible reporting frequencies would make comparisons across companies more difficult.³¹ A system with variable reporting frequencies over time and among peers would reduce investors' ability to compare performance and introduce complexity of tracking which companies report when.

Types of Companies Electing Semiannual Option – We are not aware of sufficient evidence to judge whether certain types of companies or companies in certain industries would be more or less likely to elect to file semiannual reports. In our survey, only 32% of respondents agreed that companies would continue reporting quarterly if it became optional, and only 21% believed companies would voluntarily file Form 10-Qs.³²

At the risk of speculating, we believe companies bound by debt covenants, other regulatory reporting requirements, and those with established histories of quarterly reporting on Form 10-Q are less likely to elect to file semiannual reports.

However, we believe most companies will strongly consider electing to become – to use the nomenclature in the Proposal – “hybrid reporters,” in which they elect to file Form 10-S at the half-year and make voluntary disclosures of information for Q1 and Q3. The content of those disclosures will vary significantly from issuer to issuer.

A key concern for us is that companies may tell investors they will elect semiannual but still provide quarterly information, without informing investors what they are actually going to get on a quarterly basis (i.e., it may be very different from what would be required on Form 10-Q). Will it be just enough information to open the insider trading window, but not enough for investors to make investment decisions?

Present vs. Future Elections in the UK and EU – The UK and EU experience of adopting semiannual reporting in the 2010s indicates that, over time, a majority of issuers abandoned quarterly reporting (though the quarterly reporting requirements prior to the adoption of semiannual reporting were not as robust as the Commission's Form 10-Q requirement, i.e., interim financial statements were not required) so a prediction made solely on that experience may underestimate the effect of the Proposal in the US because US companies may be relatively more interested in dispensing with quarterly reports.³³

³⁰ 2026 CFA Institute Survey Report, Exhibits 10-11.

³¹ Ibid., Exhibit 50.

³² Ibid., Exhibits 44-45.

³³ See [comments on the Proposal from Shivaram Rajgopal \(June 3, 2026\)](#). Dr. Rajgopal is one of the authors of the CFA Research Foundation backed study on the effects of switching to semiannual reporting in the UK.

2. *Semiannual Reporting: Should it Be Mandatory? – We are proposing amendments that would permit, but not require, all Exchange Act reporting companies that file Form 10-Q today to file semiannual reports.*
- *Should we instead require all companies to file semiannual reports?*
 - *What would be the benefits and costs of such a mandatory approach?*
 - *Would mandatory semiannual reporting, with the option to file quarterly reports, lead to more companies electing to forgo quarterly reporting?*

Support Quarterly, Not Semiannual Reporting – As noted in the response to the previous question, CFA Institute supports mandatory quarterly reporting on Form 10-Q, not semiannual reporting. We recommend that the Commission continue to require all companies to file quarterly reports on Form 10-Q.

Mandatory vs. Optional – A mandatory semiannual reporting regime could be more harmful to investors than the proposed optional regime because it could eliminate the possibility for companies to file Form 10-Q voluntarily.³⁴ Our survey evidence shows support for Form 10-Q because of its structured requirements that result in more complete information, management certifications and liability, and review of the interim financial statements by the independent accounting firm. In our 2026 Survey Report, 66% of respondents agreed that Form 10-Q should be required for companies that elect voluntary quarterly reporting and only 7% of respondents agreed that the SEC should abandon Form 10-Q.³⁵

Mandatory Semiannual with Voluntary Quarterly – The principal possible benefit of a mandatory semiannual approach is greater uniformity – at least at the half-year mark – though we believe this would be insignificant.

If all companies were required to report semiannually, there would be two reporting models:

- (1) semiannual filers that file a Form 10-S at the half year and Form 10-K for the fiscal year with no information at Q1 and Q3, and
- (2) hybrid reporters that also voluntarily disclose information at Q1 and Q3, but don't file a Form 10-Q.

The optional regime in the Proposal introduces a third model of quarterly filers that elect to file Form 10-Q for Q1, Q2, and Q3.

While two models are easier to navigate than three, there is likely to be such heterogeneity among hybrid reporters as it relates to the information they release quarterly (e.g., some may only release sales for Q1 and Q3, while other companies report full financial statements) that the net reduction in complexity from eliminating the option to file Form 10-Q is relatively

³⁴ We interpreted a “mandatory semiannual regime” to mean that the Commission removes Form 10-Q and related requirements and replaces it with Form 10-S, i.e., there would be no way to voluntarily file Form 10-Q, though quarterly earnings releases could still be provided. We believe this is the way it is discussed in the Economic Analysis of the Proposal (page 134) as well.

³⁵ 2026 CFA Institute Survey Report, Exhibits 36 and 38.

small. In fact, the complexity may actually increase. The better way to preserve comparability is to retain the market-wide quarterly reporting requirement on Form 10-Q.

Reduce Number of Quarterly Reporters? – We are uncertain whether mandatory semiannual reporting would lead to more companies electing to forgo quarterly reporting than the proposed optional regime but believe that is probable because abandoning Form 10-Q automatically results in all companies having to reconsider their quarterly reporting approach, i.e., it removes the status quo default.

3. *Semiannual Reporting: Should it Only Be Allowed for Certain Companies or Piloted?* – Our proposal would permit semiannual reports for all Exchange Act reporting companies that file Form 10-Q today, regardless of filer status, revenues, market capitalization, or other criteria.

- ***Should the option for semiannual reporting be available only for Exchange Act reporting companies that satisfy certain criteria?***
 - *If so, what criteria should be imposed and why? For example, should only emerging growth companies or smaller reporting companies be allowed to report semiannually?*
 - *Should only companies below alternative quantitative or monetary thresholds be allowed to report semiannually?*
- ***Should the Commission consider a pilot program to permit optional semiannual reporting for a subset of reporting companies and,***
 - *if so, what would be the benefits of such a pilot program?*
 - *What types of companies should be included in the pilot program?*

Strongly Oppose Semiannual Only for Certain Companies – We do not support making semiannual reporting available to Exchange Act reporting companies satisfying specified criteria such as emerging growth companies, smaller reporting companies, or companies below alternative quantitative or monetary thresholds.

Survey evidence does not support a scaled semiannual reporting regime. In our 2026 Survey Report, only 27% of respondents supported moving from quarterly to semiannual reporting for only certain types of companies, such as smaller reporting companies, non-accelerated filers, or emerging growth companies.³⁶ This level of support is actually lower than the support for semiannual reporting across all companies, and it was also lower than the 38% support for a scaled approach to semiannual reporting observed in our 2019 survey.³⁷

Less Analyst Coverage – Many smaller companies already have less analyst coverage, less institutional ownership, and fewer sources of alternative information available to investors. Smaller companies are also often at greater risk of financial stress (e.g., below investment grade credit) and experience higher rates of financial statement restatements.³⁸ Reducing

³⁶ 2026 CFA Institute Survey Report, Exhibits 7-8.

³⁷ 2019 CFA Institute Survey Report, Chart 19.

³⁸ [What ten years of restatement trends tell us about the state of financial reporting | The CAQ](#). See discussion of companies issuing restatements tending to be smaller companies.

required reporting frequency for those companies could be especially harmful to these companies' costs of capital, analyst coverage, and liquidity.

Impacts on Comparability – We are particularly concerned that a scaled approach would impair comparability. In our 2026 survey, 84% of respondents agreed that allowing companies to use different or flexible reporting frequencies would make comparisons across companies and industries more difficult.³⁹ The same concern was evident in our 2019 survey, where 87% agreed that flexible reporting periods would make comparability more difficult.⁴⁰ Investment analysis is inherently comparative. Company size, filer status, or growth-company status do not eliminate investors' need to compare companies across peer groups, industries, and sectors.

Complexity – CFA Institute has long supported a uniform standard to promote broad access to information and informed capital allocation. Variable requirements introduce complexity for investors who not only need to interpret the reported information but keep track of different schedules and structures. For those reasons, we have long opposed scaling rules and standards.

Pilot Program – A pilot program with a subset of companies adopting semiannual reporting is unnecessary because the Commission already has live examples of semiannual reporting: the UK, much of Europe, Australia, Hong Kong, South Africa, and foreign private issuers from those markets listed on US exchanges. The UK and EU adopted semiannual reporting in the 2010s, recently enough for data to be available from prior to the change, but long enough ago to establish a track record. Published literature on those jurisdictions adopting semiannual reporting does not suggest positive outcomes in terms of long-term investing behavior and analyst coverage.⁴¹ Rather than a pilot program, the Commission should do its own robust analyses of those jurisdictions' experiences adopting semiannual reporting as well as broader comparisons of quarterly reporting jurisdictions to semiannual reporting jurisdictions (see our comments in response to questions posed in the Economic Analysis section).

4. *Semiannual Reporting: Should Any Companies Be Excluded from Option? – Under the proposal, reporting companies currently required to file Form 10-Q would have the option instead to file semiannual reports on Form 10-S. Should any types of companies that currently file Form 10-Q be excluded from the option of electing semiannual reporting, such as business development companies?*

We believe all companies should be excluded from the option, because, as noted previously, we do not support making semiannual reporting available to Exchange Act reporting companies. Whether broadly or only for certain companies the option should not be allowed.

³⁹ 2026 CFA Institute Survey Report, Exhibit 50.

⁴⁰ 2019 CFA Institute Survey Report, Chart 17.

⁴¹ CFA Institute Research Foundation, [Impact of Reporting Frequency on UK Public Companies](#)

We did not ask about exclusions specifically in our member surveys, though we did ask about permitting semiannual reporting for a subset of companies, which is similar.

- Only 27% of respondents supported moving from quarterly to semiannual reporting for only certain types of companies, such as smaller reporting companies, non-accelerated filers, or emerging growth companies.⁴²
- This level of support is actually lower than the support for semiannual reporting broadly across companies, and it was also lower than the 38% support for a scaled approach to semiannual reporting observed in our 2019 survey.⁴³

Exclusions from semiannual reporting did surface in some comments left by respondents to our 2026 survey. Several respondents specifically identified financial services companies, companies with high net debt or below investment grade credit, companies with a recent bankruptcy, companies with negative free cash flow, and companies that are not constituents of a “blue chip” index like the S&P 500 as categories for which quarterly reporting should be retained.

Others noted that highly leveraged companies can become insolvent within six months, while companies in a net cash position and with positive cash flow present a lower risk profile, all else equal, which may make quarterly reporting less of a necessity.⁴⁴ There is precedent for a risk-based approach to reporting frequency in Singapore, where issuers judged to be higher risk according to certain criteria must report quarterly while others are permitted to report on a semiannual basis.⁴⁵

5. *Semiannual Reporting: Should Filing Deadline Remain the Same? – We are proposing that the filing deadlines for semiannual reports on Form 10-S be the same as for quarterly reports on Form 10-Q.*

- *Should the filing deadline for semiannual reports on Form 10-S be longer or shorter than proposed? If so, what would be an appropriate filing deadline?*
- *Do companies need more time to prepare semiannual reports than quarterly reports and if so, why?*
- *Should smaller public companies, newly public companies, or emerging growth companies be afforded a longer filing deadline for Form 10-S to allow for additional time to consult with their accountants and advisers?*

Deadline Should Be No Later Than the Current Form 10-Q Deadline – CFA Institute supports mandatory quarterly reporting on Form 10-Q for all Exchange Act reporting companies. If the Commission nevertheless adopts Form 10-S, the filing deadline should be no later than the current Form 10-Q deadline but preferably sooner such as 30 days. There is no reason to expect issuers to need a longer timeline than the current Form 10-Q deadline because the second quarter Form 10-Q already includes year-to-date requirements (i.e., first-

⁴² 2026 CFA Institute Survey Report, Exhibits 7-8.

⁴³ 2019 CFA Institute Survey Report, Chart 19.

⁴⁴ 2026 CFA Institute Survey Report, Appendix B.

⁴⁵ [SGX RegCo adopts risk-based approach to quarterly reporting, mandates more robust disclosures on matters of high impact - SGX Group](#)

half MD&A, income statement, statement of cash flows, and statement of changes in stockholders' equity) which would be the same reporting period covered by Form 10-S.

Longer Time Period Exacerbates Information Gap – Because semiannual reporting would already lengthen reporting periods, additional time after period-end would exacerbate the information gap faced by investors. Under the Proposal, for a calendar year reporter, investors would not receive information about January (which falls in 1Q) for a semiannual filer until the second week of August. Additional delays would make information that is already seven months old even less useful. Second, the Form 10-Q filing deadlines were last changed in the early 2000s, and information technology has advanced considerably since then.⁴⁶

Consider Accelerating Deadlines – The Commission should consider accelerating the filing deadline for Form 10-K for issuers that elect to report semiannually on Form 10-S. Under the current proposal, second half results, including the third fiscal quarter, will not be available until Form 10-K is filed. This means that investors would have to wait until March to receive financial information in the period that includes July of the prior calendar year, a lag of 8 months.

Concern About Timeliness – In our 2026 survey, respondents expressed great concern about the loss of timeliness from a reduction in reporting frequency. Sixty-six percent of respondents agreed that six months is too long between release of earnings or financial information in the current market environment.⁴⁷

Some Believe More Information Should Be Included in Form 10-S: More Info but Later Makes Form 10-Q More Attractive – Some survey respondents indicated that, if semiannual reporting is adopted, Form 10-S should contain more extensive information than Form 10-Q⁴⁸ and some commenters favored a report closer to Form 10-K or subject to greater assurance from the independent accountant. If the Commission concludes that Form 10-S must contain substantially more information or more assurance, it should evaluate whether the added content justifies the investor cost of any delay and whether the same investor-protection objective would be better achieved by retaining quarterly Form 10-Q reporting.

Longer Deadlines Not Preferred – We do not support longer deadlines for smaller public companies, newly public companies, or emerging growth companies. Our survey does not support reduced reporting obligations by issuer size, and these types of companies may, in fact, have less analyst coverage, less alternative information available to investors, and more rapidly changing financial conditions. Extending their filing deadlines would exacerbate these issues.

⁴⁶ [Acceleration of Periodic Report Filing Dates and Disclosure Concerning Web Site Access to Reports](#) Sept. 5, 2002

⁴⁷ 2026 CFA Institute Survey Report, Exhibit 55.

⁴⁸ 2026 CFA Institute Survey Report, Exhibit 15.

6. *Semiannual Reporting: Impact on Same Company Comparability – If adopted, would semiannual reporting have an impact on investors’ ability to compare same-company performance over time? Why or why not?*

Yes. Semiannual reporting would impair investors’ ability to compare same-company performance over time. Switching from quarterly to semiannual reporting reduces periodic reporting observations from four quarterly periods to two six-month periods, making it more difficult to identify trends and inflection points in a timely manner. We provide the following brief illustration of the effect of lengthening the reporting period.

A company reports \$1.0 billion of revenue in the first half of the year, compared with \$950 million in the prior-year first half, representing 5.3% year-over-year growth.

Suppose the quarterly numbers look like this:

Period	Current year period	Prior year period	% change
Q1	\$550 million	\$450 million	+22.2%
Q2	\$450 million	\$500 million	-10.0%
1H	\$1.0 billion	\$950 million	+5.3%

Is 5.3% growth in 1H the same as 22.2% in Q1 and -10.0% in Q2? No. The sharp deterioration from Q1 to Q2 warrants careful attention to determine if it is noise, the result of one-off events, or a sign of a trend, and if it is unexpected. Investors should not have to wait until the annual report comes out the following year to learn that the company could have been experiencing a deterioration in revenues.

The issue is especially important for seasonal, cyclical, cash-burning, or rapidly changing businesses. Respondents to our 2026 survey raised these concerns directly, noting that quarterly information helps investors study seasonal behavior, detect problems sooner, and assess whether long-term business trends remain intact or are faltering. Several respondents also stated that, if semiannual reporting is adopted, Form 10-S should include quarterly information to preserve quarterly trend analysis.⁴⁹

Certain market environments like 2020–2022 (the COVID-19 pandemic and ensuing supply shocks) demonstrate the value of quarterly reporting broadly across companies. In a challenging macroeconomic environment, more frequent communication from companies helps markets align prices more closely with fundamentals rather than letting uncertainty fuel fear and put downward pressure on share prices.

While some would argue that a six-month period would simply smooth short-term fluctuations that do not reflect underlying longer-term performance, we would argue that

⁴⁹ 2026 CFA Institute Survey Report, Appendix B, Comment Box 1, Comments 48, 59, 139, 421, 716, and 722; Comment Box 2, Comments 7, 10, 73, 76, 78, and 80.

markets should be the mechanism for interpreting the quarterly results rather than delaying them. Some managers and investors will focus on short-term results at the expense of the longer term. This is true in both quarterly and semiannual reporting jurisdictions. The business environment and capital markets will reward those who are able to distinguish noise from signal and make the right decisions and penalize those who fail to do so. Withholding information to influence market focus can undermine confidence and impair price discovery.

7. *Semiannual Reporting: Impact on Comparability Across Companies – What effect would our proposal have on investors’ ability to compare the relative peer company financial performance of a quarterly filer to a semiannual filer?*

For example, can an investor reasonably compare a quarterly filer to a semiannual filer where the companies have the same fiscal year and the comparison is sought to be made in the second quarter (when first quarter information that would be subsumed in the semiannual filer’s semiannual report on Form 10-S is not yet available) or made in the fourth quarter (when third quarter information that would be subsumed in the semiannual filer’s annual report on Form 10-K is not yet available)?

Impairs Comparability – The proposal would impair investors’ ability to compare the financial performance of a quarterly filer to a semiannual filer. Although investors can aggregate a quarterly filer’s quarterly results and compare them to a semiannual filer’s semiannual results after both companies have reported (investors do this already), that does not solve the two comparability problems created during the reporting cycle: timing differences and loss of intra-period visibility.

Comparing Current and Stale Information – In the second quarter, a quarterly filer’s first-quarter results would be public while investors wait for the semiannual filer’s first-half results in the Form 10-S. Similarly, in the fourth quarter, a quarterly filer’s third-quarter results would be public while investors wait for the semiannual filer’s second-half results, which would be subsumed in the annual report on Form 10-K (and thus not available until close to the end of the first quarter of the following calendar year). Investors are left to compare current information from one company to stale information from another.

Different Trends – Even after a semiannual filer reports, investors’ comparisons to a quarterly filer will be less effective unless the semiannual filer separately presents quarterly information (otherwise investors will resort to comparing both companies’ semiannual results). As we discussed in our answer to the prior question, quarterly trajectories underneath semiannual numbers can differ materially. One company may have strong first-quarter growth followed by second-quarter deterioration, while another may have shown the opposite.

Comparability Was Area of Greatest Concern to Survey Respondents – Our 2026 member survey supports these concerns. Eighty-four percent of respondents agreed – one of the highest rates of agreement across the survey – that allowing companies to use different or flexible reporting frequencies would make comparisons across companies and industries

more difficult.⁵⁰ These results are consistent with our 2019 survey, where 87% agreed that flexible reporting periods would make comparability more difficult.⁵¹

Comments Highlight Comparability Concerns – Comments from respondents to our 2026 survey repeatedly emphasized the need for consistent reporting frequency across companies and peer groups. Several warned that different reporting rules would create confusion, additional work for investors, and difficulty comparing companies within the same sector.⁵²

Quarterly Information Should Still Be Required in the Form 10-S and 10-K – If the Commission proceeds with the Proposal and permits registrants to elect to report semiannually on Form 10-S over investor opposition, it should require semiannual filers to present quarterly financial information in Form 10-S and Form 10-K to allow investors to make quarterly evaluations of same-company and relative peer company results.

8. *Semiannual Reporting: Communication Regarding Election* – Should the check box that indicates a company has elected semiannual reporting be added to registration statements on Forms 10, S-1, S-3, S-4, and S-11 and annual reports on Form 10-K as proposed?

Should we add a similar check box to any other forms, including Forms 1-A or 8-A? If so, why?

Include Box on All Forms with Interim Information – CFA Institute does not support permitting companies to elect semiannual reporting. If the Commission nevertheless adopts such an election, the check box that indicates a company has elected semiannual reporting should appear on all forms that contain interim or annual financial statements.

Make Election Electronic – A company’s reporting frequency election should be made electronically so that the Commission would receive notice instantly and a data aggregator would be able to easily pull issuers’ reporting frequency elections from the Commission’s database. A discrete electronic election may also reduce errors because it would be made apart from filing a broader form.

Prominently Displayed on EDGAR – An issuer’s reporting frequency election should be prominently displayed on



EDGAR Company Search Results			
FAQ EDGAR search tools Feedback Classic version			
Home » Company Search			
SPACE EXPLORATION TECHNOLOGIES CORP SPCX			
[+] Company Information			
CIK: (Central Index Key) 0001181412	State location: TX	Business address: 1 ROCKET ROAD, STARBASE, TX, 78521 Phone: 3103636000	Filings: 56 EDGAR filings since August 19, 2002
SIC: (Standard Industrial Classification) 7370 - Services-Computer Programming, Data Processing, Etc. (CF Office: 06 Technology)	State of incorporation: TX	Mailing address: 1 ROCKET ROAD, STARBASE, TX, 78521	
	Fiscal year end: June 15		
Get insider transactions for this issuer			

⁵⁰ 2026 CFA Institute Survey Report, Exhibit 50.

⁵¹ 2019 CFA Institute Survey Report, Chart 17.

⁵² 2026 CFA Institute Survey Report, Appendix B, Comment Box 1, Comments 3, 35, 47, 84, 91, 179, 220, 228, 394, 504, and 619; Comment Box 4, Comments 12, 24, 30, 52, and 58.

EDGAR, such as by including a “reporting frequency election” field in the Company Information box on each issuer’s EDGAR landing page (example shown in picture).

9. *Semiannual Reporting: Timing of Communication of Election* – Under our proposal, companies that want to file semiannual reports instead of quarterly reports would make their election by checking a box on the cover page of their annual report on Form 10-K for the most recently completed fiscal year.

For investors and other market participants, this would mean that the first indication that a company will file only semiannual reports going forward will be when the company files its most recent Form 10-K.

For example, under our proposal, a December 31 fiscal year-end company that files its Form 10-K for fiscal year 2026 in March 2027 would be able to cease filing quarterly reports immediately, with its next interim report being its first Form 10-S for the first six months of fiscal year 2027.

- *Would investors and other market participants benefit from earlier notice of a company’s intent to file semiannual reports instead of quarterly reports?*
- *If so, how would investors and others benefit and what would be the magnitude of any benefit?*
- *If so, what should the mechanism be for a company to provide earlier notice of intent to file semiannual reports?*

Support Prompt and Prominent Notice on Form 8-K of Intent to Eliminate Quarterly Reporting – If the Commission permits companies to elect semiannual reporting, which we oppose, investors would benefit from prompt and prominent notice of a company’s intent to cease filing quarterly reports. We recommend that the Commission require a reporting frequency election to trigger a Form 8-K filing with the same filing deadline of four business days as other events that trigger a Form 8-K filing. This would also allow the impact of the election to be priced and observed in the capital markets.⁵³

Allows Investors to Change Modeling – Reporting frequency affects how analysts and investors model a company (i.e., quarterly or semiannual revenue and financial statement projections), compare peers, and plan engagement with management and directors. Earlier notice would give investors time to make necessary model and schedule adjustments before the new reporting frequency begins.

Earlier notice would also benefit issuers. Notice of a reduction in reporting frequency in the first quarter would be interpreted by the market that first quarter results are worse than expected and management is seeking to delay the release of bad news. Notice given prior to the first quarter would alleviate that concern, but more general concerns about the company’s

⁵³ General Instructions to [Form 8-K](#), Part B paragraph 1.

financial performance and communication strategy would persist (i.e., reductions in transparency are usually not made from a position of confidence).

Comments on Frequency Changes – Our member surveys did not ask specifically about the mechanism and timing of reporting frequency elections. Comments from respondents, however, support advance notice and limits on reporting-frequency changes. One respondent stated that once a company selects its reporting frequency, it should not change without six months’ notice to public shareholders, because otherwise companies could delay bad news by changing frequency. Other respondents emphasized that any regime must avoid ambiguity, “flip-flopping,” and opportunistic changes in reporting frequency.⁵⁴

10. *Semiannual Reporting: Flexibility in Election During and Between Years* – Our proposal would require Exchange Act reporting companies that elect to file semiannual reports to continue with that interim reporting frequency for the rest of the fiscal year in which the election was made.

Therefore, companies would not be allowed to file a semiannual report on Form 10-S for the first six months of a fiscal year and then file a quarterly report for the third quarter for that fiscal year.

Likewise, companies would not be allowed to file a quarterly report on Form 10-Q for the first quarter of a fiscal year, file a semiannual report on Form 10-S for the first six months for that fiscal year, and not file a quarterly report on Form 10-Q for the third fiscal quarter.

- *Would this proposed approach help avoid potential confusion that could be caused by changes in interim reporting frequency during a fiscal year?*
- *Is it necessary to add any language to the proposed rules to make more explicit the requirement to maintain the selected frequency for the full fiscal year?*
- *Rather than the proposed approach, should we allow:*
 - (1) semiannual filers and quarterly filers to make a change in interim reporting frequency during the fiscal year, or*
 - (2) only semiannual filers to switch to filing quarterly reports during the fiscal year?*
- *Should issuers that elect semiannual reporting be required to commit to that disclosure frequency for a certain period of time? Why or why not?*

Stability and Limited Flexibility are Essential – If the Commission adopts the reporting frequency election, the rules should require stability in the issuer’s reporting frequency to mitigate opportunistic or frequent changes.

Our survey evidence strongly supports a stable and predictable reporting cadence. In our 2026 survey, only 21% of respondents supported allowing companies to change reporting

⁵⁴ 2026 CFA Institute Survey Report, Appendix B, Comment Box 1, Comments 217, 223, 371, and 522; Comment Box 5, Comment 26.

frequency over time and 21% supported allowing companies to elect their preferred reporting frequency among quarterly, semiannual, or annual reporting.⁵⁵ These results are consistent with our 2019 survey, where respondents likewise expressed low support for issuer choice and frequency changes.⁵⁶

Minimum Adoption Period – If the Commission proceeds with its proposal to permit companies to elect semiannual reporting, we recommend that the Commission require any election to last for at least three years—except for a return to quarterly reporting by a semiannual filer—to give some predictability around reporting frequency for investors and to deter opportunistic reporting frequency changes during periods of deteriorating performance.

No Change Within a Reporting Year – Language is needed to convey there should be no change within a reporting year.

11. *Semiannual Reporting: Additional Flexibility for New Registrants?* – Do companies that have newly become a public company (e.g., through an initial public offering, de-SPAC transaction, or direct listing) need to have greater flexibility for switching interim reporting frequency within a fiscal year?

For example, a private company that elected semiannual reporting in a Form S-1 for an initial public offering could subsequently decide that quarterly reporting is preferable (e.g., to promote greater trading liquidity by increasing the frequency of its interim reporting) and wish to switch to quarterly reporting for the rest of the fiscal year.

Should we allow such newly public companies to switch the interim reporting frequency within a fiscal year?

Don't Support Additional Flexibility and Changing Interim Frequency within A Year – CFA Institute does not support permitting newly public companies to switch interim reporting frequency within a fiscal year. If the Commission permits a semiannual reporting election, the election should be made promptly and stable for at least three fiscal years (while permitting a switch to quarterly). Newly public companies should not be given special flexibility to change reporting frequency mid-year as that would introduce more uncertainty at the very point when investors most need predictable and comparable information.

Newly public companies often have limited public reporting histories, no auditor attestation of internal controls over financial reporting, and investors who haven't been with the company for long. Quarterly reporting helps investors establish expectations and helps issuers manage them.

⁵⁵ 2026 CFA Institute Survey Report, Exhibits 10-11.

⁵⁶ 2019 CFA Institute Survey Report, Chart 21.

Many private companies already prepare financial and operating information for private equity and credit investors. Newly public companies should be subject to the same reporting frequency election rules as other issuers.

12. *Semiannual Reporting: Correction of Errors? – Should correction of errors with respect to the Form 10-K check box related to semiannual reporting be permitted as we propose? Are the proposed time limits on when an error correction may be made appropriate? In addition to allowing error correction in an amended Form 10-K—or in lieu thereof—should we allow check box error correction through a Form 8-K filing?*

CFA Institute does not support permitting companies to elect semiannual reporting. If the Commission nevertheless adopts such an election, we support a clear and prompt mechanism for correcting errors in the election. The mechanism should have guardrails to deter misuse as a late change to reporting frequency.

SEC forms already use cover-page check boxes for filer status, emerging growth company status, and other matters. Ordinarily, an incorrect check box may be corrected through an amended filing. But the proposed semiannual-reporting check box is different because it determines the cadence of future reporting. A Form 10-K/A alone may not provide sufficiently prominent notice to investors. We recommend that the Commission require correction through a Form 8-K filing within 10 business days of the initial election. That filing should clearly state the corrected reporting frequency, steps taken to prevent future errors, the effective fiscal year, and the next expected periodic report.

13. *Semiannual Reporting: New Form 10-S? – We are proposing a new Form 10-S for companies that elect to file semiannual reports. Is the proposed new form needed? Should there be one form for all interim reports, regardless of whether they are for a fiscal quarter or a semiannual period? If so, why?*

Retain Form 10-Q, Establish Form 10-S – The Commission should retain Form 10-Q as the required interim reporting form for domestic reporting companies and, if it adopts semiannual reporting (over our opposition), introduce a new Form 10-S.

A narrow majority of respondents to our survey supported creating a new Form 10-S for semiannual reports, suggesting investor interest in distinguishing semiannual reports from Form 10-Q.⁵⁷ At the same time, the result in context of the rest of the survey results suggests that the form design is secondary to the broader investor concerns on the timeliness of reporting and its content.

A new interim report form that would be filed by all companies regardless of reporting frequency is appealing for its simplicity, but we prefer distinct Form 10-Q and Form 10-S to a) preserve the current Form 10-Q structure for issuers that maintain that quarterly reporting approach and b) make the distinction clearer among issuers who file quarterly reports on Form 10-Q with the Commission vs. hybrid and semiannual filers that use Form 10-S.

⁵⁷ 2026 CFA Institute Survey Report, Exhibits 12-14.

14. *Semiannual Reporting: New Form 10-S, New Information? – Proposed Form 10-S would mandate the same narrative and financial information as Form 10-Q, albeit for semiannual periods rather than quarterly periods.*

- *Should Form 10-S require narrative or financial information that differs from what is required in Form 10-Q? If so, please specify what information should be different and why this information is or is not needed in Form 10-S.*
- *Are there any disclosure items, such as mine safety violations, in proposed Form 10-S that should be required instead to be disclosed in other forms, such as Form 10-K, Form 8-K, or Form SD?*

If the Commission adopts Form 10-S, the form should not merely replicate Form 10-Q with a six-month period. The change in reporting frequency and length of reporting period would alter the information available to investors, even if the nominal disclosure requirements are the same.

More Extensive Disclosures on Form 10-S Supported – Our 2026 survey did not ask about the precise contents of semiannual reports vs. quarterly reports. We did, however, ask whether Form 10-S should contain more extensive information than Form 10-Q if semiannual reporting is adopted. A majority of respondents supported more extensive disclosure, suggesting that investors may not view a less frequent interim report as an adequate substitute for Form 10-Q unless it provides additional information.⁵⁸

Loss of Quarterly Information – The principal concern about the content of Form 10-S besides timeliness of reporting is the loss of quarterly information. Investors will derive second-half results by subtracting first-half Form 10-S information from annual Form 10-K information, just as they derive fourth-quarter results today.⁵⁹ But semiannual reporting would eliminate individual quarterly numbers, with investors unable to ascertain how performance was distributed within the first half and within the derived second-half reporting periods.

Structured Information – Form 10-Q provides structured information, incremental financial statement disclosures, MD&A, and other information that may affect investment views.⁶⁰ Our 2026 member survey found that 66% of respondents wanted a Form 10-Q for those providing quarterly information voluntarily in a mandatory semiannual reporting regime.

Accordingly, if the Commission adopts Form 10-S, it should require quarterly financial statements and MD&A for the first and second quarters. The Form 10-K should likewise provide quarterly financial statements and MD&A for the third and fourth quarters.

⁵⁸ 2026 CFA Institute Survey Report, Exhibits 15-16.

⁵⁹ Referring primarily to the statement of cash flows. Fourth quarter interim income statement (unaudited) is usually provided in the fourth quarter earnings release by companies that provide one.

⁶⁰ 2026 CFA Institute Survey Report, Exhibits 26-28.

Forthcoming Regulation S-K Reforms Need to Be Considered Simultaneously – A discussion of the distribution of narrative disclosure items between interim periodic reports and annual reports is best saved for the Commission’s forthcoming proposal on Reforming Regulation S-K. We focus our comments here on reporting frequency and the proposed election of semiannual reporting.⁶¹

15. *Change In Frequency or Reform Contents of Quarterly Reporting –*

- *As an alternative to the proposal for optional semiannual reporting, should we instead:*
 - *revise the disclosure requirements of Form 10-Q to reduce the burden on reporting companies of filing this form, such as:*
 - *amending the current rules for the required interim financial statement review by an independent public accountant,*
 - *XBRL data tagging,*
 - *MD&A,*
 - *information about unregistered sales of registrant securities pursuant to 17 CFR 229.701 (Item 701 of Regulation S-K), or*
 - *year-to-date comparisons involving financial statements and MD&A?*
- *How should these requirements, or any other requirements of Form 10-Q, be revised?*
- *What aspects of Form 10-Q’s current reporting framework are most burdensome for reporting companies?*

CFA Institute does not support optional or mandatory semiannual reporting. If the Commission is concerned about the burden of Form 10-Q, it should consider targeted improvements to Regulation S-K to elicit greater disclosure of material information and to reduce boilerplate disclosure, as we wrote in our [comment letter](#) in response to [Chairman Atkins' Statement on Reforming Regulation S-K](#). But it should not weaken the core financial and narrative reporting requirements that investors rely on.

Views on Elements of Form 10-Q – In our 2026 survey, respondents emphasized the importance of Form 10-Q’s incremental (to the earnings release) financial statement disclosures and MD&A, structured information prepared under accounting and regulatory requirements, auditor review, management certifications, and legal liability.⁶² Our 2019 survey produced similar results.⁶³

Disagree with the Premise that Quarterly and Annual Reporting Obligations are Onerous – Additionally, as we discussed in reference to Form 10-K in our comment letter on Reforming Regulation S-K, we do not agree that meeting Exchange Act reporting obligations is unduly burdensome for issuers.

⁶¹ See [Chairman Atkins' Statement on Reforming Regulation S-K](#) and CFA Institute’s [comment letter](#) in response to the Chairman’s Statement.

⁶² 2026 CFA Institute Survey Report, Exhibits 26–30.

⁶³ 2019 CFA Institute Survey Report, Charts 5 and 8.

- First, the benefits of being a public company are significant. Public companies tend to trade at higher valuations as illustrated by private company exits through public markets⁶⁴ and certain public company executives (e.g., technology) are compensated at multiples of what their counterparts at private companies earn.⁶⁵ The responsibility of stewarding the public's capital and earning the benefits that come with that entails a certain level of accountability. Complying with the Commission's disclosure requirements is not too much to ask.
- Second, we observe Form 10-K filings from the largest companies with complex businesses to be rather short (e.g., Apple Inc.'s MD&A in its last annual report was 6 pages), and the same can be said for many companies' Form 10-Q filings, which often do not contain disclosures of any significant length beyond the financial statements.

The Proposal's Economic Analysis estimates direct compliance costs of \$110,000 for each Form 10-Q filing per issuer. While this is a significant sum for an individual person, for many public companies this quantity is below the threshold of financial materiality. It is unclear how much shorter or less costly Form 10-Q filings could reasonably become without weakening the information investors value.

Do Not Support Eliminating or Weakening Key Features of Form 10-Q – We would not support reducing burden by eliminating or substantially weakening core features of the Form 10-Q. Auditor review is one of the features that distinguishes Form 10-Q from earnings releases and other less formal disclosure channels. Nor would we support reducing XBRL or structured data requirements. CFA Institute has long supported structured data because investors need searchable, comparable, machine-readable information across companies and reporting periods. Weakening tagging requirements would increase investor processing costs and reduce the usefulness of public filings. Earnings releases on Form 8-K for hybrid reporters would not be tagged.

We also would not support reducing MD&A in a way that deprives investors of management's discussion of liquidity, capital resources, results of operations, uncertainties, and material changes during the interim period. MD&A is central to understanding the financial statements and factors affecting the company that are not captured in the financial statements. Similarly, year-to-date comparisons should not be eliminated where they help investors assess intra-year performance, seasonality, cash flow, and trend development.

⁶⁴ See Exhibit 6 in McKinsey's [Global Private Markets Report 2026](#) for median EV/EBITDA multiples from 2006-3Q2025 for private companies held by private equity funds and on public market exits of those companies.

⁶⁵ [Trends in Private Company Executive Compensation | Across the Board](#), "The BDO Report notes that public tech company CEOs earn 6.93 times more than their private company counterparts, with the largest disparity due to equity grants to public CEOs."

16. *Impact on Private Company's Decision to Become Public –*

- *What impact would the flexibility to file semiannual reports on Form 10-S, instead of quarterly reports on Form 10-Q, have on a private company's decision to become an Exchange Act reporting company?*
- *Would more companies choose to go public under the proposed flexible approach to interim reporting?*
- *What impact would the proposed flexible approach have on existing Exchange Act reporting companies' desire to remain public companies?*

Lack of Evidence That Quarterly Reporting Affects Going-Public Decisions – We are not aware of evidence demonstrating that Form 10-Q reporting is a principal cause of companies remaining private, going private, or declining to list in the United States. Nor are we aware of evidence that optional semiannual reporting would materially increase public-company listings.

Quarterly Reporting Existed During Periods of Higher Numbers of Public Companies – During quarterly reporting's 56-year history in the United States, the number of public companies increased substantially (from 1980 to 1996), declined (from 1997 to 2013), and since then has been essentially flat, all while quarterly reporting requirements in the US have remained in place since 1970.⁶⁶

Semiannual Reporting Jurisdictions Don't Have Higher Numbers of Public Listings – The international track record of semiannual reporting promoting more listings is not promising. OECD data from 2005 to 2024 across jurisdictions shows that Europe has actually experienced a significantly worse trend in net listings than the United States despite adopting semiannual reporting. Conversely, jurisdictions in Asia - the largest of which (Mainland China, India, and Japan) use quarterly reporting– have actually seen positive net listings growth since 2005.⁶⁷

Survey Did Not Support Move to Semiannual Reporting – Our 2026 member survey did not ask respondents directly whether optional semiannual reporting would affect a private company's decision to become an Exchange Act reporting company or an existing public company's decision to remain public. However, the survey evidence does not support reducing reporting frequency as a tool to boost capital raising. Only 27% of respondents globally (23% of Americas respondents) supported moving from quarterly to semiannual reporting for certain categories of companies, such as smaller reporting companies, non-accelerated filers, or emerging growth companies.⁶⁸

Private Companies Produce Interim Results – The comparison to private companies also does not support reducing public-company reporting. Many private companies already prepare financial and operating information frequently for private equity and credit investors.

⁶⁶ [Number of Domestic Companies Listed on Major U.S. Exchanges 1980 - 2025](#). Jay R. Ritter, Director of the IPO Initiative and Emeritus Professor at University of Florida, Warrington College of Business.

⁶⁷ [OECD Corporate Governance Factbook 2025](#), Figure 1.3.

⁶⁸ 2026 CFA Institute Survey Report, Exhibits 7-8.

Number of Public vs. Private Companies: More Study Needed – Regarding the more general topic of the relative numbers of private and public companies, as we wrote in our comment letter in response to Chairman Atkins’ Statement of Reforming Regulation S-K, there are many factors at play beyond disclosure requirements, including:

- the proliferation of private capital;
- mergers and industry consolidation;
- evolution in business models and the need for external capital;
- underwriting and other initial costs of going public; and
- tax policy (e.g., tax treatment of carried interest, pass-through tax for certain entity types).

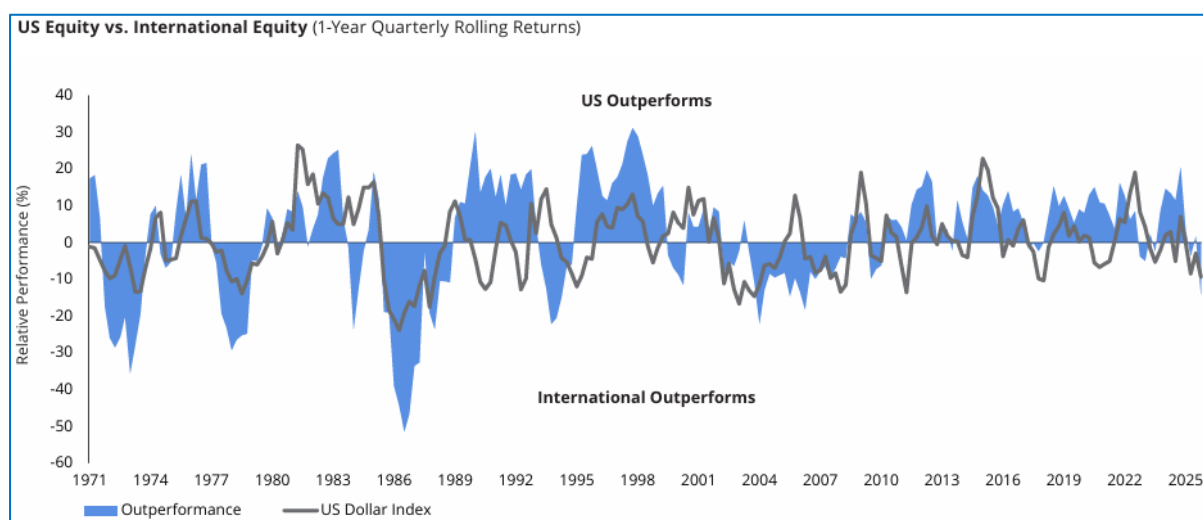
Given the complexity and nuance of this issue, we recommend the Commission undertake a comprehensive analysis of public versus private market structure through a blue-ribbon Advisory Committee on Public and Private Market Structure to thoughtfully study this issue and the path forward.

17. *Semiannual Reporting: Impact on Companies’ Ability to Focus* – What impact would the proposed option to file semiannual reports on Form 10-S have on Exchange Act reporting companies’ ability to focus on: (1) business operations, (2) growth, or (3) long-term business strategies? Please provide any data on the amount of employee and director time spent on preparing a quarterly report on Form 10-Q.

Theoretical Narrative – CFA Institute does not believe the Commission should adopt semiannual reporting on the assumption that it will materially improve Exchange Act reporting companies’ ability to focus on business operations, growth, or long-term business strategies. Those benefits are theoretical and not supported by the empirical evidence or investor survey evidence.

No Demonstrable Outperformance in Semiannual Jurisdictions – If reducing reporting frequency materially improved companies’ ability to focus on business operations, growth, or long-term business strategies, companies in semiannual reporting jurisdictions should be outperforming those in quarterly reporting jurisdictions along some or all measures by now.

The evidence suggests the opposite. US equities, for example, have outperformed international equities broadly most of the time since the US adopted quarterly reporting in 1970 including most of the last 15 years despite the UK and Europe adopting semiannual reporting in the 2010s. While this does not establish a causal connection, the SEC should undertake an analysis to establish that decreasing reporting frequency may increase company performance and enhance investment returns.



Source: [Could International Markets Be Gaining Momentum?](#) Hartford Funds.

CFA Institute Research Finds No Increased Capital Investment in UK After Switch to Semiannual Reporting – CFA Institute Research Foundation research on the UK found no material effect of quarterly reporting on corporate investment, while identifying capital-market benefits from quarterly reporting, including greater analyst coverage and improved forecast accuracy.⁶⁹

Relationship of Reporting Frequency to Long-Termism is Not Supported by Majority of Survey Respondents, Management Incentives Viewed as Stronger Driver – Our 2026 member survey asked several questions about the relationship between reporting frequency and the ability to focus on longer-term results or strategies (i.e., “long-termism”). Only 41% of respondents agreed that moving from quarterly to semiannual reporting would increase long-termism, though, counterintuitively, fewer respondents agreed that moving from quarterly to annual reporting would increase long-termism despite that reporting frequency reducing even more reporting time for management.⁷⁰ Only 32% of respondents agreed that companies and investors in jurisdictions with semiannual reporting (e.g., Europe) are more long-term oriented than those in quarterly reporting jurisdictions.⁷¹ In contrast, 85% agreed that aligning management compensation structures with long-term goals would have a greater impact on long-termism than changing reporting frequency.⁷² These results suggest that investors do not view reduced reporting frequency as a principal mechanism for promoting long-term corporate behavior.

From the comments left in the survey, some respondents do believe that quarterly reporting can consume excessive management attention or encourage short-term behavior. Others observed that companies already track financial and operating information internally to manage the business and that companies seeking access to public capital should provide regular public reporting. Several respondents also emphasized that the causes of excessive

⁶⁹ CFA Institute Research Foundation, [Impact of Reporting Frequency on UK Public Companies](#).

⁷⁰ 2026 CFA Institute Survey Report, Exhibits 66-67.

⁷¹ Ibid., Exhibit 68.

⁷² Ibid., Exhibit 69.

focus on short-term results at the expense of longer-term value creation lie more in incentives, guidance practices, and compensation structures than in Form 10-Q reporting requirements.⁷³

Respondent comments likewise did not support the proposition that companies in semiannual-reporting jurisdictions perform better, grow faster, or are more efficient than companies in quarterly-reporting jurisdictions. Several respondents with international investing experience stated that European or other semiannual-reporting companies have not outperformed US peers, are harder to analyze, or trade at lower valuations because of reduced transparency.⁷⁴

18. *Semiannual Reporting: Likelihood of Issuing Quarterly Earnings Release –*

- *What is the likelihood that companies that elect semiannual reporting will continue to issue quarterly earnings releases (to the extent they did so previously when they reported quarterly)?*
- *Why would semiannual filers still issue earnings releases on a quarterly basis?*
- *Would this practice create any new or heightened investor protection concerns?*
- *For example, would there be any new investor protection concerns if an Exchange Act reporting company with a December 31 year-end elects to file semiannual reports and issues an earnings release for the first quarter of the fiscal year, with the semiannual report for the first six months of the fiscal year (which includes that first quarter) not due until months later (e.g., in August of that fiscal year)?*
- *Would companies that currently issue quarterly earnings releases but elect to become semiannual filers change their earnings release practices either: (1) to issue earnings releases semiannually, or (2) to cease issuing earnings releases?*
- *Please provide any data or analysis regarding any experience with earnings releases in foreign jurisdictions where issuers report semiannually.*

CFA Institute does not believe voluntary quarterly earnings releases would provide an adequate substitute for mandatory quarterly reporting on Form 10-Q. If semiannual reporting is adopted, some companies may continue to issue quarterly earnings releases. However, there is no strong reason to believe that such releases will contain the same information as earnings releases today under mandatory Form 10-Q rules. As discussed in the [Recommendation of the Investor Advisory Committee Regarding Quarterly vs. Semiannual Reporting](#):

Today, only 10% of the largest UK public companies by market cap voluntarily report on a quarterly basis and quarterly reporting is virtually non-existent for smaller public companies listed in the UK. In the EU, voluntary quarterly reporting is more common although it is far from ubiquitous. Approximately 60% of the largest EU-listed public

⁷³ Ibid., pgs. 118-120.

⁷⁴ 2026 CFA Institute Survey Report, Appendix B, Comment Box 1 Comments 109, 163, 164, 232, 476, 591, 693, and 716; Comment Box 7, Comment 14.

companies voluntarily report on a quarterly basis and about half of smaller EU-listed public companies do so as well.

Our 2026 member survey distinguished between voluntary quarterly reporting generally and voluntary Form 10-Q filings specifically. Only 32% of respondents believed that US companies they invest in would continue reporting quarterly if the required reporting frequency was reduced from quarterly to semiannual.⁷⁵ Only 21% believed companies would voluntarily file Form 10-Q if optional.⁷⁶ Separately, 57% expected quarterly earnings in the absence of Form 10-Q to contain less or significantly less information than earnings releases today.⁷⁷

Quarterly earnings releases may continue for companies to maintain analyst coverage, support liquidity, match peers' reporting practices, or open the insider trading window. But investor-protection concerns would be heightened if earnings releases become the primary quarterly disclosure.

For example, a semiannual filer may issue a first-quarter earnings release in April but would not file a Form 10-S covering that period until August. Investors would receive market-moving information without the fuller structured information set and investor protection mechanisms⁷⁸ until months later, significantly lengthening the gap between earnings release and filing that is currently, on average, 3 or 4 days for Q1-Q3.⁷⁹ This much longer gap could result in greater weight placed on less standardized disclosures.

Form 10-Q and earnings releases as complements, not as substitutes. As our 2026 member survey shows, earnings releases are valued for their speed and transparency about the company but Form 10-Q is valued for its completeness and investor protection mechanisms. Only 7% of respondents agree that Form 10-Q should be abandoned in favor of companies providing only quarterly earnings releases.⁸⁰ Many respondent comments in our survey indicate that many view the Form 10-Q as “disciplining” the earnings release – or, more accurately, that the market disciplines any discrepancies between the earnings release and subsequent Form 10-Q:⁸¹

“The 10-Qs are making a quiet contribution to the earnings releases by providing a level of accountability around the accuracy of the earnings releases. The filers know their earnings

⁷⁵ 2026 CFA Institute Survey Report, Exhibit 44.

⁷⁶ Ibid., Exhibit 45.

⁷⁷ Ibid., Exhibit 46.

⁷⁸ As the Proposal discusses many times, earnings releases are different: they are furnished rather than filed with the Commission, there is no requirement to present interim financial statements prepared under US GAAP, interim financial statements do not have to be reviewed by an independent auditor, management does not have to certify their accuracy under Sarbanes-Oxley, and they are subject to disclosure controls and procedures rather than internal controls over financial reporting.

⁷⁹ [How Quickly Are Firms Filing? Recent Data Here!](#) Calcbench, data for SEC filers in 2017 and 2018. Commission analysis of Calcbench data (page 96 of the Proposal) shows that 75% of Form 10-Q filings are associated with an earnings release.

⁸⁰ 2026 CFA Institute Survey Report, Exhibit 32.

⁸¹ 2026 CFA Institute Survey Report, pgs. 74-75.

releases need to be 99.9% accurate because investors will notice and be troubled by any meaningful changes that occur in the 10-Qs...”

“Part of the reason why Earnings Releases are generally accurate, is because the companies know that they will have to provide the full accurate picture in the Form 10-Q. Therefore, the impact of the Form 10-Q can be indirect, through more accurate Earnings Releases.”

“Earnings release = marketing material. Without the 10-Q to hold them accountable, the earnings release on its own would become completely useless...”

If the Commission adopts semiannual reporting, it should not expect voluntary earnings releases to fill the information gap left by companies electing not to file Form 10-Q.

19. *Voluntary Quarterly Reporting (Form 8-K) – Our proposal generally would not change the current Item 2.02 Form 8-K furnishing requirement for earnings releases (but we are proposing technical amendments to include references to semiannual periods).*

- *Should we change these requirements generally for semiannual filers? For example, should we amend the Form 8-K requirements so that Item 2.02 Form 8-K submissions are “filed,” not “furnished,” for semiannual filers thereby subjecting the earnings release to additional liability provisions, such as Exchange Act Section 18 (and Securities Act Section 11 if incorporated into a Securities Act registration statement), given that investors could rely more heavily on earnings releases by semiannual filers due to the less frequent interim reporting by such filers as compared to quarterly filers?*
- *If we require the filing (not furnishing) of earnings releases for semiannual filers, should we require the incorporation by reference of earnings releases into Securities Act registration statements of those semiannual filers?*
- *Would requirements for semiannual filers to file (not furnish) earnings releases discourage semiannual filers from issuing earnings releases?*
- *Would requirements for semiannual filers to file (not furnish) earnings releases have an impact on companies’ decisions about whether to elect quarterly or semiannual reporting?*
- *Are there particular reasons or need for the information provided in an Item 2.02 Form 8-K submission by a semiannual filer to be treated differently than a similar Item 2.02 Form 8-K submission by a quarterly filer?*

If the Commission adopts the proposed option to elect semiannual reporting, it should change the Form 8-K Item 2.02 requirements for semiannual filers to file (not furnish) quarterly earnings releases.

In a semiannual reporting setting, investors will rely more heavily on quarterly earnings releases – to the extent they are available - because companies would not be providing a Form 10-S or 10-K until months later, with quarterly information subsumed into semiannual or annual reporting periods. This contrasts with earnings releases from quarterly filers, where a Form 10-Q filing often comes mere days after the earnings release. The accountability associated with quarterly earnings releases should therefore increase for semiannual filers.

Our 2026 member survey directly addressed several of these issues. Sixty-three percent of respondents supported requiring voluntary quarterly earnings releases to be filed with the SEC, while only 34% supported furnishing them.⁸² Filing would better reflect the role such releases would play in the absence of Form 10-Q and would reduce the risk that market-moving quarterly information is provided through a less accountable disclosure channel.

CFA Institute does not take the position that every earnings release must automatically be incorporated by reference for all purposes. However, if a semiannual filer uses quarterly earnings releases as a primary substitute for quarterly Form 10-Q reporting, investors should receive appropriate liability protections. The Commission should not permit issuers to reduce periodic reporting frequency and then provide market-moving quarterly results through disclosures that carry materially less accountability.

A filing requirement could discourage some semiannual filers from issuing quarterly earnings releases, but that possibility should not control the investor-protection analysis. If an issuer does not wish to subject a quarterly earnings release to filing-level accountability, that itself raises concern about the quality of such a release. The better investor-protection approach is to retain mandatory Form 10-Q reporting. If quarterly reporting becomes voluntary, respondents to our survey prefer continued use of Form 10-Q: 66% supported requiring voluntary quarterly reporters to file Form 10-Q, while only 23% supported allowing companies to choose whether to file Form 10-Q or provide other quarterly information.⁸³

Filing requirements for earnings releases may affect companies' decisions about whether to elect quarterly or semiannual reporting. But companies should not be able to obtain the market benefits of quarterly communication while avoiding accountability.

The difference in reporting periods between semiannual and quarterly filers is a good reason to treat Item 2.02 submissions differently for the two types of filers. For a quarterly filer, an earnings release is followed by a Form 10-Q mere days later. For a semiannual filer, a first- or third-quarter earnings release may stand for months without a corresponding Form 10-S.

20. *Voluntary Quarterly Reporting: Should There Be an Auditor Review? –*

- *In connection with any adoption of the proposal, should there be a new requirement for semiannual filers that announce or release earnings for the first or third quarters of their fiscal year (i.e., the periods that would later be subsumed in Forms 10-S and 10-K but for which there would be no quarterly report filed with the Commission) – that financial information in any first or third quarter earnings releases be reviewed by an independent public accountant?*
- *If so, would any changes to current auditing standards (e.g., governing reviews) be required?*

CFA Institute does not support replacing quarterly reports on Form 10-Q with semiannual reports on Form 10-S. If the Commission nevertheless permits semiannual reporting, first-

⁸² 2026 CFA Institute Survey Report, Exhibits 40-41.

⁸³ Ibid., Exhibits 36-38.

and third-quarter earnings releases by semiannual filers would raise investor-protection concerns because they could become the principal source of quarterly financial information without being followed by a filing for many months that, in any event, subsumes the quarterly period into a longer reporting period.

Our 2026 member survey asked respondents if they value auditors' reviews of interim financial statements in Form 10-Q filings and if they would support auditor reviews of the earnings releases in the current mandatory Form 10-Q environment. We did not ask if respondents would support auditor reviews of quarterly earnings releases by semiannual filers in a semiannual reporting environment.

68% of respondents agreed that Form 10-Q filings are important because they are reviewed by the company's auditors⁸⁴, consistent with the 71% result in the 2019 survey. That finding supports the conclusion that auditor involvement is an important feature of the current quarterly reporting framework. However, when asked whether auditors should review earnings releases and provide the same level of assurance as they do on Form 10-Q filings, less than a majority agreed.⁸⁵ That result likely reflects the role earnings releases play under the current reporting framework: they are generally followed by Form 10-Q, which provides for completeness, rigor, and legal accountability. Auditor involvement could delay earnings releases and potentially limit management's candor, an undesirable outcome since Form 10-Q is forthcoming shortly after anyway.

The answer likely changes if the subject is quarterly earnings releases from a semiannual filer. We did not ask this in our surveys, but we recommend that the Commission, in addition to requiring such releases be filed (not furnished), require interim financial statements presented in quarterly earnings releases from semiannual filers be prepared according to US GAAP and reviewed by the independent auditor.

If independent auditor review is required, the Commission should coordinate with the PCAOB to determine whether existing review standards are sufficient for this purpose. Any review requirement should be designed to improve reliability without materially delaying timely disclosure.

The better solution remains to retain mandatory quarterly Form 10-Q reporting and not disturb the existing framework of earnings releases followed by the Form 10-Q filing, which investors find to work well.

21. *Voluntary Quarterly Reporting: Impact on Timing of Earnings Releases? – For companies that issue earnings releases, would the proposed flexible approach to interim reporting have any effect on how quickly these releases would be issued after the end of the reporting period?*

⁸⁴ In this context, the survey question refers to reviewed in a general sense not reviewed as defined under assurance standards. Only the interim financial statements are reviewed under assurance standards whereas the rest of the Form 10-Q is read for consistency with the interim financial statements.

⁸⁵ 2026 CFA Institute Survey Report, Exhibits 30-31.

It depends on the content of earnings releases under the proposed flexible approach to interim reporting. Semiannual filers would no longer have the Form 10-Q coming shortly after the earnings release and thus may be inclined to reduce the level of information in the earnings release. Most respondents in our 2026 member survey expect companies to discontinue quarterly reporting, and 57% of respondents expect the earnings releases that are provided to contain significantly less or less information than earnings releases today.⁸⁶

While we did not ask how this might impact the timeliness of earnings releases in our member surveys, it is conceivable that they could be issued sooner after quarter-end if they contain significantly less information, though we are not certain because there would be no deadline set by the Commission.

22. *Semiannual Reporting: Would There Be a Reduction to Information for Investors? –*

- ***Would the option for semiannual reporting result in an overall reduction in material information for investors?***
- ***Or would other regulatory requirements, such as Form 8-K filing requirements and Regulation FD, elicit sufficient information to offset the less-frequent interim reports and address any investor protection concerns?***
- ***Would market forces or demands on a company's business—such as contractual obligations, investor expectations, and potential for shareholder activism—encourage semiannual filers to:***
 - (1) voluntarily disclose more information than required,***
 - (2) disclose information more frequently than is required, or***
 - (3) opt not to become semiannual filers at all?***

Yes, results of our member surveys and our members' comments regarding their experience investing in foreign semiannual reporting jurisdictions, as well as empirical observations of those jurisdictions, indicate that the option for semiannual reporting would result in an overall reduction in material information for investors. While not explicitly stated, our understanding is that the Commission staff believes so as well, as the Economic Analysis in the Proposal estimates the Proposal would produce hundreds of millions of dollars in aggregate cost savings across 20% of filers that would elect semiannual reporting with no offsetting costs incurred from making additional Form 8-K filings or from meeting incremental reporting demands from market forces, contractual obligations, and potential shareholder activism.⁸⁷

In our 2026 member survey, only 32% of respondents believed the US companies they invest in would continue reporting quarterly if semiannual reporting became the minimum requirement and 57% expected voluntary quarterly earnings releases to contain less information than earnings releases today.⁸⁸ Approximately three-quarters of respondents were

⁸⁶ 2026 CFA Institute Survey Report, Exhibit 43.

⁸⁷ We comment on the Proposal's Economic Analysis (Section V of the Proposal) directly later in this letter.

⁸⁸ 2026 CFA Institute Survey Report, Exhibits 44-46.

also concerned that important information, particularly negative information, would be released in a less timely manner.⁸⁹

Form 8-K requirements and Regulation FD are important elements of the disclosure framework, but they are not substitutes for mandatory quarterly reporting on Form 10-Q.

Form 8-K is focused on the disclosure of certain events that are individually material. Form 10-Q focuses on narrative and financial disclosure of both individually material events *and* the aggregation of individually immaterial transactions, events, and circumstances over a fiscal quarter. Disclosures at regular intervals using consistent methodologies enable investors to monitor a company's performance against expectations and to update forecasts with the most recent information. As we wrote in *Financial Reporting in the 1990s and Beyond*:

Most economic events affecting business enterprises are individually small in relation to the overall economic progress and status of the firm. But they aggregate into numbers of material size. Quarterly reports are the early warning system of the investment world. Some have likened them to mile markers... Even though they are not as precise in measurement as mile markers on a highway, they at least tell us in what direction the enterprise is going and roughly how quickly it is proceeding.

To analysts, quarterly reports are not only indicators of progress and status to date, they also are important resources for projecting the future. A good part of a financial analyst's work involves making recommendations or engaging in transactions based on expectations of future economic performance. Many analysts are called upon to make formal and frequent estimates of future corporate earnings. Quarterly reports are vital, not as much for what they tell us about the past as to what they tell us about revising our expectations of the future. When a quarterly report contains a "surprise," there usually is an immediate reaction in that enterprise's stock price. The stock price change reflects a change in value not because the past turned out differently than expected but because the market has promptly and alertly changed its expectations of the future.

The list of triggers for Form 8-K is also limited. Changes in market share, margin pressure, changing customer behavior, competitive shifts, or deterioration across individually small developments do not necessarily trigger mandatory Form 8-K disclosure.

Our 2026 survey does suggest that investors may expect greater volume of Form 8-K filings under semiannual reporting - 82% agreed that reduced reporting frequency would increase

⁸⁹ 2026 CFA Institute Survey Report, Exhibits 58-59.

the need for significant-event disclosure on Form 8-K - but that is not the same as investor confidence that Form 8-K is an adequate substitute for Form 10-Q.⁹⁰

Regulation FD addresses selective disclosure of material nonpublic information; it does not require any disclosure in the first instance. Regardless, the effectiveness of Regulation FD comes down to enforcement which is challenging to do given the sheer size of US capital markets. The opportunity for selective disclosure is meaningfully increased if reporting frequency is cut in half, which will stress the Commission's Regulation FD enforcement resources. Consequently, 71% of respondents in our 2026 member survey expressed concern that reduced reporting frequency would increase uneven or unfair disclosure and disadvantage certain investors.⁹¹ CFA Institute members are bound by our [Code of Ethics and Standards of Professional Conduct](#) not to act on material nonpublic information, which we uphold regardless of a jurisdiction's reporting frequency, but that could put our members at a disadvantage against those who will act on privileged information.

In foreign jurisdictions that moved away from mandatory quarterly reporting, voluntary quarterly disclosure did not preserve the prior information environment; in the UK, just 10% of the largest UK companies report quarterly on a voluntary basis. Some issuers continued quarterly updates, but others reduced frequency or content over time. Respondents to our survey with international investing experience commented that US markets benefit from a richer and more transparent information environment than many semiannual-reporting jurisdictions.

23. *Semiannual Reporting: Internal Controls over Financial Reporting? – With semiannual reporting, would there be an impact on investors or other market participants as a result of less frequent certifications by management relating to internal control over financial reporting and disclosure controls and procedures, as well as less frequent disclosures of changes in such controls?*

Management certifications and controls disclosures are key aspects of the framework that distinguishes Form 10-Q from earnings releases, earnings calls, presentations, and other voluntary disclosures. CFA Institute believes that less frequent (a reduction from four annually to two) management certifications and controls-related disclosures would adversely affect investors by reducing the regular discipline imposed on the reporting process and could delay investor awareness of control-related issues.

A majority of respondents to our 2026 member survey agreed that Form 10-Q is important because it is certified by the CEO and CFO and subject to greater legal liability than earnings releases.⁹² Respondents' comments likewise emphasized that Form 10-Q disciplines other quarterly disclosures, i.e., earnings releases are more reliable because they are prepared in the context of Form 10-Q. Less frequent certifications would weaken that disciplining effect for

⁹⁰ 2026 CFA Institute Survey Report, Exhibit 57.

⁹¹ Ibid., Exhibit 60.

⁹² 2026 CFA Institute Survey Report, Exhibit 29.

first- and third-quarter information, weakening earnings releases for those quarters, if they are voluntarily provided.

Accordingly, if the Commission adopts semiannual reporting, it should not treat management certifications and controls disclosures as unaffected merely because they remain in Form 10-S and Form 10-K. The better investor-protection approach is to retain quarterly Form 10-Q reporting with quarterly certifications and controls-related disclosures.

24. *Semiannual vs. Quarterly Reporting: Impact on Auditor Procedures –*

- *Would the nature and extent of procedures that an independent public accountant performs during a review change depending upon whether the independent public accountant is performing a review over a fiscal semiannual period or a fiscal quarterly period?*
- *Would independent public accountants conducting reviews do the same amount of work for a fiscal semiannual period as they currently do for two quarterly fiscal periods on a combined basis?*
- *Would an independent public accountant experience any impact on efficiency or economies of scale when conducting reviews and annual audits under semiannual reporting versus under quarterly reporting for the same company?*
- *Would any changes to independent public accountants' review or audit procedures or any impact on efficiency or economies of scale result in changes in costs to companies? If so, describe the impact and whether the impact could vary depending upon the size of the registrant subject to the review.*

The nature, extent, efficiency, and cost of independent public accountant review procedures under semiannual reporting compared with quarterly reporting is beyond the scope of our expertise. These questions are best addressed by audit committees and audit regulators that have experience with entities receiving both semiannual and quarterly reviews. The PCAOB may have expertise in this area through its domestic and foreign inspection programs.

Our survey evidence demonstrates the value of auditor involvement in interim reporting. In the 2026 survey, 68% of respondents agreed that Form 10-Q filings are important because they are reviewed by the company's auditors.⁹³ Interestingly, our survey evidence shows that respondents value the review of interim financial statements in Form 10-Q by the independent auditor relatively more than management's certifications.

Similar to how quarterly reporting functions as an "early warning system" to investors, we believe that quarterly reviews serve the same function for auditors. Two fewer reviews each year would stress the annual audit and likely result in auditors devoting more resources to it.

⁹³ 2026 CFA Institute Survey Report, Exhibit 30.

25. *Semiannual Reporting: Auditor Reviews of Quarterly Information* – Would companies that elect semiannual reporting retain their independent public accountant to perform a review of their financial statements at the end of each quarter either to:

- (1) support financial information that is used for purposes of a quarterly earnings release (notwithstanding that, as noted above, there is no Commission requirement for a quarterly earnings release to be reviewed by an independent public accountant), or**
- (2) guard against the possible need for a quarterly review to be performed should the company decide to change back to quarterly reporting in a future period (where that period would require comparative quarterly data for the prior year)?**

CFA Institute does not have evidence on whether companies electing semiannual reporting would continue to retain independent public accountants to perform quarterly reviews. This question is best addressed by audit committees, underwriters, and other capital-market participants.

The investor evidence does, however, identify the tradeoff the Commission should evaluate in its economic analysis (but it does not). If semiannual filers continue to obtain quarterly reviews to support earnings releases, satisfy investor expectations, facilitate capital-market transactions, or preserve the ability to return to quarterly reporting, the expected cost savings from semiannual reporting may be overstated. Conversely, if semiannual filers do not continue quarterly reviews, investors would lose one of the valuable features of Form 10-Q.

CFA Institute's preferred approach is to retain mandatory quarterly reporting on Form 10-Q, including auditor-reviewed interim financial statements.

26. *Semiannual Reporting: Impact on Controls, Auditor Strategy & Approach, Risk of Material Misstatement* – For semiannual filers, what impact would a shift to semiannual reporting have on:

- (1) companies' disclosure controls and procedures,**
- (2) companies' internal control over financial reporting, and**
- (3) independent public accountants' strategy and approach for the annual audit of companies' internal control over financial reporting or financial statements?**

With semiannual reporting, is there a potential for a material increase in the risk that material misstatements (either due to error or fraud) or control deficiencies are not timely detected by or communicated to the independent public accountant thereby limiting potential remediation of these issues by the issuer? Please provide any data related to these questions.

CFA Institute does not have issuer- or auditor-level survey evidence on how semiannual reporting would affect companies' disclosure controls and procedures, internal control over financial reporting, or independent public accountants' audit strategy. Those operational questions are best addressed by audit committees, the PCAOB, and independent auditors.

Respondents value the regular discipline of Form 10-Q reporting, including auditor review, management certifications, and the legal accountability associated with periodic reports. In the 2026 survey, 68% of respondents agreed that Form 10-Q filings are important because they are reviewed by the company's auditors, and 56% agreed that Form 10-Q filings are important because they are certified by the CEO and CFO and subject to greater legal liability.⁹⁴ Respondents also value Form 10-Q's incremental financial statement disclosures and MD&A, structured information, and role as a complement to earnings releases.⁹⁵

While semiannual reporting would not eliminate controls, certifications, or auditor involvement altogether, first- and third-quarter information would no longer be subject to the standalone Form 10-Q reporting process, reducing the frequency with which management, auditors, and audit committees formally confront SEC reporting. The reduced cadence may result in slower identification of errors and control issues than a semiannual framework.

The Commission should seek evidence on whether fewer interim reporting checkpoints would affect the timely detection, communication, and remediation of material misstatements or control deficiencies. CFA Institute's preferred approach remains to retain mandatory quarterly reporting on Form 10-Q.

27. *Semiannual Reporting: Impact on Analyst Coverage, Underwriter Comfort Letters, Audit Standards or Change in Auditor Review Requirements –*

- *Would there be reduced securities analyst coverage of Exchange Act reporting companies that elect the semiannual reporting option as compared to quarterly filers?*
- *Would underwriters' requests for independent public accountants to provide "comfort letters" in securities offerings (to support potential due diligence defenses) lead semiannual filers to continue to retain independent public accountants to conduct quarterly financial statement reviews?*
- *If so, are changes needed to PCAOB Auditing Standards (regarding reviews by independent public accountants)? For example, to comport with semiannual reporting, are changes needed to PCAOB Auditing Standard 6101, Letters for Underwriters and Certain Other Requesting Parties, to permit independent public accountants to provide comfort letters expressing negative assurance on changes subsequent to the date and period of the latest financial statements included (or incorporated by reference) in the registration statement?*
- *If semiannual filers would continue to prepare quarterly financial information or to retain independent public accountants to conduct quarterly reviews, should the Commission make any rule changes or take any other steps to address this issue?*

CFA Institute is best positioned to address the analyst coverage aspect of this question. We do not have specific evidence on whether underwriters would continue to request comfort letters from independent public accountants, whether semiannual filers would retain accountants to perform quarterly reviews for capital-markets transactions, or whether

⁹⁴ 2026 CFA Institute Survey Report, Exhibits 29-30.

⁹⁵ Ibid., Exhibits 26-31.

PCAOB Auditing Standard 6101 should be amended. Those questions should be addressed by underwriters, audit committees, and the PCAOB.

With respect to analyst coverage, securities analyst coverage would likely fall for companies that elect semiannual reporting, all else equal. Securities analysts need information. That need is particularly acute for less well-known, more complex, and newly listed companies. CFA Institute Research Foundation's study of the United Kingdom's move away from mandatory quarterly reporting found that companies that stopped quarterly reporting experienced a decrease in sell-side analyst coverage.⁹⁶ While US markets are much larger and have a different composition of issuers (i.e., much more technology and growth exposure), at a high level, European markets have less analyst coverage⁹⁷ and less liquidity.⁹⁸ Barring some strong evidence to the contrary, that should inform the Commission's expectations for the outcome of reducing the mandatory reporting frequency in US markets.

28. *Semiannual Reporting: Impact on Accounting Standards (US GAAP or IFRS) – Would our proposal have any impact on a semiannual filer's application of relevant accounting standards to prepare financial statements in accordance with US GAAP, IFRS, or home-country GAAP? How? Are any changes to accounting standards, including US GAAP or IFRS, necessary or appropriate to effectuate semiannual reporting (e.g., changes to the guidance on annual impairment testing, lag reporting, earnings per share, or other topics of authoritative guidance)?*

CFA Institute is not aware of a fundamental accounting-standard barrier to six-month interim reporting. Form 10-Q reporting already includes six-month year-to-date interim financial statements in the second fiscal quarter Form 10-Q, which would be the reporting period for interim financial statements presented on Form 10-S. However, there may be impacts on the application of accounting standards in the case of an issuer *switching* from semiannual reporting to quarterly reporting, as a semiannual filer is permitted to do each year under the Proposal.

ASC 270 under US GAAP and IAS 34 under IFRS do not include guidance on breaking out quarterly interim financial statements from semiannual interim financial statements, which a semiannual-to-quarterly “switcher” would have to do to comply with the Commission's Regulation S-X rules on presenting comparative interim financial statements.⁹⁹ Significant judgments would arise in many areas of the comparative interim financial statements, including income taxes, EPS, and impairment testing. For example:

Income taxes. A calendar-year company reports only semiannually in 2027. In its Form 10-S, it reports six-month pretax income and tax expense, using an estimated annual effective tax rate and discrete tax items identified during the first half. If the

⁹⁶ CFA Institute Research Foundation, [Impact of Reporting Frequency on UK Public Companies](#).

⁹⁷ [Stock Analysts Are Declining Fastest in Europe While US Stock Coverage Also Fades • Integrity Research](#)

⁹⁸ [Demystifying the liquidity gap between European and US equities](#)

⁹⁹ [17 CFR § 210.10-01](#) - Interim financial statements, paragraph (c): *Periods to be covered*.

company returns to quarterly reporting in 2028, the company will have to report how much of the first-half tax expense related to Q1 and Q2, including whether discrete tax items arose in one quarter or the other.

Earnings per share. A company reports first-half net income and first-half diluted EPS in Form 10-S. During Q2, it issues shares to finance an acquisition and later repurchases shares. If the company needs prior-year quarterly comparatives the following year, Q1 and Q2 EPS cannot necessarily be derived by dividing the first-half EPS in two. Quarterly EPS would depend on the timing of income, the weighted-average share count in each quarter, and the effect of dilutive securities during each period.

Impairment testing. Assume a company reports an impairment charge in its first-half Form 10-S. If the company switches to quarterly reporting, allocating that charge to the proper quarter may require reconstructing the timing of the triggering event and management's impairment analysis.

If the Commission proceeds with the Proposal, we urge the FASB and IASB to issue guidance on breaking out quarterly interim financial statements from semiannual interim financial statements. Similarly, the PCAOB may need to issue authoritative guidance for auditors reviewing post-hoc intra-period allocations such as those described in the hypothetical scenarios above.

29. *Semiannual Reporting: Changes to Exchange Rules? – Are any changes to rules of securities exchanges necessary or appropriate to effectuate semiannual reporting?*

CFA Institute is not aware of any necessary changes to rules of securities exchanges to effectuate semiannual reporting. Foreign private issuers based in semiannual reporting jurisdictions maintain listings on SEC-registered exchanges.

30. *Interim Reporting in Annual Reports on Form 10-K – Should we require the second semiannual period financial information (for semiannual filers) or the fourth quarter financial information (for quarterly filers) to be included in Form 10-K so investors do not need to back out this information if companies do not voluntarily provide it?*

Would having a longer period (six months for semiannual reports versus three months for quarterly reports) make it more difficult for investors to back out this information?

Relatedly, should we require semiannual filers to break out financial statement information for the six-month period covered by Form 10-S into two three-month periods and provide similarly broken-out three-month information for the fiscal year covered by Form 10-K?

CFA Institute supports requiring semiannual filers to provide three-month financial statement information within Form 10-S and Form 10-K. Investors should not be required to reverse-engineer quarterly or second-half information from six-month or annual totals when companies can provide that information directly.

Under semiannual reporting, investors would receive only first-half and annual information unless the Commission requires additional breakouts. Subtracting first-half results from annual results would produce only a six-month second-half amount; investors would not be able to determine quarterly amounts. As we discussed in detail above, a six-month total can obscure deterioration or improvement that occurred from one quarter to the next.

Our 2026 member survey evidence supports requiring more, not less, standardized interim information if semiannual reporting is adopted. Sixty-six percent of respondents agreed that six months is too long to wait for financial information.¹⁰⁰ In addition, among respondents considering the possible content of Form 10-S, approximately half supported requiring more extensive information than current Form 10-Q, while only a small minority supported less extensive information.¹⁰¹

Accordingly, if the Commission adopts semiannual reporting, it should require Form 10-S and Form 10-K to include quarterly breakouts sufficient to preserve meaningful trend, seasonality, and comparability analysis. CFA Institute's preferred approach, however, remains to retain mandatory quarterly reporting on Form 10-Q.

¹⁰⁰ 2026 CFA Institute Survey Report, Exhibits 55-56.

¹⁰¹ 2026 CFA Institute Survey Report, Exhibits 15-16.

31. *Impact on Insider Trading Policies* – Many public companies have standalone insider trading policies or insider trading policies that are part of the company’s code of ethics and these policies may provide for trading windows.

- *What impact would optional semiannual reporting have on company insider trading policies, including trading windows? For example, would companies impose longer trading blackout periods at the beginning of a semiannual period or towards the end of a semiannual period than they would impose if reporting quarterly?*
- *Even if these periods are longer, would the total number of blackout days be fewer each fiscal year for semiannual filers compared to quarterly filers given that semiannual filers would report less frequently?*
- *To the extent that there are longer blackout periods or fewer total blackout period days each year, what effects would these changes have on semiannual filers?*
- *Under our proposal, semiannual filers are allowed to voluntarily issue quarterly earnings releases. How would this affect current trading windows practices, if at all?*
- *Where a company elects to be a semiannual filer, would this be likely to have an effect on trading plans that may be adopted by companies or insiders (e.g., company directors, officers, or employees) for purposes of 17 CFR 240.10b5-1 (Exchange Act Rule 10b5-1)? If so, what are the effects?*

CFA Institute has not surveyed investors on the specific mechanics of insider trading policies, blackout windows, trading windows, or Rule 10b5-1 plans under a semiannual reporting regime.

For illustration, assume that a company closes its trading window approximately two weeks before period-end and reopens it one to two days after each earnings release. Changes in reporting periods and dates would then prompt the company to change its blackout-period and trading-window lengths and dates. As we explain in our answer to the next question, doing so would be a practical necessity to maintain investors’ confidence in the fairness of capital markets.

In our 2026 member survey, 66% of respondents expressed concern that longer reporting periods would afford management greater ability to take advantage of insider information in their own stock transactions.¹⁰²

¹⁰² 2026 CFA Institute Survey Report, Exhibit 62.

32. *Increased Insider Trading for Semiannual Reporting Companies?* –

- **Would there be an increased risk of insider trading at companies that elect to report on a semiannual basis? If so, please provide the basis for this view, as well as data.**
- **Could companies enhance their insider trading policies or improve their self-enforcement of these policies to help address this concern?**
- **What other actions could companies or the Commission take to mitigate any increase in the risk of insider trading?**

Yes, there could be increased insider-information risk and a possible increased risk of insider trading at companies that elect to report on a semiannual basis because insiders would accumulate many more months of financial information before they are made public. For example:

Assume a calendar-year public company prepares monthly internal financial results for management and board reporting. Also assume that, consistent with common public company practice, its trading window closes 11 days before the end of the reporting period and reopens after earnings are announced.

Under the current quarterly reporting system, the company's Q1 trading window would close around March 20. Insiders would have January and February monthly internal financial results and may be aware of March trends (approx. 2.5 months of internal results) before the trading window closes.

Under a semiannual reporting system, the first required periodic report would be the first-half Form 10-S, filed after June 30. If the company applies the same blackout convention to the semiannual period, the trading window closes in mid-June. Insiders would have January, February, March, April, and May monthly internal financial results and may be aware of some June trends (approx. 5.5 months of internal results) before the trading window closes.

This example does not suggest that insiders may trade while aware of material nonpublic information; they may not. It is merely meant to illustrate that reducing reporting frequency could more than double the length of the period that insiders possess nonpublic financial information about. The increase in the risk of insider trading is straightforward.

This concern is reflected in our 2026 member survey results: 66% of respondents expressed concern that longer reporting periods would afford management greater ability to take advantage of insider information with respect to their own purchases and sales of stock.¹⁰³ That concern should be considered together with other survey evidence suggesting that reduced reporting frequency may increase information asymmetry. Approximately 82% of respondents agreed that reduced reporting frequency would increase the need for significant-

¹⁰³ 2026 CFA Institute Survey Report, Exhibit 62.

event disclosure on Form 8-K, three-quarters were concerned that important information, particularly negative information, would be released less promptly, and seventy-one percent were concerned that reduced frequency would increase uneven or unfair disclosure and disadvantage certain investors.¹⁰⁴

Respondent comments were consistent with these results. Several respondents warned that less frequent reporting could create “information vacuums” that favor insiders, investors with management access, or investors with alternative data, while disadvantaging ordinary and smaller investors. One respondent stated that investors with regular access to management would gain further advantage if the market moved to semiannual reporting. Another warned that less frequent disclosure could increase incentives to seek material nonpublic information. Other respondents expressly linked reduced frequency to greater insider trading, speculation, fraud risk, or manipulation.¹⁰⁵

If semiannual reporting is adopted, we urge the Commission to issue guidance on the length of blackout periods and trading windows for semiannual filers and hybrid filers (i.e., those that report semiannually on Form 10-S and furnish 1Q and 3Q earnings releases) and on the extent of information required in an earnings release necessary to open a trading window.

The better course, however, is to retain mandatory quarterly reporting. Quarterly Form 10-Q reporting reduces the length of time during which material operating and financial information remain nonpublic and helps maintain market integrity.

33. *Impact on Competitiveness of Domestic vs. Foreign Issuers –*

- *How would the proposed flexible approach to semiannual reporting affect the competitiveness of US reporting companies vis-a-vis foreign competitors?*
- *For Exchange Act reporting foreign companies that would not be foreign private issuers (which report semiannually as discussed above) and that would report quarterly under the current system, would the proposed option to report semiannually make these foreign companies more likely to list on a US exchange?*
- *What would be the competitive implications of the proposed optional semiannual reporting approach between US reporting companies (which report quarterly under the current system) and foreign private issuers (which report semiannually under the current system as a practical matter)?*
- *Should there be different periodic reporting for foreign private issuers compared to domestic issuers? Why or why not?*

CFA Institute is not aware of evidence that quarterly reporting has caused US reporting companies to suffer competitively against foreign competitors, foreign companies to avoid US listings, or US companies to choose foreign listings. To the contrary, US markets have outperformed international markets and remain the largest and most liquid capital markets globally. From 2010–2024, US equities outperformed international equities by 503

¹⁰⁴ Ibid., Exhibit 47.

¹⁰⁵ 2026 Survey Paper, Appendix B comments 11, 25, 26, 32, 63, 145, 247, 276, 278–279, 290, 293, 302, 309, 420, 468, and 502.

percentage points cumulatively.¹⁰⁶ Several high-profile European companies have chosen to list in the US, rather than their home countries, such as Arm Holdings, Wise, Ashtead, Linde, and Flutter Entertainment with potentially more on the way.¹⁰⁷ Foreign jurisdictions have in fact been debating what to do to increase their listing competitiveness with the US.¹⁰⁸ We do not think it is necessary or wise for the Commission to reduce its standards to improve US reporting companies' global competitiveness or to attract more foreign listings.

While foreign private issuers are not required to file quarterly reports on Form 10-Q, we disagree with the premise that “foreign private issuers...report semiannually under the current system as a practical matter.” Foreign private issuers are subject to their home country reporting requirements. Semiannual reporting tends to prevail in Europe and former Commonwealth countries, while quarterly reporting is the norm in Asia and North America. Foreign private issuers with home country quarterly reporting requirements are required to furnish those quarterly reports to the Commission on Form 6-K. As Commission staff guidance says: “Under the Form 6-K reporting regime, **interim reporting for foreign private issuers parallels the requirements of the issuer’s home country regulatory and stock exchange practices**” (emphasis ours).¹⁰⁹ For example, Taiwan Semiconductor Manufacturing Company, the largest foreign private issuer by market capitalization, reports quarterly.¹¹⁰

Quarterly and Semiannual Reporting Jurisdictions and/or Exchanges with >\$1T in Aggregate Market Cap.

Quarterly Reporting Jurisdictions	Market Cap of Listed Companies (USD trillions)	Semiannual Reporting Jurisdictions/Exchanges	Market Cap of Listed Companies (USD trillions)
United States (NASDAQ and NYSE)	67.3	Euronext	8.0
Shanghai	9.1	Hong Kong SAR	6.0
Tokyo	7.8	Frankfurt	3.0
Shenzhen	6.1	Switzerland	2.5
India	5.3	London	6.0
Toronto	4.5	NASDAQ Nordic and Baltics	2.3
Taiwan	3.0	Australia	2.0
South Korea	2.7	Madrid	1.3
Saudi Arabia	2.4	Johannesburg	1.3
Total	108.2	Total	32.4

Sources: World Federation of Exchanges Statistics Team, data for December 2025, <https://focus.world-exchanges.org/issue/february-2026/market-statistics>; stock exchanges; and authors' analysis.

Notes: Illustrative, not meant to be exhaustive, and not intended to establish a causal relationship between reporting frequency and exchange size. India includes BSE only (excludes NSE to avoid potentially double counting issuers' capitalizations). Euronext spans multiple national jurisdictions. Frankfurt has both quarterly (prime market segment) and semiannual (standard segment) reporting with certain exceptions. The NASDAQ Nordic and Baltics exchanges have varying requirements by jurisdiction, and both Hong Kong and Australia have segment-specific exceptions. Tokyo is especially nuanced: exchange rules continue to mandate quarterly earnings disclosure, but statutory first- and third-quarter report requirements were eliminated in 2024.

Source: 2026 Survey Paper, Exhibit 3.

¹⁰⁶ [The Case for International Equities | Dodge & Cox](#)

¹⁰⁷ [Europe to US relisting trend: \\$1 trln more in store | Reuters](#)

¹⁰⁸ [Examining the causes and consequences of the recent listing gap between the United States and Europe](#) European Central Bank.

¹⁰⁹ [Information about Foreign Issuers - Division of Corporation Finance](#)

¹¹⁰ [TSMC Reports First Quarter 2026 EPS of NT\\$22.08](#), retrieved from EDGAR.

That said, periodic reporting requirements should be the same for foreign private issuers and domestic issuers, as we have long argued and recently advocated for in [our comment letter](#) in response to the Commission's [Concept Release on Foreign Private Issuer Eligibility](#). As we wrote in that letter, the recent scandal and investor losses in [pump-and-dump schemes originating from foreign private issuers listing on the NASDAQ](#) illustrated our longstanding concerns about the Commission's foreign private issuer framework and loopholes in it.¹¹¹ In any event, given the complexity and nuances of the foreign private issuer framework, the Commission should address those issues in rulemaking dedicated to that topic rather than here.

34. *Adoption and Transition* – *If the proposal is adopted, what should be the compliance date for the proposed amendments? If the proposal is adopted, is there a need for a transition period and, if so, what should be the length of the period?*

CFA Institute opposes the Proposal. If the Commission nevertheless adopts it, the compliance date should be (at least) fiscal years commencing two years after the date of the final rule. This would give issuers and investors time to discuss reporting frequency, for issuers to include the issue in proxy materials, and for the election of reporting frequency to potentially be put to a shareholder vote at the annual meeting before reporting frequency elections are permitted to be made.

A transition period for the Proposal such as staged compliance dates by filer status or a staged phase out of Form 10-Q filings (i.e., phase out 1Q first year, 3Q the following year) would be complex. A longer time between the final rule and compliance date would be a more straightforward approach to giving the market time to digest the proposed amendments than a transition period.

¹¹¹ See also [Beijing's 'Legal Great Wall' Helps Fleece U.S. Investors - WSJ](#)

**RESPONSE TO QUESTIONS 35-47:
PROPOSED AMENDMENTS TO REGULATION S-X**

We did not have the time or resources to devote to answering the Commission's questions regarding the proposed amendments to Regulation S-X in detail as in the other sections. Our general response is that investors are already greatly concerned about the timeliness of information in a semiannual reporting regime since, for example, investors will not receive information about January for a calendar-year, semiannual reporter until first-half results are filed in August.

If the Proposal is adopted, the Commission should take steps to ensure that issuers inform investors of material facts and circumstances that could affect the decision to participate in a capital markets transaction. A lengthening of the reporting period should not be a license to withhold information (e.g., selling securities when management knows that intra-period performance has changed materially, unbeknownst to investors). This may involve compelling issuers to file a Form 8-K with such intra-period financial information under certain circumstances.

RESPONSE TO QUESTIONS 48 – 58: ECONOMIC ANALYSIS

Questions 48–58 relate to the Economic Analysis in the Proposal. They ask many of the right questions – questions that are integral to a decision to publish the Proposal. However, as we note in the responses below and in the body of the letter, we do not believe the questions have been sufficiently answered or weighed from a cost-benefit perspective.

48. *Benefits to Investors Resulting from Flexible Reporting Frequencies –*

- *What would be the benefits to investors from reporting companies' flexibility to file semiannual reports on Form 10-S, instead of quarterly reports on Form 10-Q?*
- *Are there certain types of companies or industries for which such benefits would be greater than for others?*
- *Would the benefits to investors be limited to the pass-through of cost savings, or would there be other kinds of benefits, such as improved managerial incentives or reallocation of company resources to potentially more productive corporate activities?*

CFA Institute is not aware of evidence demonstrating that investors in public companies would benefit from allowing flexibility in the filing of semiannual reports on Form 10-S instead of quarterly reports on Form 10-Q. Any investor benefit identified in the Proposal appears indirect and contingent: investors would benefit only if issuer cost savings are material and passed through to shareholders, and not offset by reduced transparency, lower comparability, or a higher cost of capital.

Our 2026 member survey points in the opposite direction, finding that:

- 35% of respondents supported moving from quarterly to semiannual reporting, while 62% supported retaining quarterly reporting.
- 21% of respondents supported allowing companies to elect quarterly, semiannual, or annual reporting, and
- 21% supported allowing companies to change reporting frequency over time.¹¹²

At the same time, 84% agreed that flexible or differing reporting frequencies would make comparisons across companies and industries more difficult.¹¹³

Our survey results do not provide evidence to support the view that semiannual reporting would meaningfully improve managerial incentives or promote long-termism. Only:

- 41% of respondents agreed that moving from quarterly to semiannual reporting would increase long-termism, and
- 32% agreed that companies and investors in semiannual-reporting jurisdictions are more long-term oriented than those in quarterly-reporting jurisdictions.

¹¹² 2026 CFA Institute Survey Report, Exhibits 6, 10-11.

¹¹³ 2026 CFA Institute Survey Report, Exhibit 50.

By contrast, 85% agreed that aligning management compensation structures with long-term goals would have a greater impact on long-termism than changing reporting frequency.¹¹⁴

The CFA Institute Research Foundation's study of the United Kingdom likewise does not support the view that reduced reporting frequency improves corporate investment. That study found no material effect of mandatory quarterly reporting on corporate investment, while identifying capital-market benefits from quarterly reporting, including greater analyst coverage and improved forecast accuracy.¹¹⁵

CFA Institute does not believe the Proposal identifies a demonstrated investor benefit from optional semiannual reporting. The Commission should not treat possible issuer cost savings as investor benefits unless it can demonstrate that such savings are material, likely to be passed through to investors, and greater than the resulting investor and market costs.

49. *Costs to Investors Resulting from Flexible Reporting Frequencies* –

- *What would be the costs to investors from providing reporting companies with flexibility to file semiannual reports on Form 10-S, instead of quarterly reports on Form 10-Q?*
- *Would the option for semiannual reporting increase information asymmetries in ways that impair investors' abilities to make investment and voting decisions?*
- *To the extent there are such costs or information is reduced, would other regulatory requirements (beyond those requiring interim reports) or market forces mitigate such factors?*

The costs to investors could be substantial. They include:

- reduced timeliness of financial information,
- loss of quarterly structured information and granularity,
- reduced comparability,
- greater reliance on voluntary disclosures,
- increased information asymmetry,
- possible reductions in analyst coverage, and
- greater risk that negative information is disclosed later than it would be under the current Form 10-Q regime.

Our 2026 survey and the related comments provide ample evidence of these concerns.¹¹⁶

We do not believe that most investors expect voluntary disclosure to replicate mandatory quarterly reporting. Our survey found that only:

- 32% of respondents believed that US companies they invest in would continue reporting quarterly if semiannual reporting became the required reporting frequency, and
- 21% believed companies would voluntarily file Form 10-Q if optional.

¹¹⁴ 2026 CFA Institute Survey Report, Exhibits 66, 68-69.

¹¹⁵ CFA Institute Research Foundation, [Impact of Reporting Frequency on UK Public Companies](#).

¹¹⁶ 2026 CFA Institute Survey Report, Exhibits 50, 55-62.

Approximately 57% expected voluntary quarterly earnings releases to contain less information than earnings releases today.¹¹⁷

Market forces may mitigate information loss for some issuers but are likely to produce an uneven disclosure environment in which larger, better-followed issuers continue some form of quarterly communication, while smaller, less-followed, more complex, or financially stressed issuers provide less consistent information.

For these reasons, CFA Institute believes optional – or mandatory – semiannual reporting would increase information asymmetry and impair investors' ability to make investment and voting decisions. Other regulatory requirements and market forces would not adequately mitigate those costs.

50. *Cost Savings Realized by Reporting Entities –*

- *What compliance cost savings would be realized by companies that would elect the proposed semiannual reporting option?*
- *Please provide any data regarding the cost of preparing quarterly reports, including employee and director time, legal counsel fees, external accounting advice or independent public accountant review fees, costs for XBRL data tagging, and other costs associated with filing Form 10-Q.*
- *To what extent would the option to file one semiannual report, rather than two quarterly reports for the same period, result in lower costs, such as independent public accountant review fees?*
- *Would semiannual filers' audit fees paid—in connection with an annual audit of their financial statements or management's assessment of the effectiveness of internal control over financial reporting—be materially different in any way compared to the fees that would have been paid if the same company were a quarterly filer?*

CFA Institute does not have issuer-level cost data regarding the preparation of Form 10-Q. The Commission should obtain and analyze such data before relying on projected issuer cost savings as a principal justification for the Proposal.

We are concerned that the Proposal overstates likely cost savings by assuming that eliminating two Form 10-Q filings eliminates the associated quarterly information production costs. Many public companies prepare monthly or quarterly financial and operating information for internal reporting, budgeting, debt compliance, and capital-market transactions. To the extent those processes continue, the incremental cost savings from eliminating Form 10-Q may be substantially lower than the Proposal assumes.

In addition, Form 10-S would cover a six-month period rather than a three-month period. A semiannual filer may need to review and disclose more events, transactions, estimates, and changes over a longer period. Thus, one Form 10-S should not be assumed to cost the same as, or materially less than, two Form 10-Qs without evidence. The Commission itself

¹¹⁷ 2026 CFA Institute Survey Report, Exhibits 44-46.

acknowledges that a longer period may increase the time and cost required to prepare certain Form 10-S disclosures.

The Proposal also does not estimate the costs of substitute quarterly disclosure. Semiannual filers may continue to provide quarterly financial information. The costs of preparing that should be included in any economic analysis.

The Commission should also consider whether any direct issuer cost savings would be material. The Proposal estimates direct compliance costs of approximately \$110,000 per Form 10-Q filing. For many public companies, that amount is unlikely to be financially material.

51. *Switching Cost Incurred by Reporting Entities* –

- *If the proposal were adopted and a reporting company were to switch from quarterly to semiannual reporting as a result, what would be the initial costs of the switch?*
- *What would be the recurring costs, if any?*
- *In connection with such a switch, would there be costs associated with procuring, developing, and testing new information technology, engaging service providers, or updating policies, procedures, and compliance systems and, if so, what would be the amount of those costs?*
- *Would there be potential costs associated with adjusting or renegotiating contracts and agreements that may rely on quarterly financial information, such as loan agreements or managerial compensation contracts, and, if so, what would be the amount of those costs?*

CFA Institute does not have issuer-level data on switching costs. However, the Commission should not assume such costs would be negligible.

Costs may include changes to disclosure controls and procedures, financial-reporting and board calendars, investor-relations practices, blackout-period policies, earnings-release practices, reviewing and potentially renegotiating debt covenants, performance-based compensation arrangements, and reviewing any other contracts that refer to quarterly financial information or Form 10-Q.

Recurring costs may include additional risk premia in the costs of capital and the costs of responding to increased investor and analyst requests for information. Semiannual filers that later return to quarterly reporting may also incur costs reconstructing quarterly comparatives and obtaining related auditor review.

The costs of switching also would not be borne solely by issuers. Investors and service providers would need to track and model differing reporting frequencies and adapt to varying disclosure calendars.

If issuers continue producing quarterly information internally or externally, or if investors and market participants incur new processing costs because of heterogeneous reporting

frequencies, the economic benefit of the Proposal may be significantly smaller than the Proposal suggests.

52. *What Percentage of Companies Would Switch to Semiannual Reporting – What percentage of companies currently required to report quarterly on Form 10-Q would likely switch to semiannual reporting? Please provide an explanation of any percentage estimate(s), including assumptions and methodology used.*

The Proposal's assumed 20% take-up rate is a central driver of its monetized cost-benefit analysis. The Proposal should provide a transparent basis for that estimate and why the percentage would remain static over time. Financial Executives International's Committee on Corporate Reporting [comment letter](#) estimates that 58% of the companies they represent will switch to become hybrid reporters.

Our survey suggests that quarterly reporting may not persist if it becomes optional. Only 32% of survey respondents believed that US companies they invest in would continue reporting quarterly if semiannual reporting became the minimum requirement, and only 21% believed companies would voluntarily file Form 10-Q if optional.¹¹⁸ Those results indicate an expectation for a meaningful decline in quarterly reporting.

The Commission also should estimate how many companies would become hybrid reporters: companies that file Form 10-S but continue to issue quarterly earnings releases or other voluntary quarterly disclosures. That category may be economically important because hybrid reporters may experience reduced investor protections without realizing the full projected cost savings.

The Commission should perform sensitivity analyses using a range of take-up assumptions, including dynamic scenarios in which adoption increases over time as peer practice changes. A 20% static assumption is not sufficient for a rule that could alter the market-wide disclosure equilibrium.

¹¹⁸ 2026 CFA Institute Survey Report, Exhibits 44-45.

53. General Economic Costs of Switching to Semiannual Reporting –

- *What general economic consequences would result from companies electing to report semiannually under the proposed flexible approach?*
- *Would semiannual filers reallocate any resources freed up from a potentially lower reporting burden to alternative uses, such as capital expenditure or other business needs?*

The likely economic consequences include less timely information, reduced comparability, increased information asymmetry, reduced confidence in voluntary disclosure, possible reductions in analyst coverage, lower liquidity, greater cost of capital, potential shift from quarterly to semiannual dividend policies, and increased insider-information concerns. These costs would affect not only investors, but also issuers, because reduced transparency can impair valuation, liquidity, and capital formation.

CFA Institute is not aware of evidence that companies electing semiannual reporting would reallocate meaningful resources to capital expenditure, research and development, hiring, or other productive corporate activities. The amount of time and cost is relatively small by company and certainly as a percentage of market capitalization or GDP. The human capital deployed in each activity is different and not necessarily fungible and, still further, the elimination of formal quarterly reporting is unlikely to eliminate the underlying financial and managerial accounting processes deployed internally to effectively manage the business.

The CFA Institute Research Foundation's study of the United Kingdom found no material effect of semiannual reporting on corporate investment. It did, however, identify capital-market benefits from quarterly reporting, including greater analyst coverage and improved forecast accuracy.¹¹⁹

The survey evidence does not support the view that reducing reporting frequency is an effective mechanism for improving long-term corporate decision-making. Only 41% of respondents agreed that moving from quarterly to semiannual reporting would increase long-termism, and 85% agreed that aligning management compensation structures with long-term goals would have a greater impact on long-termism than changing reporting frequency.¹²⁰

We believe the more likely economic consequence of the Proposal would be a degradation of the public-company information environment – and the resulting cost implications to investors – not a meaningful reallocation of real economy resources.

¹¹⁹ CFA Institute Research Foundation, [Impact of Reporting Frequency on UK Public Companies](#).

¹²⁰ 2026 CFA Institute Survey Report, Exhibits 66-69.

54. *Capital Market Factors Limiting Companies' Ability to Switch to Semiannual Reporting* – Are there capital market factors that would limit a reporting company's ability to switch to semiannual reporting if the proposal were adopted? For example, is creditor demand for quarterly financial information one such potential limiting factor?

Yes. Capital market factors would limit some companies' ability or willingness to switch to semiannual reporting. These include creditor demands for quarterly financial information, rating-agency expectations, underwriter due diligence, comfort-letter practices, investor expectations, analyst coverage, peer practice, shareholder engagement, and potential cost-of-capital effects.

However, these constraints do not solve the investor-protection problem. First, they are not uniform across issuers. Second, even where market forces induce quarterly disclosure, that disclosure may not be comparable to Form 10-Q. It may be less complete, less legally accountable, and less comparable across issuers.

The Proposal therefore will most likely create an uneven disclosure regime. Some companies may remain quarterly filers, some may become semiannual filers with little or no voluntary quarterly disclosure, and others may become hybrid reporters with differing amounts and types of quarterly disclosure. That heterogeneity would increase transaction costs. Our 2026 survey evidence supports this concern.¹²¹

The Commission should not rely on capital-market forces to mitigate the loss of mandatory quarterly reporting unless it estimates how often those forces would operate, for which issuers, at what cost, and with what effect on disclosure quality.

As we note in the body of this letter:

- 1) Investors may be less able to communicate reporting-frequency preferences because recent Schedule 13D/13G guidance may cause some index or other passive investors to fear that engagement on disclosure policy could jeopardize Schedule 13G eligibility; and
- 2) Issuers are not equipped to appropriately weigh the costs to and benefits for investors in their decision-making process regarding reporting frequency.

¹²¹ 2026 CFA Institute Survey Report, Exhibits 44-46, 50.

55. *Volatility for Semiannual Filers Not Providing Quarterly Information Voluntarily – For semiannual filers who would not voluntarily release earnings quarterly, would stock price movements around the release of semiannual financial information be more volatile compared to movements around quarterly releases? If so, what are the reasons this would occur? If so, how would this affect investors, companies, and markets?*

CFA Institute believes stock price movements around semiannual releases could be more volatile than movements around quarterly releases, especially for companies that do not voluntarily release meaningful quarterly information.

The reason is straightforward. Less frequent reporting allows more undisclosed information to accumulate between mandatory disclosures. A semiannual report reveals six months of information, while a quarterly report reveals three. All else equal, releasing a larger amount of accumulated information at one time can increase the magnitude of price adjustments if the information differs from market expectations.¹²²

The risk is likely greater for companies with limited analyst coverage and sources of alternative data. It is also likely greater where investors lack reliable voluntary quarterly disclosure.

Our survey evidence directly supports concern about delayed disclosure and information asymmetry. Approximately three-quarters (74%) of respondents were concerned that important information, particularly negative information, would be released less promptly, while respondents also expressed concern about uneven disclosure and insider-information risk. The volatility concern is an inference from those risks and the accumulation of information between reports, supported separately by the Arif & De George study cited above.¹²³

The Commission should analyze evidence from jurisdictions that moved away from quarterly reporting and compare price reactions around semiannual versus quarterly disclosures, controlling for company size, industry, analyst coverage, liquidity, and voluntary disclosure practices. Without such analysis, the Proposal does not provide a sufficient basis to conclude that reduced reporting frequency would not increase volatility or impair price efficiency.

¹²² Arif & De George, “The Dark Side of Low Financial Reporting Frequency,” *The Accounting Review* (2020).

¹²³ 2026 CFA Institute Survey Report, Exhibits 58–62.

56. *Impact of Reduced Analyst Coverage –*

- *If the proposal were to reduce securities analyst coverage of Exchange Act reporting companies that elect the semiannual reporting option, what effect would this have on investors and companies?*
- *How would such a reduction in analyst coverage affect stock market price efficiency?*
- *How would such a reduction affect liquidity of semiannual filers' securities?*

Reduced analyst coverage would harm investors and issuers. Analysts gather, interpret, and disseminate information. They support price discovery by helping investors understand changes in fundamentals.

CFA Institute Research Foundation's study of the United Kingdom found that companies that stopped quarterly reporting experienced a decrease in sell-side analyst coverage.¹²⁴ That evidence is directly relevant to the Commission's analysis, even though the U.K. reporting regime was not identical to the US Form 10-Q regime.

A cross-country analysis of companies with different reporting frequencies showed that quarterly reporters, relative to semiannual reporters, exhibited lower bid-ask spreads, greater trading volumes, and higher information precision—all consistent with improved market liquidity and reduced information asymmetry even in voluntary adoption settings.¹²⁵

Reduced analyst coverage can impair price efficiency because fewer market participants are producing independent forecasts and analyses. It can also increase a company's cost of capital as investors demand a higher return to hold securities of companies with greater uncertainty.

Since there is evidence suggesting that optional semiannual reporting may reduce analyst coverage, estimated effects should be included in the economic analysis.

¹²⁴ CFA Institute Research Foundation, [Impact of Reporting Frequency on UK Public Companies](#).

¹²⁵ Cuijpers, R. & Peek, E. (2010), "Reporting Frequency, Information Precision and Private Information Acquisition," *Journal of Business Finance & Accounting*, 37(1-2), 27-59.

57. *Impact on Ability to Conduct Public Offerings by Semiannual Filers –*

- *What impact would the proposal—including the proposed option to file interim reports on a semiannual basis and the proposed financial statement rule changes, including to age of financial statement rules—have on the ability of semiannual filers to conduct public offerings?*
- *Would any cost savings generated by the less frequent interim reporting be offset by a potential perceived need to include quarterly or more recent financial information in Securities Act registration statements or prospectuses based on market practices or liability concerns?*
- *For example, would semiannual filers continue to retain independent public accountants to review their financial statements on a quarterly basis to facilitate capital-raising by the company in offerings registered under the Securities Act?*

The impact would depend on the issuer, offering type, market conditions, underwriter expectations, and the age and quality of available financial information. CFA Institute does not take a position on the technical application of comfort-letter requirements or PCAOB auditing standards in this context.

However, the possibility that semiannual filers would continue to prepare quarterly or more recent financial information for capital-market transactions means that those filers may continue to incur costs to prepare, review, and disclose quarterly or more current financial information. Those costs should be reflected in the Economic Analysis.

58. *Impact on Cost of Capital and Valuation of Semiannual Reporting –*

- *Would a company's valuation or cost of capital differ based on whether the company is a quarterly filer or a semiannual filer? Please explain the reasons why there would be a difference and provide any specific data.*
- *Would less frequent interim reporting negatively affect the ability of investors or other market participants to value the company's securities?*
- *If cost of capital would increase for semiannual filers, would this result from an increase in the cost of equity or cost of debt (or both)? How?*

Yes. CFA Institute believes a company's valuation and cost of capital could differ based on whether it is a quarterly filer, semiannual filer, or hybrid reporter. Less frequent interim reporting can make valuation more difficult by reducing timely information relevant to expected future cash flows and risk.

Investors generally require higher expected returns when information risk is greater. Survey evidence supports these concerns:

- 63% of respondents agreed that the benefits of quarterly reporting exceed the costs.
- 84% agreed that flexible or differing reporting frequencies would make comparisons across companies and industries more difficult.
- 66% agreed that six months is too long to wait for earnings or financial information in the current market environment.
- 45% agreed that semiannual reporting would increase the cost of capital.¹²⁶

Respondents also expressed concerns about less timely negative information, uneven disclosure, and insider-information risk.¹²⁷

The valuation effect may also differ across companies. A well-covered large-cap company with regular voluntary quarterly disclosures may experience less impact. A smaller, less-covered, more volatile, highly leveraged, or deteriorating company may experience a larger impact.

If reduced reporting frequency increases uncertainty or lowers market confidence, any direct issuer savings would be offset by a higher cost of capital.

¹²⁶ 2026 CFA Institute Survey Report, Exhibits 48, 50, 53, and 55. The question reflected in Exhibit 53 assumed mandatory semiannual reporting; we did not ask whether the costs of capital for semiannual-reporting companies would increase relative to those for quarterly-reporting companies in an optional regime.

¹²⁷ 2026 CFA Institute Survey Report, Exhibits 58-62

RESPONSE TO QUESTIONS FROM COMMISSIONER PEIRCE'S STATEMENT ON THE PROPOSAL

In [*Quarterly Questions: Statement on the Proposed Amendments to Allow Semiannual Reporting*](#), Commissioner Peirce posed two questions to commenters in addition to those in the Proposal that we answer below.

1. Content versus Frequency of Interim Reports – Should we adjust the reporting burden rather than adjusting whether that burden is quarterly?

Since this question closely resembles Question 15 in the Proposal, we borrow heavily from our response to that question in our response below.

CFA Institute does not support reduced reporting frequency – optional or mandatory semiannual reporting. If the Commission is concerned about the reporting burden of Form 10-Q, it should consider targeted improvements to elicit more disclosure of material information and to reduce boilerplate disclosure in Form 10-Q, as we wrote in our [comment letter](#) in response to [Chairman Atkins' Statement on Reforming Regulation S-K](#) about Form 10-K. But it should not weaken the core financial and narrative reporting requirements that investors rely on.

Our 2026 member survey shows that Form 10-Q is valuable because it provides structured, comparable, and legally accountable information. In our survey, respondents emphasized the importance of Form 10-Q's incremental (to the earnings release) financial statement disclosures and MD&A, structured information prepared under accounting and regulatory requirements, auditor review, management certifications, and legal liability.¹²⁸ Our 2019 survey produced similar results.¹²⁹

Additionally, as we discussed in reference to Form 10-K in our comment letter on Reforming Regulation S-K, we do not agree that meeting Exchange Act reporting obligations is unduly burdensome for issuers.

First, the benefits of being a public company are significant. Public companies tend to trade at higher valuations as illustrated by private company exits through public markets¹³⁰ and certain public company executives (e.g., technology) are compensated at multiples of what their counterparts at private companies earn.¹³¹ The responsibility of stewarding the public's capital and earning the benefits that come with that entails a certain level of accountability. Complying with the Commission's disclosure requirements is not too much to ask.

¹²⁸ 2026 CFA Institute Survey Report, Exhibits 26–30.

¹²⁹ 2019 CFA Institute Survey Report, Charts 5 and 8.

¹³⁰ See Exhibit 6 in McKinsey's [Global Private Markets Report 2026](#) for median EV/EBITDA multiples from 2006-3Q2025 for private companies held by private equity funds and multiples on public market exits of those companies.

¹³¹ [Trends in Private Company Executive Compensation | Across The Board](#), "The BDO Report notes that public tech company CEOs earn 6.93 times more than their private company counterparts, with the largest disparity due to equity grants to public CEOs."

Second, we observe Form 10-K filings from the largest companies with complex businesses to be rather short (e.g., Apple Inc.'s MD&A in its last annual report was 6 pages), and the same can be said for companies' Form 10-Q filings, which often do not contain disclosures of any significant length beyond the financial statements. The Proposal's Economic Analysis estimates direct compliance costs of \$110,000 for each Form 10-Q filing per issuer and \$132,000 for the Form 10-S. The resulting estimated net savings are \$198,000 per switching issuer (\$330,000 minus \$132,000). Although significant in absolute terms, that amount represents a relatively small percentage of market capitalization for most companies; moreover, the Proposal does not quantify the costs of the change or loss of information to investors. It is unclear how much shorter or less costly Form 10-Q filings could reasonably become without weakening the information investors value.

Accordingly, we would not support reducing burden by eliminating or substantially weakening core features of the Form 10-Q. Auditor review is one of the features that distinguishes Form 10-Q from earnings releases and other less formal disclosure channels. Nor would we support reducing XBRL or structured data requirements. CFA Institute has long supported structured data because investors need searchable, comparable, machine-readable information across companies and reporting periods. Weakening tagging requirements would increase investor processing costs and reduce the usefulness of public filings.

We also would not support reducing MD&A in a way that deprives investors of management's discussion of liquidity, capital resources, results of operations, uncertainties, and material changes during the interim period. MD&A is central to understanding the financial statements and factors affecting the company that are not captured in the financial statements. Similarly, year-to-date comparisons should not be eliminated where they help investors assess intra-year performance, seasonality, cash flow, and trend development.

2. *Assess as Part of Disclosure Requirements Rulemaking – If so, is that exercise better undertaken in conjunction with this rulemaking or as part of the Commission's broader project of assessing disclosure requirements?*

That exercise is better undertaken as part of a broader project of assessing disclosure requirements, i.e., a project assessing Regulation S-K and Regulation S-X. A project with such a scope would be better suited to consider the multiple facets of the Commission's disclosure requirements rather than a narrow project on periodic reporting frequency.

As we noted in our preliminary comment letter to the SEC on this Proposal, we find it unusual that the SEC is considering the change to quarterly reporting frequency before considering changes to registered offerings and Regulation S-K as this quarterly report is simply an update to those foundational disclosure documents. Consideration of the quarterly reporting frequency first would be premature.