



CFA Institute

INVESTOR PERSPECTIVES: QUARTERLY REPORTING

WHAT INVESTORS TELL US ABOUT QUARTERLY REPORTING WHY IT MATTERS AND WHY THEY SUPPORT IT IN AN ERA OF ARTIFICIAL INTELLIGENCE

Sandra Peters, CPA, CFA
Matthew Winters, CPA, CFA

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NOTE TO READER – This is the pre-production draft of this report. The survey and report were completed prior to the release of the SEC’s [Proposed Rule on Semiannual Reporting](#) on May 5, 2026. While there may be editorial changes and significant visual enhancements, the substantive content of this report is complete. We are releasing this draft to inform the debate over semiannual versus quarterly reporting in a timely manner. The final publication will be available on CFA Institute’s Research & Policy Center (CFA RPC) [website](#). Separately, CFA Institute will be issuing a comment letter to the SEC on its Proposed Rule, which will be available both on the CFA RPC and [SEC websites](#).

UPDATE TO THE READER: REVISION TO DRAFT – On July 31, 2026, CFA Institute updated this pre-production draft to reflect revisions made during the publication process described above. The revisions are reflected in the draft and are classified by type/color as follows:

- **Green** – These revisions relate solely to editorial changes, editorial preferences or typographical changes.
- **Blue** – In several instances the term “investors” has been revised in this draft to refer to investors that responded to our survey by replacing those instances with “respondents,” “members,” or similar language.
- **Purple** – These revisions relate to rounding errors.
- **Red** – These revisions relate to typographical corrections along with corrections of exhibit numbers, exhibit cross-references, sample sizes, and percentages, which were inconsistent between the charts and the text in summarized findings or carried forward to the executive summary.

This marked version is provided for transparency and ease of reference.

These revisions will be incorporated into the final publication.

The underlying survey exhibits and the report’s overall findings have not changed.

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PREFACE

*Financial markets are markets in information,
and information therefore is both the starting- and the end-point of this story.*

- AIMR (1997), *From Practice to Profession:
A History of the Financial Analysts Federation and the Investment Profession*

The debate regarding quarterly versus semiannual reporting in the United States has once again returned to the policy agenda. Prompted by a 2025 social media post by President Trump, the U.S. Securities and Exchange Commission (“SEC” or “Commission”) is again considering whether U.S. public companies should continue to provide quarterly reports or whether reporting frequency should be reduced to semiannual reporting.

This report provides an investor perspective on the debate. Before presenting that perspective, we believe it is important to place the debate in context – both within the SEC’s current policy agenda and broader developments in U.S. capital markets, as well as within the historical evolution of disclosure practices and their role in the development of U.S. capital markets and the investment profession.

Since the enactment of the Securities Act of 1933 and the Securities Exchange Act of 1934 (collectively, the “Acts” or “Securities Acts”) after the Great Depression – and resulting improvements in information for investment decision-making, CFA Institute, and its predecessor organizations, have been dedicated to advancing the practice of securities analysis and the professionalism of investment management.

THE SEC’S CURRENT POLICY AGENDA

The current policy agenda at the Commission extends beyond quarterly reporting itself. The Commission has undertaken several initiatives to “Make IPOs Great Again” with the stated objective of reducing regulatory burdens for issuers, encouraging companies to access and remain in the public markets, and facilitating capital formation.

While capital formation is one of the SEC’s statutory mandates, the term is not specifically defined. Current policy discussions often focus on the number of IPOs and public companies as indicators of successful capital formation. However, capital formation encompasses more than entry into the public markets and depends fundamentally on robust disclosure that enables investors to allocate capital efficiently and confidently.

In a 2011 speech¹ before the Council of Institutional Investors, then-SEC Commissioner Luis Aguilar discussed his view of capital raising versus capital formation and the critical role that disclosure plays in achieving real capital formation. The excerpts below (citations omitted) remain relevant to today’s policy debate.

¹ [Facilitating Real Capital Formation \(Commissioner Luis A. Aguilar; April 4, 2011\)](https://www.sec.gov/news/speech/2011/spch040411laa.htm)
<https://www.sec.gov/news/speech/2011/spch040411laa.htm>

*I have been growing increasingly concerned about the discussion that is taking place in our country regarding capital formation. **This discussion seems to confuse the singular act of capital raising with the much broader concept of capital formation.** Moreover, **this discussion fails to take into account the importance of disclosure in helping investors assess risks and make informed investment decisions.** Disclosure leads to an informed investor - and **informed investors are ones who will make investment decisions that** collectively, in the aggregate, will yield productive benefits and growth to the real economy....*

*But, in the discussions about **capital formation**, it seems to have become synonymous with the ability to raise funds. Whatever makes it easier and cheaper for issuers to raise money seems to constitute capital formation. However, **the singular act of raising capital does not necessarily result in capital formation....***

*Facilitating true capital formation is about helping investors and other capital providers to make informed decisions. Almost all investments have risks, and while we all understand the need for investors to take risks, I want them to take informed risks. Capital formation is about ensuring that the companies with the best ideas, even if those ideas are risky, can get the financing to make those ideas a reality. **The goal is for issuers to provide potential investors with appropriate information so that investors can assess the risk of investing their capital. For that goal to be reached, we need strong and effective securities regulation that fosters appropriate disclosures....***

*The theory of why strong mandatory disclosure drives capital formation is straightforward. Disclosure improves the accuracy of share prices, and helps to determine which investment projects should receive society's scarce capital. In addition, **disclosure assists shareholders in monitoring management and in proxy voting**, which helps ensure that the projects that are undertaken are managed better.*

We emphasize the distinction between capital raising and capital formation because we are concerned that the SEC's current policy agenda once again conflates these concepts. Specifically, it appears to treat capital raising—including through initial public offerings—as synonymous with capital formation, overlooking the critical role that the disclosure framework established by the Acts plays in facilitating the efficient allocation of capital. Former Commissioner Aguilar explained this relationship persuasively and in considerable detail.

The SEC's consideration of changes to reporting frequency—specifically, a potential shift from quarterly to semiannual reporting—is occurring within the context of the SEC's broader reassessment of corporate disclosure requirements and the regulatory obligations of public companies. This broader review encompasses questions about whether elements of the existing disclosure framework, including certain Regulation S-K requirements, disclosure thresholds, and reporting obligations, can be streamlined to reduce compliance costs for both current and prospective issuers.

To date, much of the public discussion surrounding disclosure reform and reporting frequency has focused on issuers' perspectives and the potential costs associated with disclosure requirements. At the same time, important questions remain regarding the extent to which changes to disclosure requirements would affect the number of public companies or public listings, as the empirical evidence on this issue remains limited.

Far less attention has been devoted to understanding investors' views on the quantity, frequency, and usefulness of corporate disclosures. **We have not observed meaningful investor demand for reducing either disclosure requirements or the frequency of quarterly reporting. This report seeks to help fill that gap by providing an investor perspective on these issues.**

Investor perspectives are critical to this discussion because effective capital formation depends not only on companies' ability to access capital markets, but also on investors' ability to make informed investment decisions. Disclosure has long served as a cornerstone of this process by promoting transparency, reducing information asymmetries, and fostering investor confidence. Together, these functions support efficient capital allocation and contribute to the strength and integrity of U.S. capital markets.

THE GROWTH IN PRIVATE MARKETS AND THE TRANSPARENCY OF PUBLIC AND PRIVATE COMPANIES

The SEC's efforts to encourage more public offerings and increase the number of public companies are occurring in the context of significant growth in private markets and concerns regarding private market transparency and valuations. This has prompted broader questions about the appropriate balance between the regulatory frameworks (i.e., specifically transparency and the access to public capital) governing public and private capital markets.

Proposals to expand access to alternative investments – including private equity and private credit – within defined contribution retirement plans increases the importance of such policy considerations.

As private-market exposure becomes more accessible through investment vehicles available to retail investors, questions arise regarding the extent to which capital may flow to private companies that are not subject to the same ongoing disclosure obligations as public issuers and whose valuations may be less transparent than those observed in public markets.

These developments present an interesting policy tension. Efforts to increase participation in public markets through a revitalized IPO market are occurring alongside initiatives that could increase the flow of capital to private companies. Such proposals may allow private companies to effectively become public without being required to meet the annual or interim disclosure requirements applied to public companies. Whether these policy efforts ultimately complement one another or compete for investor capital remains an open question.

As policymakers consider changes to public company reporting requirements, investors may reasonably ask whether the distinctions between the information environments of public and private markets are narrowing (i.e., toward less transparency). Said differently, are the SEC's efforts making public markets less transparent?

If so, an important question is how to ensure that investors continue to have access to the information necessary to make informed investment decisions and to exercise their oversight responsibilities of those charged with governance through voting decisions.

QUARTERLY REPORTING:**THE CURRENT DEBATE AND ITS CONNECTION TO THE HISTORY OF DISCLOSURES**

Understanding the SEC's current policy agenda regarding public company disclosures and market access, alongside the rapid growth of private markets, is essential to understanding both the renewed debate over quarterly versus semiannual reporting and why the issue has returned to the SEC's regulatory agenda.

Although often framed as a debate about reporting frequency, the issue is fundamentally a debate about disclosure. It raises important questions regarding the information investors need, how frequently they should receive it, and the role mandatory disclosure plays in promoting transparency, accountability, investor confidence, and efficient capital allocation.

As policymakers consider potential changes to long-standing disclosure requirements, it is important that such efforts maintain an appropriate balance among investor protection, transparency, capital formation, and market competitiveness, rather than focusing primarily on the compliance costs borne by issuers.

It is equally important to understand the Acts, their historical foundation as a disclosure framework, and the role such framework has played in supporting the growth, efficiency, and global success of U.S. capital markets. That historical context provides an important lens through which to evaluate proposals to alter reporting requirements that have long been a defining feature of the federal securities laws.

THE HISTORICAL IMPORTANCE OF DISCLOSURE

Disclosure: The Cornerstone of the Securities Acts – The Securities Acts, which established the SEC and the modern federal securities regulatory framework, emerged from the failures of transparency and disclosure that contributed to the Great Depression. Enacted to restore investor confidence and reduce information asymmetries between corporate insiders and investors, the Acts established a disclosure-based regulatory framework that remains the foundation of U.S. capital markets today.

The federal securities laws were built upon a fundamental premise: investors require timely, reliable, comparable, and broadly disseminated information in order to make informed decisions and for capital markets to function effectively. As a result, disclosure has long served as the cornerstone of the U.S. securities regulatory framework, supporting investor protection, market integrity, and the efficient allocation of capital.

In his March 1933 Message to Congress on Federal Supervision of Investment Securities², President Franklin D. Roosevelt described the philosophy underlying the federal securities laws:

This proposal adds to the ancient rule of caveat emptor, the further doctrine "let the seller also beware." It puts the burden of telling the whole truth on the seller. It should give impetus to honest dealing in securities and thereby bring back public confidence.

Two months later, upon signing the Securities Act of 1933, Roosevelt again emphasized³ the connection between disclosure, investor confidence, and economic growth:

If the country is to flourish, capital must be invested in enterprise. But those who seek to draw upon other people's money must be wholly candid regarding the facts on which the investor's judgment is asked....

He further observed:

From the information required by this bill a great deal may be learned about business trends, and information may be obtained that will enable the prediction of the approach of economic depressions and the taking of steps to prevent them. The publicity of this information will undoubtedly exert a great stabilizing influence.

The SEC's current efforts to reassess and potentially reduce certain disclosure requirements in the name of capital formation raises important questions about how such changes align with the historical foundations of the federal securities laws, the longstanding role of disclosure as a cornerstone of the U.S. securities regulatory framework, and the objective of ensuring that investors have the information necessary to make informed investment decisions.

Disclosure: A Foundation for the Investment Profession – The disclosure framework established by the Securities Acts is not only central to U.S. securities regulation but also deeply rooted in the history of the investment profession. As described in a publication of CFA Institute's predecessor organization, [*From Practice to Profession: A History of the Financial Analysts Federation and the Investment Profession*](#), investors, prior to the federal securities laws, often lacked access to reliable corporate information and were largely dependent upon management's willingness to provide information voluntarily.

The first two chapters⁴ of the publication document both the scarcity of information available to investors and management's reluctance to provide information that could diminish informational advantages enjoyed by insiders. One of the central lessons of that history is that investors and issuers often have different incentives regarding disclosure. Investors generally benefit from broader dissemination of information, while corporate insiders may have incentives to limit, delay, or selectively provide information. Investors' concerns regarding the current SEC's increasing emphasis on management's application of materiality, rather than specific disclosure requirements, reflect these longstanding tensions between issuer discretion and investor information needs.

² [Message to Congress on Federal Supervision of Investment Securities. | The American Presidency Project](#)

³ [Roosevelt Signs the Securities Bill; The New York Times \(1933\)](#)

⁴ Chapter 1 (Getting the Information) and Chapter 2 (Disclosure and Response) – most interestingly the discussion on pages 12-15 – in the publication, [*From Practice to Profession: A History of the Financial Analysts Federation and the Investment Profession*](#) are essential reading for those wanting to understand why information is important to investors and the state of information before the Acts.

As the publication notes, investors historically struggled to obtain information that management often viewed as proprietary or disadvantageous to disclose. J.P. Morgan famously lamented the coming of the day “when all business will have to be done with glass pockets.”⁵

The modern disclosure framework emerged precisely because voluntary disclosure proved insufficient to address these information asymmetries. Investors required reliable, standardized, and broadly disseminated information to make informed investment decisions, and mandatory disclosure became the mechanism through which those objectives were achieved.

These historical lessons remain relevant today. As policymakers consider proposals to reduce mandatory disclosure requirements or rely more heavily on voluntary reporting, it is important to recognize why disclosure requirements were adopted in the first place and the investor-protection objectives they were designed to serve.

A HISTORICAL INVESTOR PERSPECTIVE ON QUARTERLY REPORTING

An important maxim for investors is: “Financial markets are markets in information, and information therefore is both the starting- and the end-point of this story.” In its simplest form, this explains why ~~mandatory~~ quarterly reporting remains important to investors.

Quarterly reporting has been a ~~central~~ key component of the SEC's disclosure framework since its adoption in 1970, when it was implemented in direct response to investor demand. Notably, there is little evidence that investors' demand for timely, comparable, and broadly available information has diminished since that time.

CFA Institute and its predecessor organizations have commented on interim reporting issues since 1955, reflecting a longstanding belief that timely and comparable information ~~are~~ is essential to fair, efficient, and well-functioning capital markets. This report builds on that history of engagement, including CFA Institute's 2019 survey on quarterly reporting, which informed its response to the SEC's 2018–2019 consultation on reporting frequency.

Today, quarterly reporting supports many of the characteristics that investors associate with well-functioning capital markets, including comparability across companies, equal access to information, analyst coverage, market liquidity, investor confidence, and the efficient allocation of capital.

In many respects quarterly reporting is “load-bearing regulation” for investors. Removing such regulation, as with a load-bearing wall, could result in significant damage to the house supported by this regulation – that house being the U.S. capital markets.

Consequently, proposals to eliminate or weaken quarterly reporting should be evaluated carefully, with a full appreciation of the potential implications—not only for reporting frequency itself, but also for investors, issuers, and the operation of capital markets more broadly. Careful analysis is particularly important given the possibility of significant unintended consequences that may not be readily apparent at first glance.

⁵ Ibid.

CFA INSTITUTE'S CONTRIBUTION TO CURRENT DEBATE ON QUARTERLY VS. SEMIANNUAL REPORTING

The current debate regarding quarterly versus semiannual reporting is therefore not simply a question of reporting frequency. It is a debate about the role of disclosure in capital markets, the information investors require to allocate capital efficiently, and the principles that have long underpinned the success of U.S. capital markets.

Against this backdrop, CFA Institute undertook the survey in this report to contribute an investor perspective to the current policy discussion. The analysis and survey findings that follow are intended to inform policymakers and other stakeholders as they evaluate whether changes to a disclosure framework that has supported transparency, investor confidence, and market integrity for more than half a century are warranted.

I. EXECUTIVE SUMMARY

Why the Quarterly Reporting Debate Has Returned

~~The debate regarding quarterly versus semiannual reporting in the United States has once again returned to the policy agenda.~~ Prompted by a 2025 social media post by President Trump, the ~~U.S. Securities and Exchange Commission (“SEC” or “Commission”)~~ is ~~again~~ considering whether public companies should continue to provide quarterly reports or whether reporting frequency should be reduced to semiannual reporting.

As the **Preface** explains, this debate extends well beyond the timing of corporate reports. It raises broader questions regarding disclosure, investor protection, capital formation, market transparency, and the role these principles have played in the development and success of U.S. capital markets. The ~~Prologue~~ **Preface** also places the debate within the context of the SEC's current policy agenda and the historical evolution of the disclosure framework that underpins modern securities regulation. Readers are encouraged to review that discussion to fully appreciate the broader context in which the findings of this report should be considered. This Executive Summary, in contrast, highlights the report's principal findings, survey results, and recommendations.

The current debate represents the latest chapter in a discussion that has resurfaced periodically over the last decade regarding the costs and benefits of quarterly reporting, the relationship between reporting frequency and long-term decision-making, and the role of disclosure in promoting capital formation.

Section II traces the evolution of that most recent debate, including President Trump's comments in 2018 and 2025, the SEC's 2018–2019 consultation on quarterly reporting, the 2025 petition submitted by the Long-Term Stock Exchange, and CFA Institute's longstanding engagement on these issues.

Understanding that history is important because mandatory quarterly reporting has been a central component of the SEC's disclosure framework for more than five decades and was adopted in 1970 in direct response to investor demand – notably, a demand that we do not hear has waned.

CFA Institute and its predecessor organizations have engaged on interim reporting issues since 1955 – prior to the SEC's adoption of quarterly reporting – reflecting a longstanding belief that timely and comparable information ~~are~~ **is** essential to fair, efficient, and well-functioning capital markets. CFA Institute's most recent engagement on this issue included a 2019 survey on quarterly reporting which was used to inform our commentary related to the SEC's prior 2018–2019 quarterly reporting consultation.

~~Today, quarterly reporting supports many of the characteristics investors associate with well-functioning markets, including comparability across companies, equal access to information, analyst coverage, market liquidity, investor confidence, and the efficient allocation of capital.~~

~~In many respects quarterly reporting is “load-bearing regulation” for investors. Removing such regulation, as with a load-bearing wall, could result in significant damage to the house supported by this regulation – that house being the U.S. capital markets.~~

~~Consequently, proposals to reduce reporting frequency raise questions that extend well beyond the timing of corporate reports themselves and require careful consideration of their implications for investors, issuers, and capital markets~~

Why Investor Views Matter: What Investor-Focused Problem Are We Attempting to Solve?

The arguments supporting the SEC's current reconsideration of whether public companies should move from mandatory quarterly reporting to semiannual reporting are largely unchanged and mirror those advanced during the SEC's 2018–2019 review of quarterly reporting, which ultimately fizzled. These arguments include reducing burdens on issuers, easing access to public capital markets, reducing short-termism or promoting vaguely defined notions of "long-termism" and promoting capital formation. To date, much of the public discussion surrounding disclosure reform and reporting frequency has focused on these issuer perspectives.

As discussed in **Section II**, SEC Commissioner Hester Peirce recently emphasized that the SEC's disclosure framework exists primarily to serve investors—the SEC's statutorily intended audience for corporate disclosures. We, however, have not heard any remarks from the Commission highlighting investor perspectives regarding the quantity, frequency, and usefulness of corporate disclosures nor the implications of eliminating quarterly reporting. We have not experienced a call from investors to reduce disclosures or eliminate quarterly reporting. To the contrary, investors increasingly seek more timely information as companies navigate evolving business models, geopolitical uncertainty, technological disruption, economic volatility, and emerging risks. Further, investors, who ultimately pay for quarterly reporting, haven't said they are unwilling to bear the cost of quarterly reporting because its cost exceeds its benefits.

An important question lingers for investors: **What investor-focused problem is the SEC attempting to solve?**

Many investors view the current effort to reduce reporting frequency as a potential solution in search of a problem.

This question is particularly important because U.S. capital markets have flourished under a quarterly reporting framework. The United States continues to maintain the deepest, most liquid, and most successful capital markets in the world. Moreover, many investors view U.S. disclosure practices as superior to those in jurisdictions operating under semiannual reporting frameworks.

We highlight in **Section III** that during the period in which quarterly reporting has existed in the United States, the number of public companies increased substantially (from 1980 to 1996), later declined (from 1997 to 2013), and has more recently stabilized (from 2013 to 2025) all while quarterly reporting requirements remained unchanged. At the same time, evidence linking quarterly reporting requirements to declines in the number of public companies remains limited and inconclusive. World Bank data in **Section III** highlights that semi-annual reporting jurisdictions have experienced even greater declines in the number of public companies over similar time periods.

As we also illustrate in **Section III**, many of the jurisdictions frequently cited as successful examples of semiannual reporting are significantly smaller than the United States and often provide less structured interim financial information. OECD data highlighted there shows that jurisdictions with semi-annual reporting have a worse track record of attracting listings than those in quarterly reporting jurisdictions.

The experience of jurisdictions operating under semiannual reporting frameworks does not provide clear evidence that reduced reporting frequency produces superior capital formation outcomes or stronger public markets.

There are many structural factors affecting public company participation that extend well beyond disclosure requirements – including but not limited to the rise in private markets⁶ highlighted in the **Preface**. Consequently, additional empirical analysis is necessary before concluding that eliminating quarterly reporting – or reducing disclosure requirements – would materially increase the number of public companies or improve capital formation.

Framing the Debate: Quarterly Versus Semiannual Reporting

The analysis of reporting requirements across jurisdictions and trends in the number of public companies discussed above represent only part of the broader examination undertaken in **Section III**. That section provides the analytical framework for evaluating the case for and against semiannual reporting and serves as an important foundation for interpreting the survey results and their implications for policymakers and other stakeholders.

Specifically, **Section III** evaluates the principal arguments advanced in support of semiannual reporting while also highlighting considerations that we believe have received insufficient attention in the current policy discussion – particularly the potential implications for investors of reducing reporting frequency.

Among other issues, the section examines claims that semiannual reporting is widely and successfully used in other jurisdictions, that quarterly reporting imposes excessive costs on issuers, that reducing reporting frequency would encourage more companies to enter the public markets, and that semiannual reporting would promote longer-term decision-making.

The analysis also explores a range of issues that are often overlooked in the debate, including the implications of advances in technology and artificial intelligence; the extent to which companies would continue to provide meaningful quarterly information voluntarily; the effects of reduced reporting frequency on investor protection, comparability, cost of capital, stock-price volatility, dividends, and market liquidity; the form and content of semiannual reporting; increased reliance on voluntary disclosures and non-GAAP measures; information asymmetries and insider trading risks; and the differing implications for public and private companies.

Why CFA Institute Conducted a New Survey

As noted previously, CFA Institute's response to the SEC's prior 2018-2019 consultation regarding reporting frequency included results from a global survey of investment professionals. Given the passage of time and significant developments since then, we concluded that an updated survey was necessary.

⁶ There are many structural factors affecting the number of public companies beyond quarterly reporting and disclosure requirements. Given the complexity and nuance of this issue, we believe the SEC should undertake a broader and more comprehensive analysis of public versus private market structure before concluding that quarterly reporting materially affects IPO activity. In our recent comment letter to the Commission on Regulation S-K, we urged the Commission and staff to form a blue-ribbon Advisory Committee on Public and Private Market Structure to thoughtfully study this issue and the path forward. See discussion at pages 17 to 19 of CFA Institute's comment letter ([cll15-773527-2366334.pdf](#)) and the recommendation to the SEC on page 27.

Much has changed since 2019. Investors have experienced the global COVID-19 pandemic, which demonstrated the critical importance of quarterly reporting. Throughout 2020, investors relied heavily on the first-, second-, and third-quarterly reports to assess liquidity, solvency, operational disruptions, and rapidly evolving risks. Quarterly disclosures provided essential transparency during one of the most uncertain periods in modern capital markets history. The experience demonstrated that quarterly reporting is not merely a compliance exercise; it is a critical transmission mechanism – both in the U.S. and globally – for maintaining market confidence during periods of economic stress and rapid change.

Technology has also evolved dramatically. Advances in automation, data analytics, artificial intelligence, and large language models have transformed the way information is produced, disseminated, analyzed, and consumed. Public companies increasingly use technology to prepare disclosures, while investors increasingly rely on sophisticated analytical tools to process and compare large volumes of information.

Against this backdrop, many investors find it difficult to reconcile proposals to reduce disclosure frequency alongside broader technological developments that have made information faster, cheaper, and easier to analyze than ever before. In this respect, efforts to reduce reporting frequency appear inconsistent with the broader trajectory of technology and its deployment in modern capital markets.

Accordingly, CFA Institute conducted a new global survey during January 2026 to assess investor views regarding quarterly versus semiannual reporting and related disclosure issues. The survey was distributed to approximately 48,000 CFA charterholders working as investment analysts and portfolio managers. We received more than 2,500 responses, representing a response rate of 5.2 percent, and over 1,000 written comments.

The strong participation demonstrates the importance of this issue to investors. We thank our members for their significant time commitment in completing the 46-question survey and for their continued support of CFA Institute's mission. Detailed survey demographics are provided in **Appendix A**. Survey results and selected comments are presented in **Section IV**. Because the comments submitted by respondents provide important context and rich insights that supplement the survey findings, all comments are included in **Appendix B**.

The Survey: What ~~Investors~~ Respondents Told Us

Section IV provides the results of the survey. We provide both detailed and summary charts as well as analysis of the results. Where there were regional differences, we present separate charts illustrating those differences. We were struck by how few survey questions produced meaningful regional differences. Of the 46 questions posed to ~~investors~~ members, only 11 generated more than minor regional variations, and even then, the differences generally reflected varying degrees of agreement rather than fundamentally different views. Key findings from each survey section include:

1. **Retain Quarterly Reporting** — A substantial 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 strong support (82%) for allowing voluntary quarterly reporting if semi-annual reporting is mandated. See **Section IV(A)**.
2. **Implement New Form 10-S, Require More Information** — A slight majority of respondents (52%) agreed that the SEC should adopt a new Form 10-S, if semiannual reporting is made mandatory. 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. See **Section IV(B)**.
3. **Earnings Releases and Quarterly Reports (Form 10-Qs) Are Distinct Useful and Complementary, Not Substitutes** — ~~Investors~~ Respondents overwhelmingly viewed earnings releases and Form 10-Qs as complementary rather than substitutable disclosure documents. Less than 10% support abandoning Form 10-Q in favor of just earnings releases. Respondents (~~up to 77%~~ up to 79-80%) 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. ~~Investors~~ Respondents did not agree that earnings releases are more or less useful than Form 10-Qs, ~~as they~~ but contain different information. See **Section IV(C)**.
4. **Under a Voluntary Quarterly Reporting Regime: ~~Investors~~ Respondents Largely Support Retaining Form 10-Q and Enhancing Legal Liability of Earnings Releases** — An overwhelming majority of respondents (~~74%~~ 78%) disagreed with the view that Form 10-Q should be abandoned with a substantive majority (66%) of respondents supporting that if companies continue to report quarterly on a voluntary basis (if semiannual reporting is adopted by the SEC) that they should still be required to file Form 10-Q. ~~Just over~~ 63% of respondents agree that those earnings releases should be “filed” rather than “furnished” with the SEC to strengthen investor protections against misleading information. See **Section IV(D)**.
5. **Under a Voluntary Quarterly Reporting Regime: Only A Minority of ~~Investors~~ Respondents Expect Quarterly Reporting Will Continue, Most Expect Less Information** — Respondents generally expect that many 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. See **Section IV(E)**.

6. **Those Surveyed Investors Have Significant Concerns Regarding, and Low Expectations of, Semiannual Reporting**— ~~Investors~~ Those surveyed expressed ~~significant~~ concerns regarding reducing reporting frequency, with ~~60–80%~~ significant numbers of respondents expressing apprehension across a variety of implications. ~~Investors~~ Respondents believe that six-month reporting intervals would be too long in current markets and could increase the cost of capital, ~~stock volatility~~, and information asymmetries. 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 due to longer periods between mandatory disclosures. See **Section IV(F)**.
7. **Management Incentives, Not Reporting Frequency, Meaningfully Impact Long-Termism** — Those surveyed investors did not express a clear consensus, only 41%, that moving to semiannual reporting would meaningfully increase long-termism. Unexpectedly, given an annual reporting period is even longer-term than semiannual, even fewer respondents (35%) believed that moving to annual reporting would foster long-termism, and there was much higher conviction amongst those who strongly disagree with this longer period. Respondents generally agreed that long-termism can't be achieved by extending reporting periods the additional ninety days created by moving from quarterly to semiannual reporting. Instead, ~~investors~~ respondents overwhelmingly (85%) identified management compensation structures and incentives tied to long-term goals as significantly more important drivers of long-term decision-making than changes in reporting frequency. There was no consensus that companies and investors in semi-annual jurisdictions are more long-term oriented than those in quarterly reporting jurisdictions. See **Section IV(G)**.

Conclusion and Recommendations for Policymakers

Section V pulls together the findings from our analysis of the debate in **Section III** and the survey results in **Section IV**. The overall conclusion emerging from the survey is clear: **There is ~~investor~~ global support globally for maintaining mandatory structured quarterly reporting. Only a minority of survey respondents support the SEC moving from quarterly to semiannual reporting.**

Those surveyed investors continue to view quarterly reporting as an ~~essential~~ valuable feature of transparent, efficient, and trustworthy capital markets. Respondents consistently expressed the view that the benefits of quarterly reporting exceed its costs, and that reducing reporting frequency could create meaningful risks for investors while offering uncertain benefits.

There are **five recommendations** from the report:

1. Maintain mandatory quarterly reporting requirements in quarterly reporting jurisdictions;
2. Recognize ~~that investors globally~~ the broad support— including from those in existing semiannual reporting jurisdictions — ~~broadly support that~~ quarterly reporting ~~and share views on~~ has, as well as the potential consequences of reduced reporting frequency;

3. Recognize ~~investors'~~ significant concerns regarding the implications of reduced reporting frequency brought about by semiannual reporting and the limited evidence that doing so would meaningfully promote long-termism;
4. Limit flexibility in reporting frequency because of the comparability challenges created by variable reporting structures; and
5. If voluntary quarterly reporting is permitted, maintain formal structured reporting requirements and stronger legal accountability protections of the Form 10-Q as press releases are not substitutes for Form 10-Q filings.

The report **further recommends that the SEC undertake a more 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.

1. With respect to **commonly cited rationales for semiannual reporting**, the SEC should assess:
 - a. Whether the experience of smaller jurisdictions that have adopted semiannual reporting has produced outcomes that would support adoption of a similar framework in the United States, and whether such a change could have broader implications for global reporting standards and regulatory practices.
 - b. Whether the potential compliance-cost savings associated with eliminating quarterly reporting outweigh any resulting costs to investors and market efficiency, and whether reporting frequency is a meaningful determinant of public company participation relative to other structural market factors.
 - c. Whether there is persuasive empirical evidence that semiannual reporting promotes longer-term corporate decision-making, investment horizons, or capital allocation outcomes more effectively than quarterly reporting.
2. With respect to **issues that have received comparatively less attention in the debate**, the SEC should assess:
 - a. The extent to which companies would continue to (i.e., the number of companies that would) provide meaningful quarterly information voluntarily, and how the scope, quality, consistency, and comparability of such disclosures would differ from information currently provided under mandatory quarterly reporting requirements – as the economic analysis depends upon it.
 - b. How advances in technology, data analytics, and artificial intelligence affect the costs and benefits of quarterly reporting for issuers, investors, analysts, and other market participants.
 - c. The potential implications of reduced reporting frequency for ~~investor protection~~, market efficiency, the cost of capital, stock-price volatility, comparability across companies, quarterly dividend continuity, increased reliance on voluntary disclosures and non-GAAP measures, ~~and~~ heightened risks resulting from a longer period between mandatory disclosures associated with information asymmetries, delayed disclosure of adverse news ~~developments~~, and insider trading.

Based upon the survey results and comments received, those surveyed investors ~~presently~~ appear unconvinced that reducing reporting frequency would improve market quality or better serve their informational needs.

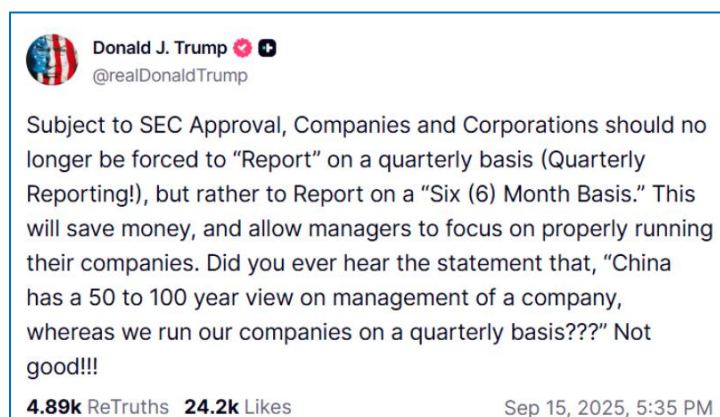
Ultimately, any proposal to fundamentally alter a disclosure framework such as quarterly reporting that has long ~~supported the transparency, liquidity, and global leadership~~ been a feature of U.S. capital markets should be supported by substantial empirical evidence, careful economic analysis, and meaningful engagement with investors.

II. BACKGROUND

Why We Did This Survey Now: President Trump's Proposal to Change Quarterly Reporting

In September 2025, President Trump instructed the SEC, through a Truth Social post, to reconsider quarterly reporting requirements for public companies in the US (**Exhibit 1**).

Exhibit 1: President Trump's September 2025 Truth Social Post



Source: [@realDonaldTrump on Truth Social](#).

Soon after the President's Truth Social post, SEC Chairman Paul Atkins promised that the SEC was "fast tracking" the President's proposal in an [op-ed published in the Financial Times](#), adding that the SEC would "remove its thumb from the scales and allow the market to dictate the optimal reporting frequency based on factors such as the company's industry, size and investor expectations."

The President's Truth Social post about changing quarterly reporting requirements came just weeks after Long-Term Stock Exchange Inc. (LTSE)⁷ [announced](#) that it would petition the SEC for rulemaking to grant companies the option to report on a semiannual basis instead of quarterly.

Long-Term Stock Exchange's Petition to Make Quarterly Reporting Optional

The [Long-Term Stock Exchange's petition](#) requests the SEC provide public companies with the ability to elect to file financial reports on Form 10-Q on a semiannual basis instead of quarterly (and for the SEC to make any necessary conforming amendments to other forms and regulations to effect the change). In its petition for rulemaking, LTSE argues that granting public companies this option is necessary and appropriate because it would:

- **Combat Short-termism** – LTSE asserts that quarterly reporting pressures may lead to suboptimal business decisions by company managers, such as not investing in R&D in order to avoid missing quarterly EPS estimates or guidance. These decisions cost output and jobs (i.e., reduce potential GDP) for economies in the long run.
- **Help Reduce the Disincentives for Going Public** – LTSE states a belief that the ongoing cost and administrative burden of preparing quarterly financial statements and reports can be a significant deterrent for companies deciding whether to list or stay private. The growth in the

⁷ A securities exchange currently composed of 2 listed companies that began operations after approval by the SEC in 2019.

number of public companies in the US has significantly lagged growth in the US economy overall for a long time while the number of private companies and money raised in private offerings have grown briskly.

- **Give Investors and Analysts More Time to Focus on Fundamental, Longer-Term Research.** The LTSE argues reducing reporting frequency would enable investors to focus more on annual cycles, industry trends, strategic developments, and how companies create value over the long run investors.

Additionally, Long-Term Stock Exchange's petition notes that:

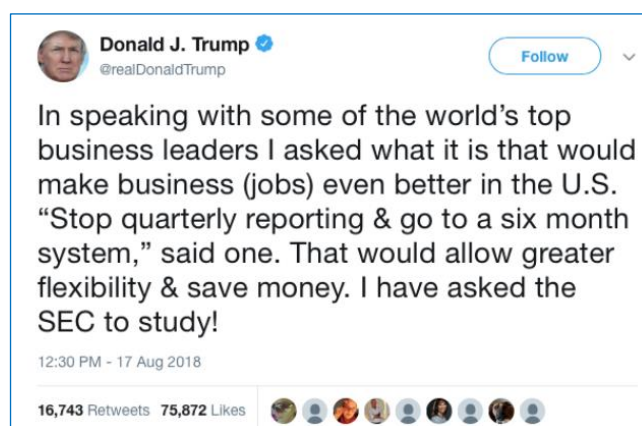
- **Semiannual Reporting is Used in Other Jurisdictions** – Capital markets in the UK, most European countries, Australia, and Hong Kong operate successfully with semiannual reporting and have for some time.
- **Form 8-K Reporting Could Be Used for Current Events Reporting** – Companies would continue to provide Form 8-K disclosures about material events on a real-time basis.
- **Voluntary Quarterly Reporting and Guidance Should Be Allowed** – Companies could continue quarterly reporting in various ways and could also continue to provide quarterly guidance or guidance on a different cadence.

This is not the first time these arguments have been made. In fact, this debate was last had during the first Trump administration.

2018-2019 Proposal to Change Quarterly Reporting Requirements

In the summer of 2018, President Trump tweeted that he had asked the SEC to study a shift from quarterly to semiannual reporting (**Exhibit 2**).

Exhibit 2: President Trump's August 2018 Twitter Post



Source: @realDonaldTrump on Twitter

In response, the SEC issued a public [Request for Comment](#) on the issue later that year. The Request for Comment included 46 questions querying stakeholders on topics including reducing the required reporting frequency, whether earnings releases could satisfy most of the Form 10-Q requirements (i.e., using the Form 10-Q filing as a “supplement” or “top up” to the earnings release to satisfy any remaining requirements), and auditor involvement in the quarterly reporting process.

We wrote a [comment letter](#) to the SEC (one of [89 letters from various stakeholders](#)) opposing the proposals to reduce reporting frequency and/or replace aspects of the Form 10-Q with content from earnings releases.

We also conducted a survey of our membership in 2019 that included many of the questions posed by the SEC.

CFA Institute 2019 Survey on Quarterly Reporting and SEC Roundtable

Our [2019 Member Survey on Quarterly Reporting](#),⁸ found that:

- [Those surveyed investors](#) strongly support quarterly reporting, with little support for alternative reporting models or reduced reporting frequency.
- The majority said that earnings releases and quarterly reports are not substitutes. Earnings releases provide management's perspectives, while Form 10-Q filings provide standardized and detailed financial information. Half the respondents said Form 10-Q filings are more important than earnings releases.
- A majority of respondents supported the simultaneous release of earnings releases and Form 10-Q filings.
- Respondents were not in favor of the SEC's proposal that would treat the Form 10-Q filing as a "supplement" to companies' earnings releases to satisfy any remaining reporting obligations (e.g., if the earnings release includes an income statement but no cash flow statement, the Form 10-Q filing would include the latter and refer readers to the earnings release for the former).

Other stakeholders that submitted comments to the SEC were largely split between companies and their industry groups supporting less frequent reporting, while other investors and accounting firms supporting the existing quarterly reporting requirements.

The SEC also held a roundtable in 2019 that covered the Commission's "periodic reporting system and... specific regulatory changes to that system that could be implemented to foster a longer-term focus in our periodic reporting system."⁹

Initiative Fizzles at End of Trump's First Term, Withdrawn Under Biden Administration

The SEC ultimately did not issue any proposed rule on the topics covered in the Request for Comment or the roundtable in President Trump's first term. In early 2021, shortly after President Biden appointed SEC Chair Gary Gensler, the SEC withdrew the issue entirely from the Commission's agenda.

⁸ The survey was completed by 768 CFA Charterholders employed as investment analysts or portfolio managers for a response rate of 3 percent.

⁹ See [SEC.gov | Roundtable on Short-Term / Long-Term Management of Public Companies](#)

This Time Is Different: Director of SEC Division of Corporation Finance

In late January 2026, the new Director of the SEC's Division of Corporation Finance, [Jim Moloney spoke](#) about how this time is different and that a proposed rule on quarterly reporting is forthcoming. [Moloney encouraged stakeholders](#) to provide their thoughts and data on the possible effects of any changes.

President Trump initially called for an end to quarterly reporting in a social media post in 2018, and the SEC followed up with a request for comment, but unfortunately nothing materialized at the time. In September 2025, the President again called for a reconsideration of mandatory quarterly reporting. This time, however, I expect things will be different.

Chairman Atkins has asked us to prioritize this proposal. It's time to leave the airport at last and travel forward with a formal rulemaking. As we prepare recommendations for the Commission, we will be considering what other rule changes may be needed to ensure any transition to a semiannual reporting process will be smooth and free from any regulatory turbulence.

Like selecting the perfect travel snack once in the air, there's no one-size-fits-all solution. For some companies and their investors, semiannual reporting may make sense. Other companies, however, may have reasons why quarterly reporting still works best for them. We want to hear a broad range of market participants' thoughts on the best way to structure the final rule before making the Division's ultimate recommendation to the Commission. If you have any data (including from other jurisdictions) on the possible effects of changing the reporting cycle, please send us that information through the comment process once a rule proposal is out.

Is This Time Different? Has ~~Investors' Long Held~~ Support for Quarterly Reporting Changed?

As an organization [founded on the principles espoused by Benjamin Graham](#) in *Security Analysis*, CFA Institute (and its predecessors) has always – through the CFA Program and our advocacy – promoted the use of fundamental analysis in investment decision-making. To support that analysis, we have advocated for interim financial reporting, particularly quarterly information, for over 70 years.

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

*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 of 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 1992 white paper, [Financial Reporting in the 1990s and Beyond](#):

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 disclosed formally. Less than three months is too short a period for most businesses to make meaningful measurements of economic activity; it also would require excessive periodic

assessments of financial status...Much has been written about the evils of “short-termism” and its impact on management behavior...As long as a business enterprise keeps its investors informed of its strategies and plans, it has no reason to fear that its share price will suffer for devoting resources to projects that promise high levels of long-term profitability. Those who contend otherwise either misunderstand or are misrepresenting the functioning of the investment community.

Have those arguments and their underlying premises changed? Are investors seeking reduced reporting frequency? Why now?

As Commissioner Hester Peirce notes in her recent speech, [The Art and Science of Materiality](#), the audience of public company disclosures is investors and the SEC rules governing them must ultimately serve investors:

Similarly, if public companies are making disclosures, they need to know who the intended audience is. And the SEC, as crafter of disclosure mandates needs to know too. Only then will the disclosures meet that audience’s need. Congress did a better job than I did when I assigned you the Mona Lisa task; Congress told us to whom securities disclosures should be aimed: investors. (citations omitted)

We have not received inbound requests from our members or other investors to eliminate quarterly reporting. As Columbia Professor [Shiva Rajgopal](#) – who has studied¹⁰ the impact of the change to and from quarterly reporting in the UK – recently commented to the WSJ¹¹: *this is a solution looking for a problem.*

But to be sure that we consider broad range of up-to-date perspectives from our members for consideration by the SEC, we conducted another survey of our members serving in portfolio manager and analyst roles on reporting frequency and requirements for companies listed in the US to determine if there is a problem to be solved.

Approximately half of our survey questions repeat those posed in our 2019 survey as we sought to determine if our membership’s views changed in the last seven years. We posed additional questions covering the mechanics of how a semiannual reporting system might work and [investor](#) expectations regarding the nature of such reporting, as well as the implications of reducing reporting frequency including whether doing so may foster “long-termism.”

The survey, along with the results and selected respondent comments, is discussed in detail in **Section IV (Survey Discussion and Analysis)**. **Appendix A** provides a link to the actual survey and an analysis of respondent demographics. **Appendix B** provides a link to the full set of respondent comments. Before describing the survey results, however, we provide important context for the debate regarding quarterly versus semiannual reporting in **Section III (Framing of the Debate: Quarterly vs. Semiannual Reporting)**, which informed the design of our survey.

¹⁰ [The Impact of Reporting Frequency on UK Public Companies](#); CFA Institute Research Foundation; Pozen, Nallareddy, Rajgopal; 2017

¹¹ [Scrapping Quarterly Reports Solves a Problem No One Had - WSJ](#)

III. FRAMING THE DEBATE: QUARTERLY VS. SEMIANNUAL REPORTING

The debate over quarterly vs. semiannual reporting has been ongoing for many decades in many jurisdictions. Recurring arguments in support of and against semiannual reporting informed the design of our survey questions, as well as several considerations that we believe were missing from the present discourse in the US.

COMMON NARRATIVES SUPPORTING SEMIANNUAL OVER QUARTERLY REPORTING

Many of the arguments currently being advanced in support of semiannual reporting are not new. Similar narratives appeared in debates during the 1960s, 1990s, and again during the SEC's 2018–2019 consultation on quarterly reporting. We describe these as “narratives” because many are frequently asserted without empirical support and, in our view, warrant further analysis, especially before changes to the information ecosystem of the world's largest capital market are made.

Other Jurisdictions Effectively Use Semiannual Reporting

A frequently cited argument in favor of semiannual reporting is that jurisdictions such as the United Kingdom, much of Europe, Australia, and Hong Kong operate effectively with semiannual reporting and have done so for many years. The Long-Term Stock Exchange (LTSE), for example, points to these jurisdictions in its petition to the SEC as evidence that mandatory quarterly reporting is unnecessary for healthy capital markets.

Because such assertions are often made by referencing selected jurisdictions without a broader analysis of global reporting practices, we undertook our own review of quarterly versus semiannual reporting requirements among the world's largest exchanges. We examined stock exchanges that, as of December 31, 2025, had aggregate market capitalization of listed companies exceeding \$1 trillion and grouped them according to whether companies are generally required to report quarterly or semiannually. See **Exhibit 3** for this analysis.

By both number of exchanges and aggregate market capitalization, quarterly reporting remains the more common approach among the world's largest capital markets, even when you exclude the US as the largest capital market.

Exhibit 3: Quarterly and Semiannual Reporting Jurisdictions Based on Major Exchanges

Quarterly Reporting Jurisdictions	Market Cap of Listed Companies (\$ trillion)	Semiannual Reporting Jurisdictions	Market Cap of Listed Companies (\$ trillion)
US (NASDAQ and NYSE)	67.3	Euronext	8.0
India (BSE and NSE)	10.6	London	6.0
Shanghai	9.1	Hong Kong	6.0
Tokyo	7.8	Frankfurt*	3.0
Shenzhen	6.1	Switzerland	2.5
Toronto	4.5	NASDAQ Nordic and Baltics*	2.3
Taiwan	3.0	Australia	2.0
Korea	2.7	Madrid	1.3
Saudi	2.4	Johannesburg	1.3
Total	113.5	Total	32.4
*Frankfurt and NASDAQ Nordic and Baltics are special cases. Frankfurt has both quarterly (prime market segment) and semiannual (standard segment) reporting. NASDAQ Nordic and Baltics exchange has varying requirements by country.			

Sources: World Federation of Exchanges [Data for December 2025](#), Stock exchanges, Authors' analysis.

Most of the world's largest exchanges — including those in the United States, India, Japan, and China's Shanghai and Shenzhen exchanges — continue to require quarterly reporting. By contrast, the jurisdictions most frequently referenced as examples of successful semiannual reporting systems (UK, Europe, Australia) are materially smaller capital markets.

President Trump's Truth Social post (**Exhibit 1**) suggested that China takes a "50-to-100-year view" on corporate management. While that may be true regarding state-owned enterprises or as a matter of broader industrial policy, companies listed on China's major exchanges nevertheless are subject to quarterly reporting requirements.

The relative size of the markets that require semiannual reporting against those that require quarterly reporting suggests that policymakers should proceed cautiously before assuming that disclosure can be transplanted into the world's deepest and most liquid capital market.

It is also important to distinguish between an interim reporting system that mandates semiannual reporting while permitting limited voluntary quarterly reporting and one that permits each company to choose their reporting frequency and change it over time (i.e., "letting the market decide" the reporting frequency, as discussed in SEC Chairman Atkins' Op-Ed in the FT). These are fundamentally different approaches which may come with materially different implications for investors in terms of comparability and market transparency.

Quarterly Reporting Increases Costs and Reduces the Number of Public Companies

Another common argument advanced in support of semiannual reporting is that quarterly reporting imposes excessive costs and administrative burdens on public companies, contributing to the decline in the number of public companies in the United States.

The LTSE argues in its petition to SEC that reducing reporting frequency would lower the ongoing costs of being public and make public markets more attractive to issuers. Similar arguments have also been made by SEC Commissioners and other market participants.

Costs – As it relates to costs, however, proponents of semiannual reporting (including the LTSE) have not quantified either the cost of preparing quarterly reports or the projected savings associated with eliminating first- and third-quarter reporting. The SEC has also, thus far, not provided a detailed analysis quantifying the costs of quarterly reporting or the anticipated savings from reducing reporting frequency (i.e., a cost quantification range was not provided in the SEC’s 2018 [Request for Comment on Earnings Releases and Quarterly Reports](#)).

As we noted in our recent opinion piece [Is the SEC Regulating for a Pre-AI World?](#), SEC Chair Paul Atkins recently referenced an estimated \$2.7 billion cost of annual reporting by public companies, though no source for this estimate was provided. In those remarks, Chair Atkins again advanced the “disclosure overload” narrative, suggesting that money used to prepare immaterial disclosures could instead be redirected toward job creation and economic growth. Beyond not citing a source for the \$2.7 billion, it’s important to note that \$2.7 billion represents but a tiny fraction (.004%) of the approximately \$67 trillion in equity market capitalization of the NYSE and NASDAQ; and the SEC’s reporting framework established under the Securities Acts of 1933 and 1934 has been a major contributor to the investor confidence underlying these markets.

Equally important, those supporting semiannual reporting have not quantified the potential costs to investors associated with reducing reporting frequency. Investors are interested in whether the SEC has adequately evaluated whether reducing disclosure frequency could increase:

- bid-ask spreads;
- the equity risk premium;
- stock price volatility; or
- companies’ overall cost of capital.

Investors ultimately bear the costs of public company disclosures through the capital markets. The key question is not simply whether disclosures are costly, but whether the benefits of disclosure exceed those costs.

Number of Public Companies – A related, frequently advanced argument is that quarterly reporting and disclosure requirements have contributed to the decline in the number of public companies in the United States since the mid-1990s. Yet those making this argument rarely provide empirical evidence demonstrating that quarterly reporting meaningfully caused this decline or that eliminating quarterly reporting will increase the number of public companies.

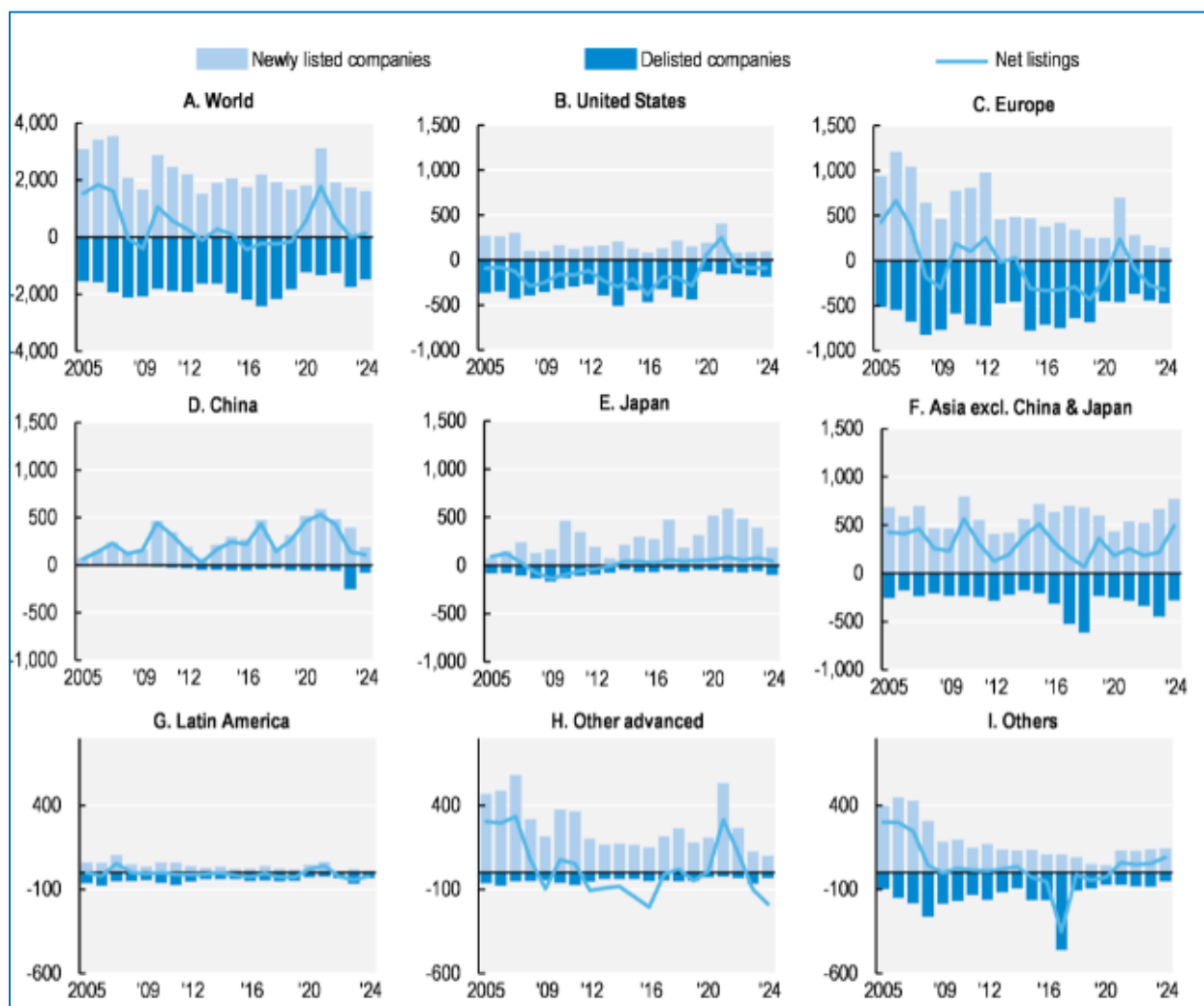
In fact, during quarterly reporting’s 56-year history in the United States, the number of public companies increased substantially (from 1980 to 1996), declined (from 1997 to 2013), and since then has been approximately flat, all while quarterly reporting ~~requirements~~ frequency in the US have remained unchanged since 1970.¹²

World Bank Group data¹³ shows similar declines in listed companies occurring in jurisdictions using semiannual reporting such as the UK and the European Union.

The international track record of semiannual reporting promoting more listings is not promising, either. OECD data from 2005 to 2024 across jurisdictions (**Exhibit 4**) 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 since 2005.

¹² [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.

¹³ [Listed domestic companies, total - United States, United Kingdom | Data](#)
[Listed domestic companies, total - United States, United Kingdom, European Union | Data](#)

Exhibit 4: Trends in Listed Companies Across OECD (2005 – 2024)

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

There are many structural factors affecting the number of public companies 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 (i.e., pass-through tax for private entities).

Given the complexity and nuance of this issue, we believe the SEC should undertake a broader and more comprehensive analysis of public versus private market structure before concluding that quarterly reporting materially affects IPO activity. In our recent comment letter to the Commission on Regulation S-K, we **urged the Commission and staff to form a blue-ribbon Advisory Committee on Public and Private Market Structure to thoughtfully study this issue** and the path forward.¹⁴

¹⁴ See discussion at pages 17 to 19 of CFA Institute's comment letter ([cll15-773527-2366334.pdf](#)) and the recommendation to the SEC on page 27.

Semiannual Reporting Increases Long-termism

Many advocates of semiannual reporting argue that reducing reporting frequency would foster greater “long-termism” among companies and investors. Long-termism is an appealing and laudable objective.

The difficulty, however, is that the term itself is rarely defined with precision, which leads to several foundational questions:

- How long is “long-term?”
- How should it be measured? Longer investor holding periods, greater corporate investment in research & development and capital expenditures?
- Would extending reporting periods by 90 days meaningfully alter investor or management behavior?¹⁵ Would extending reporting periods from quarterly to annually be better?
- How does tying management’s financial incentives to the achievement of longer-term goals compare to reducing reporting frequency in promoting long-termism?

Because we found the LTSE petition did not provide answers to these questions, we asked these questions in our survey with the objective of providing the SEC with [investors’](#) [respondents’](#) views.

CFA Institute Research Foundation’s 2017 research, *Impact of Reporting Frequency on UK Public Companies*,¹⁶ examining the United Kingdom’s move away from mandatory quarterly reporting, found no evidence that the shift to semiannual reporting materially increased capital investment.

Below are several other questions the LTSE petition raises regarding what semi-annual reporting can achieve.

Quarterly Reporting or Quarterly Earnings Guidance Cause of Short-termism? – An important distinction often blurred in this long-termism debate is the difference between quarterly reporting and quarterly earnings guidance.

For example, the LTSE petition appears, in various spots, to conflate these two concepts and does not explain how earnings guidance pressures will be altered by extending the reporting period by three months to semi-annual reporting. In fact, they indicate such guidance would continue.

While we sometimes hear that Jamie Dimon and Warren Buffett called for the end of quarterly reporting in their 2018 WSJ Essay, *Short-Termism Is Harming the Economy*¹⁷ they were actually addressing quarterly guidance. Quarterly guidance communicates management’s expectations of future results. Quarterly reporting, by contrast, communicates past results.

CFA Institute research on short-termism has consistently found that many investors view quarterly guidance — not quarterly reporting itself — as a more significant driver of short-termism¹⁸. But

¹⁵ As former Fidelity Investments President Bob Pozen observed in his 2018 Wall Street Journal Essay, *Six Months Isn’t Long-Term*, simply extending reporting intervals to a six-month period does not create long-termism as this period can never be defined as long-term.

¹⁶ CFA Institute Research Foundation, *Impact of Reporting Frequency on UK Public Companies*; Pozen, Nallareddy, Rajgopal; 2017 (<https://rpc.cfainstitute.org/sites/default/files/-/media/documents/article/rf-brief/rfbr-v3-n1-1-pdf.pdf>)

¹⁷ <https://www.wsj.com/articles/short-termism-is-harming-the-economy-1528336801>

¹⁸ This conflation is one we have investigated in our 2006 (*Breaking the Short-term Cycle*) and 2020 (*Short-termism Revisited: Improvements Made and Challenges in Investing for the Long-Term*) on short-termism. CFA Institute’s

eliminating quarterly guidance is also not seen as a viable solution, because investors and sell-side analysts make estimates regardless of whether guidance is provided, and those estimates may in fact be less accurate in the absence of guidance. The same is true for semi-annual guidance and estimates.

Create Investor Focus on the Long-Term, or Drive Loss of Analyst Coverage? – Proponents of semiannual reporting, including the LTSE, also assert that reducing reporting frequency would enable investors to focus more on annual cycles (i.e., though retaining semiannual reporting), industry trends, strategic developments, and how companies create value over the long run. Though such proponents do not indicate what additional information will be provided to perform such analysis.

However, the previously mentioned CFA Institute Research Foundation research, *Impact of Reporting Frequency on UK Public Companies*¹⁹ found something different. The research found that the change to semiannual reporting precipitated a *decrease* in sell-side analyst coverage for companies that did not continue reporting quarterly on a voluntary basis.

To put it simply, reducing information is unlikely to aid investors in their analysis.

Will Current Reports on Form 8-K Suffice? – The LTSE argues in its petition that companies could continue providing material-event disclosures through Form 8-K. However, Form 8-K differs materially from Form 10-Q filings in several important respects, including:

- legal liability (furnished not filed);
- consistent structure (specific content requirements);
- completeness (legally required disclosures); and
- management discretion (e.g. non-GAAP measures).

We specifically ask in our survey whether ~~investors~~ respondents believe Form 8-K disclosures are sufficient for Form 10-Q filings.

Voluntary Quarterly? – The LTSE further suggests that companies could continue quarterly reporting voluntarily. Accordingly, in our survey, we explore ~~investor~~ respondent preferences regarding:

- whether voluntary quarterly reporting should be permitted;
- what form should such reporting take; and

research found that quarterly earnings guidance can create short-term pressures as it builds expectations whereas quarterly reporting simply reports results. In a 2008 (*Short-termism*) survey we asked CFA Institute members whether they favored quarterly or yearly earnings guidance. ~~Investors~~ Those surveyed responded that they preferred annual (53%) estimates over quarterly (42%) estimates.

In our 2019 Quarterly Report Survey we asked about the elimination of quarterly guidance. We found:

- 52% of respondents indicate that companies should not cease releasing quarterly guidance as it creates an undue focus on short-term results.
- 49% of respondents state that companies should issue quarterly earnings guidance, because if they don't, market participants will make and disclose their own estimates of future earnings (42% disagree).

¹⁹ See pages 2, 6, 9 and 15 at CFA Institute Research Foundation, *Impact of Reporting Frequency on UK Public Companies*; Pozen, Nallareddy, Rajgopal; 2017 (<https://rpc.cfainstitute.org/sites/default/files/-/media/documents/article/rf-brief/rfbr-v3-n1-1-pdf.pdf>)

- whether [investors they](#) expect companies to continue providing meaningful quarterly information voluntarily.

We analyze the LTSE petition in such detail because many of the assertions it contains have increasingly become accepted narratives in support of semiannual reporting without sufficient scrutiny of the underlying evidence.

Long-termism is an attractive concept. Few would argue against long-term thinking or investing. But before making a significant change to the reporting structure of the world's largest and most liquid capital markets, policymakers should carefully examine whether the proposed relationship between reporting frequency and short-termism or long-termism is supported by evidence and investors' perspectives on whether a change may improve markets.

ESSENTIAL CONSIDERATIONS MISSING FROM THE DEBATE ON QUARTERLY VS. SEMIANNUAL REPORTING

The Impact of Technology and Artificial Intelligence

One of the most striking omissions from the current debate regarding quarterly reporting is the lack of meaningful discussion regarding technology and artificial intelligence.

In our 2013 publication, *Financial Reporting Disclosures: Investor Perspectives on Transparency, Trust, and Volume*²⁰, we responded to the then-emerging narrative of “disclosure overload” – that investors are overwhelmed with information – and highlighted the lack of discussion regarding technology, even though continued advances in technology were significantly improving investors' ability to process and interpret information. Thirteen years later, the re-emergence of the “disclosure overload” narrative and the burden of quarterly reporting requirements today is even more puzzling in the era of artificial intelligence.

In our opinion piece, *Is the SEC Regulating for a Pre-AI World?*,²¹ we highlight the re-emergence of this narrative by the SEC, which SEC Chair Atkins again asserted during recent testimony before the US House of Representatives Financial Services Committee.²² Congressman Bill Foster challenged the SEC's characterization of disclosure burdens in an environment where machines can process SEC filings in minutes and companies themselves increasingly rely on AI-assisted preparation tools. It was a pointed and effective challenge to the disclosure reduction narrative, one to which Chair Atkins offered little substantive response.

Public companies are increasingly using automation, artificial intelligence, and advanced data systems to prepare financial statements, disclosures, and management analysis. At the same time, investors are increasingly using AI and large language models to analyze filings, compare disclosures across companies, identify trends, and integrate information into investment decision-making processes.

The SEC's current effort to reduce disclosure obligations and potentially eliminate mandatory quarterly reporting appears inconsistent with the broader technological trajectory of capital markets. In our recent

²⁰ <https://rpc.cfainstitute.org/sites/default/files/-/media/documents/article/position-paper/financial-reporting-disclosures-investor-perspectives-on-transparency-trust-volume.pdf>

²¹ <https://www.cfo.com/news/is-the-sec-regulating-for-a-pre-ai-world-Paul-Atkins-Sandy-Peters-CFA-Institute/812851/>

²² [SEC Chair Paul Atkins Testifies Before The House Financial Services Committee](#) (starts at 1:30:00).

publications and comment letters regarding SEC disclosure reform initiatives²³, we have emphasized that the SEC must incorporate:

- issuers' use of AI into its assessment of reporting burdens;
- investors' use of AI to analyze disclosures; and
- the SEC's new AI office's involvement in the policy analysis.

If technology is simultaneously making the production, dissemination, and analysis of financial information for issuers and investors faster, cheaper, and more efficient than ever before, many investors question why the regulatory response should be to reduce the availability of information.

Implications of Eliminating Quarterly Reporting to Investors

Finally, we note that much of the public debate has focused on the perceived burdens of quarterly reporting for issuers, that a reduction in disclosure is necessary in the name of "capital formation." Comparatively little attention has been paid to the implications for the investors who rely upon timely, structured, and comparable information to allocate capital.

Our survey seeks to add ~~the~~ an investor voice to the debate by asking a broad sample of global, investment professionals investors questions on a broad range of issues, including:

1. **How Many Companies Will Report Quarterly on A Voluntary Basis?** There are assumptions that companies would continue quarterly reporting, but it is of course uncertain how many companies will be and what form such reporting would take. Investors also want to understand whether the decision to retain or discontinue quarterly reporting would be made by management or the board, and what role, if any, investors would have in that decision. Should there be a shareholder vote?

An estimate of how many companies would voluntarily report on a quarterly basis and in what form is also a key issue for the SEC to complete a meaningful economic assessment of the effects of moving to semiannual reporting (i.e., if most companies report voluntarily on quarterly, the cost savings of the switch would be rather small, but if most companies only report semiannually, the cost savings to issuers would be higher but the costs to investors would be greater).

2. **Costs vs. Benefit Implications** – There are a variety of cost-benefit implications for investors to consider, including:
 - a. **Investors Assessment of Costs vs. Benefits** – Investors ultimately bear the cost of producing disclosures. Investors' views on whether the benefits of quarterly reporting exceed its costs have not been adequately assessed or articulated. Nor have we heard investors calling for the elimination of mandatory quarterly reporting because it is too costly.
 - b. **Impact on Equity Risk Premium & Cost of Capital** – Less information, and less timely information, generally increases uncertainty and risk, which may increase the cost of capital.
 - c. **Liquidity, Bid-Ask Spreads** – Similar to the cost of capital, some investors have shared with us their concerns regarding the implications of less frequent reporting on liquidity and bid-

²³ See Statement on Reforming Regulation S-K by Paul S. Atkins, Chairman of the U.S. Securities and Exchange Commission (January 13, 2026) at: <https://www.sec.gov/newsroom/speeches-statements/atkins-statement-reforming-regulation-s-k-011326>

See related CFA Institute comment letter at: [cil15-773527-2366334.pdf](https://www.cfa-institute.com/~/media/Assets/Policy%20and%20Regulatory%20Affairs/Comment%20Letters/2026/cil15-773527-2366334.pdf)

- ask spreads. Liquidity is generally lower, and bid-ask spreads higher, in the markets that have adopted semiannual reporting like the UK and Europe.
- d. **Stock Price Volatility** – Longer intervals between interim reporting periods may affect stock price volatility and the market’s reaction to newly released information. Some investors believe that reducing reporting frequency could increase volatility around reporting dates.
 - e. **Will Quarterly Dividends Persist if Quarterly Reporting is Abandoned?** – A notable feature of many semiannual reporting jurisdictions is that companies often pay dividends semiannually rather than quarterly. This raises the question of whether U.S. companies that move to semiannual reporting may also move to semiannual dividends, with potential implications for investors who rely on quarterly dividends for income.
3. **Comparability Implications Of “Flexibility” For Issuers** – A flexible approach to interim reporting — including voluntary quarterly reporting, various forms of voluntary quarterly reporting, or semiannual reporting for a subset of companies (e.g., smaller reporting companies) would be a significant departure from the current landscape where all domestic issuers file a Form 10-Q. Comparability is the lifeblood of investment analysis, which is inherently relative.
 4. **Semi-Annual  Reporting Considerations—**
 - a. **Form and Content of Semi-Annual Reporting** – Some investors have shared with us the view that semiannual reports should include more information than current quarterly reports to compensate for the reduced frequency of disclosure.
 - b. **Greater Reliance on Form 8-K Current Events Reporting** – A longer period between mandatory structured interim reports — moving from quarterly reporting on Form 10-Q to semiannual reporting on a potential “Form 10-S” — would likely increase reliance on current-event reporting on Form 8-K. This raises concerns regarding the subjectivity of both the timing and content of such disclosures, which investors have long taken issue with. Management has traditionally been quicker to release good news than bad news, and the incentive structures for management and their advisers to delay negative disclosures are a significant concern for investors.
 5. **Voluntary Quarterly Reporting Considerations –**
 - a. **Form and Content of Voluntary Quarterly Reporting** – Investor concerns regarding the subjectivity and lack of structure in Form 8-K disclosures extends beyond the use of current-event reporting during the longer period between mandatory semiannual reports. Form 8-Ks would also be used to provide voluntary quarterly disclosures. Such disclosures would generally be less uniform, less complete, and less structured than mandatory Form 10-Q filings. Using Form 8-Ks or earnings releases as the primary mechanism for voluntary quarterly reporting would raise several investor concerns beyond the reduction in reporting frequency to include the potential loss of structured, complete, and comparable information, as well as reduced legal protections because Form 8-K earnings releases are furnished to rather than filed with the SEC.
 - b. **Management Certifications** – Eliminating mandatory quarterly reporting on Form 10-Q would also eliminate management certifications regarding disclosure controls and procedures under the Sarbanes-Oxley Act for the information provided specifically in those voluntary quarters (certifications may still be provided for semiannual and annual reports

- which contain those quarters). Even if a Form 8-K contained similar information, it would not provide investors with these same protections.
- c. **Non-GAAP Measures** – Voluntary quarterly reporting on Form 8-K may include greater use of non-GAAP measures without the accompanying financial statements and reconciliations to GAAP measures. This concern is heightened if GAAP financial statements are not presented and the related GAAP measures have not been reviewed by auditors.
 - d. **Auditor Involvement** – Today, auditors are required to review interim financial statements, although a review report is not routinely provided in the Form 10-Q. The nature and communication of auditor involvement in voluntary quarterly disclosures is an unknown. We heard from [investors respondents to in](#) our last survey in 2019 that they do not want auditor involvement to delay or reduce management’s candor in earnings releases – but they do not want to reduce auditor involvement in the Form 10-Q because it is the anchor to the “truth.”
6. **Dissemination of Information** – An end to mandatory quarterly reporting may affect insider trading, blackout periods, and the fairness of market access to information.
- a. **Asymmetrical Disclosure of Information** – While there hasn’t been any discussion of making selective disclosure of material information legal, there is concern that longer reporting periods would mean greater opportunity for larger, institutional investors to obtain information from companies that retail investors do not have.
 - b. **Insider Trading** – Longer periods between interim reports increases the risk that material nonpublic information may be known and used by insiders, or by others with access to such information, before it is broadly disclosed to the market.
 - c. **Insider Blackout Periods** – There have been suggestions that companies may file minimal Form 8-K disclosures to reduce the length of management’s trading blackout periods. [We have heard concerns from some investors are concerned](#) that this could incentivize management to disclose only minimal information while allowing insiders to trade during longer periods in which they possess more nonpublic information than the market.
7. **Private vs. Public Companies** –
- a. **Spend Less Time on Reporting to Investors?** – So far, the SEC has not done a broad-based analysis of whether management teams at privately owned companies spend less time, attention, and resources on interim reporting than public companies. Many private companies engage extensively with their private equity and debt investors and provide monthly or even more frequent reporting to them. Without understanding these practices, it is difficult for the SEC to make an appropriate economic comparison between public and private company reporting burdens.
 - b. **Why IPO, If You Can Access Public Markets Regardless?** – Recent policy discussions regarding the inclusion of alternative investments, including private funds, in defined contribution plans may result in private companies essentially gaining access to public

capital.²⁴ If private companies can access public capital through investment funds, they may have even less incentive to pursue an IPO²⁵.

SIGNIFICANT ENGAGEMENT WITH INVESTORS AND DETAILED ECONOMIC ANALYSIS ARE NEEDED TO CONVINCE INVESTORS – THE SEC’S PRINCIPAL AUDIENCE – THAT ELIMINATING QUARTERLY REPORTING SERVES THEIR INTERESTS

The analysis in this section was meant to frame the debate regarding quarterly versus semiannual reporting as the current dialogue includes many narratives – most not substantiated by empirical evidence – and excludes many important considerations and impacts to investors. The debate has firmly centered on what issuers want rather than what investors need.

Our survey provides [the an](#) investor perspective, which is greatly needed. ~~For effective capital formation, investors’ access to timely, comparable, complete and consistent information is essential. Mandatory quarterly reporting is load-bearing regulation for investors. Removing such regulation, as with a load-bearing wall, could result in significant damage to the structure—the US capital markets—supported by this regulation.~~

²⁴ [Democratizing Access to Alternative Assets for 401\(K\) Investors – The White House](#)

²⁵ See discussion at: [Is the SEC Regulating for a Pre-AI World?](#): “Ironically, while the SEC seeks to increase IPO activity by reducing disclosures, policymakers are simultaneously seeking to expand retail investor access to private markets through pooled investment vehicles. This raises an uncomfortable question: Will easier access to public market investors by private companies through such retail access ultimately cannibalize the IPO market that the SEC is trying to promote through its disclosure initiatives? If private companies can access public capital while benefiting from lower-quality accounting standards, limited disclosures and opaque valuation practices, why would they choose to go public at all? Allowing private companies to tap public capital without public market transparency may well reduce — not increase — the incentive to pursue public listings. The SEC should assess the extent to which these initiatives may produce conflicting or offsetting effects.”

IV. SURVEY DISCUSSION AND ANALYSIS

Our survey was presented in 7 groups of questions (each group appeared on one screen together) to respondents. To see the full survey questionnaire, see **Appendix A**.²⁶

Our discussion and analysis of the results is organized as follows for each group of questions in the same order that they were provided to respondents:

1. **Summary** – Context on why we asked the questions and a summary of the results for the group of questions as a whole.
2. **Charts of Survey Questions and Results** – We then present charts that include the survey question, the results, and the number of respondents.

For most questions, we show two charts side-by-side in a single exhibit: one that presents the results by each answer choice and another that aggregates “strongly agree” with “agree” and “strongly disagree” with “disagree” to more clearly show the general sentiment.

Results for each question varied by respondents’ region. We used a 10-percentage point threshold to determine if the regional results for a question were materially different from the global results.²⁷ Regional results for 11 of the 46 survey questions met or exceeded that threshold, so we separately present results for those questions by region. Results by region for all questions are available upon request.

For questions that are repeated from our 2019 survey on this same topic, we reference the results from that survey in our analysis of the responses.²⁸

Note that totals in the exhibits may not add to 100% because the data labels are rounded to the nearest whole percentage.

3. **Themes and Observations from the Comments** – There were 7 text boxes for open-ended comments, one at the end of each group of survey questions. We highlight major themes and observations from the comments with representative comments (i.e., as written and received). We include all comments received from respondents (over 1,000) in **Appendix B**.

Appendix C covers important background on quarterly reporting and related requirements for public companies in the US.

²⁶ Appendix A also provides survey demographics and statistics, discusses the survey population, sample size, response rate, margin of error, and survey respondent demographics.

²⁷ Defined as any region (Americas, EMEA, APAC) showing one or more answers departing from the global result by 10 percentage points or more. For example, if the global result shows “Strongly agree, 15%” but “Strongly agree” for that question for any of the three regions is 25% or more (or, 5% or less), we show the results by region.

²⁸ Note that the answer choices differed slightly between the two surveys, which may impact comparability. In the 2019 survey, answers choices were “strongly agree,” “agree,” “no opinion,” “disagree,” and “strongly disagree.” In the 2026 survey, answers choices were “strongly agree,” “somewhat agree,” “neither agree nor disagree,” “somewhat disagree,” and “strongly disagree.”

A. FREQUENCY OF FINANCIAL REPORTING

1. SUMMARY

The survey opened with five questions at the heart of President Trump's proposal and SEC Chair Atkin's Op-Ed in the Financial Times discussed earlier in the Background section:

- Should the SEC switch from quarterly to semiannual reporting?
- Should the SEC make such a change for all or just a subset (e.g., smaller reporting companies, emerging growth companies) of public companies?
- If such a change is mandated by the SEC, should companies be able to voluntarily elect to report quarterly?
- Rather than the SEC imposing a requirement at all, should the SEC allow companies to be free to elect a reporting frequency of their choosing and change, at a time of their choosing, that election over time?

We asked these questions at the beginning of the survey so they could reach the greatest number of respondents at their highest level of attention. We received over 2,500 responses to these questions, and more than 700 respondents wrote in open-ended comments.

Exhibit 5 on the following page summarizes the global results for the five questions in one chart.

In summary:

- Retaining quarterly reporting is supported by a majority (62%) of respondents.
- Surprisingly, support for permitting semiannual reporting for only a subset of companies (e.g., smaller companies) was lower (27%) than support for semiannual reporting for all companies (35%).

Respondent comments strongly suggest that many investors prefer consistent reporting periods within peer groups and industries to facilitate efficient comparisons. Some respondents referred to the prospect of multiple reporting frequencies among companies in a peer group as a “mess” for investors.
- There is very strong support (82%) for allowing companies to report quarterly on a voluntary basis if the SEC moves the mandatory reporting requirement to semiannually. Interestingly, 71% of respondents strongly agreed (i.e., very high conviction) that the SEC should allow companies to report quarterly on a voluntary basis if mandatory semiannual reporting is required, emphasizing strong support for the ability to obtain information quarterly from investee companies.
- There is low support for both (21% each) forgoing a mandated reporting time period and allowing issuers to choose their reporting frequency or allowing issuers to change their reporting frequency over time.

Comments indicated that survey respondents had concerns that companies might elect to reduce their reporting frequency when they had negative information. Commenters also shared a general desire to avoid complexity with variable reporting frequencies across the companies they cover.



Surprisingly, only the results for one question showed a material difference by region: support for permitting semiannual reporting among smaller companies. Respondents in the Americas (of which ~75% are US based) exhibited materially lower agreement (23~~2~~%) that there should be semiannual reporting for smaller companies than respondents in EMEA and APAC (~34%). That said, a majority of EMEA and APAC respondents (52~~3~~-56~~7~~%) still disagree with the notion that smaller companies should adopt semiannual reporting.

Exhibit 5: Low Support for the SEC Changing the Required Frequency of Financial Reporting
Majority Supports Retaining Quarterly Reporting

The SEC should move from requiring quarterly financial reporting on Form 10-Q to requiring semiannual reporting. (Exhibit 6) n = 2,537

Majority Does Not Support Scaled Approach for Smaller Companies

The SEC should move from requiring quarterly financial reporting on Form 10-Q to requiring semiannual reporting – but only for certain types of companies (e.g., smaller reporting companies, non-accelerated filers, or emerging growth companies). (Exhibit 7 & 8) n = 2,527

Strong Support for Permitting Voluntary Reporting

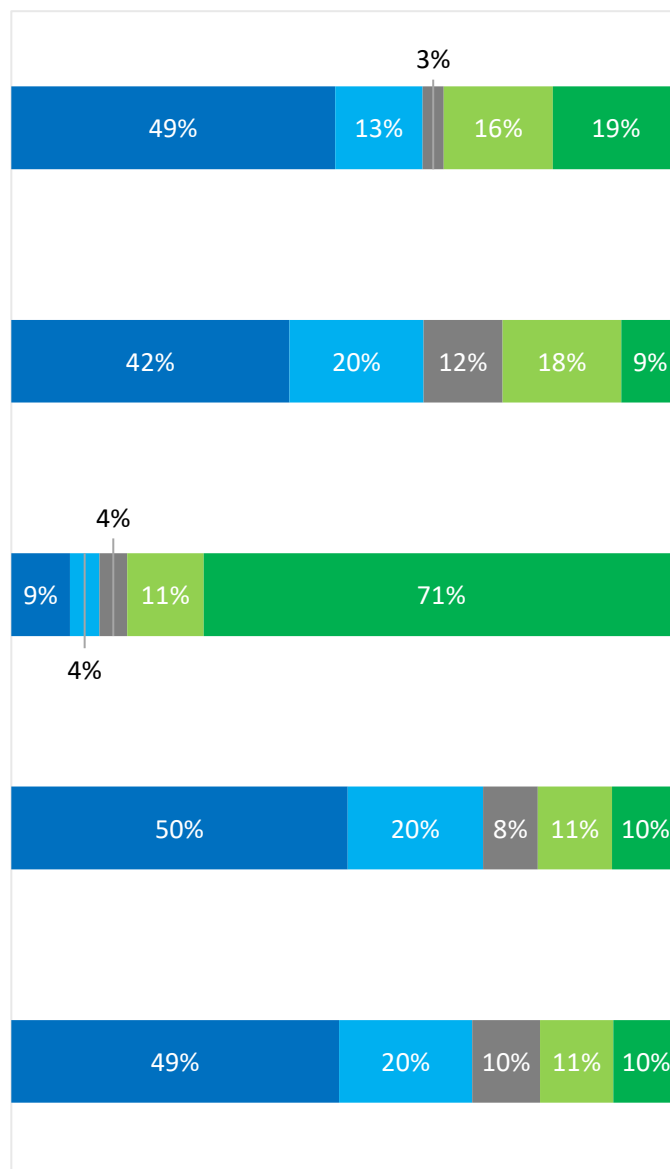
If the SEC requires semiannual reporting, the SEC should permit companies to report quarterly on a voluntary basis. (Exhibit 9) n = 2,531

Majority Does Not Support Issuer Choice of Reporting Frequency

Rather than impose a mandate, the SEC should give companies flexibility to elect their desired reporting frequency (e.g., quarterly, semiannually, or annually). (Exhibit 10) n = 2,530

Majority Does Not Support Issuer Choice in Changing Reporting Frequency

The SEC should permit companies to change their reporting frequency (i.e., move from quarterly to semiannual and vice versa). (Exhibit 11) n = 2,529

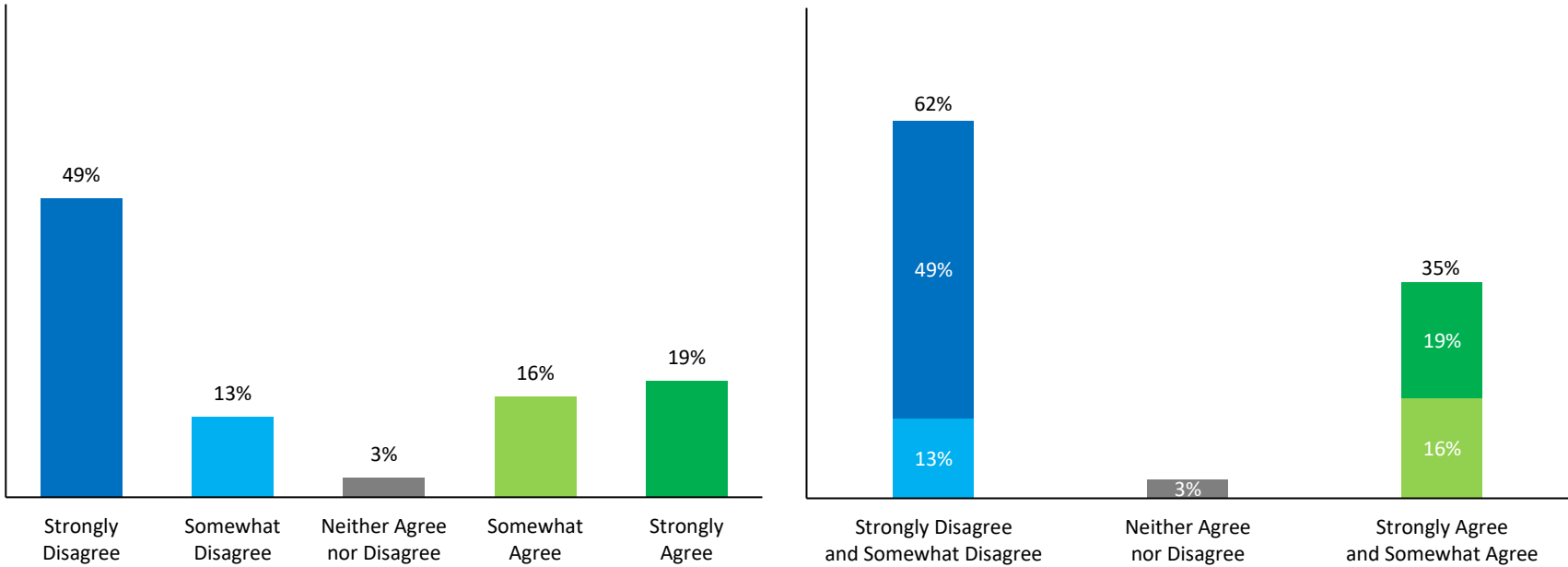


■ Strongly Disagree
 ■ Somewhat Disagree
 ■ Neither Disagree nor Agree
 ■ Somewhat Agree
 ■ Strongly Agree

2. CHARTS OF SURVEY QUESTIONS AND RESULTS

Exhibit 6: Majority Supports Retaining Quarterly Reporting

The SEC should move from requiring quarterly financial reporting on Form 10-Q to requiring semiannual (every 6 months) reporting.
n = 2,537



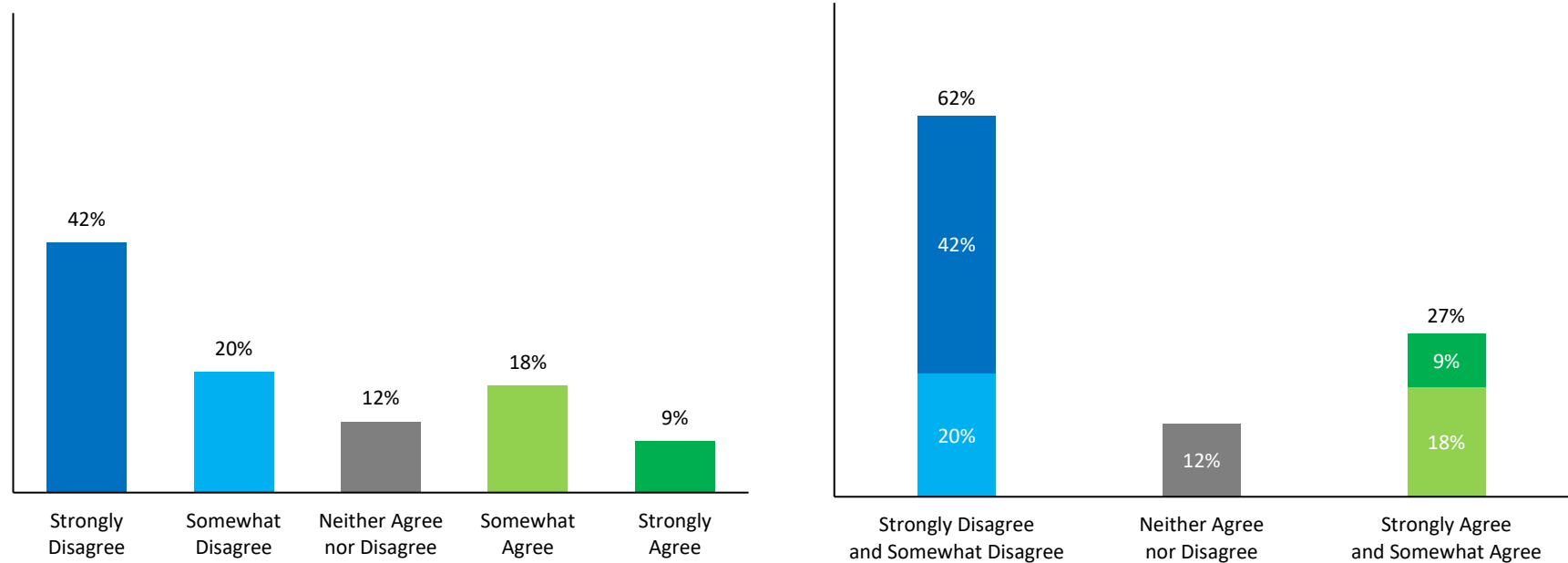
We asked this question first as it is the “bottom line” question for the SEC. As **Exhibit 6** shows, support for semiannual reporting is a minority position [among investors](#), with 35% support. These results are remarkably consistent with our 2019 survey, which found 36% support for the SEC switching from quarterly to semiannual reporting.²⁹

We present only the global results for this question as the results did not differ materially by region, which is surprising given that our survey population included many respondents in semiannual reporting jurisdictions.

²⁹ Chart 19 in [Quarterly Reporting Survey 2019](#).

Exhibit 7: Majority Does Not Support Scaled Approach for Smaller Companies

The SEC should move from requiring quarterly financial reporting on Form 10-Q to requiring semiannual (every 6 months) reporting – but only for certain types of companies (e.g., smaller reporting companies, non-accelerated filers, or emerging growth companies).
n = 2,527



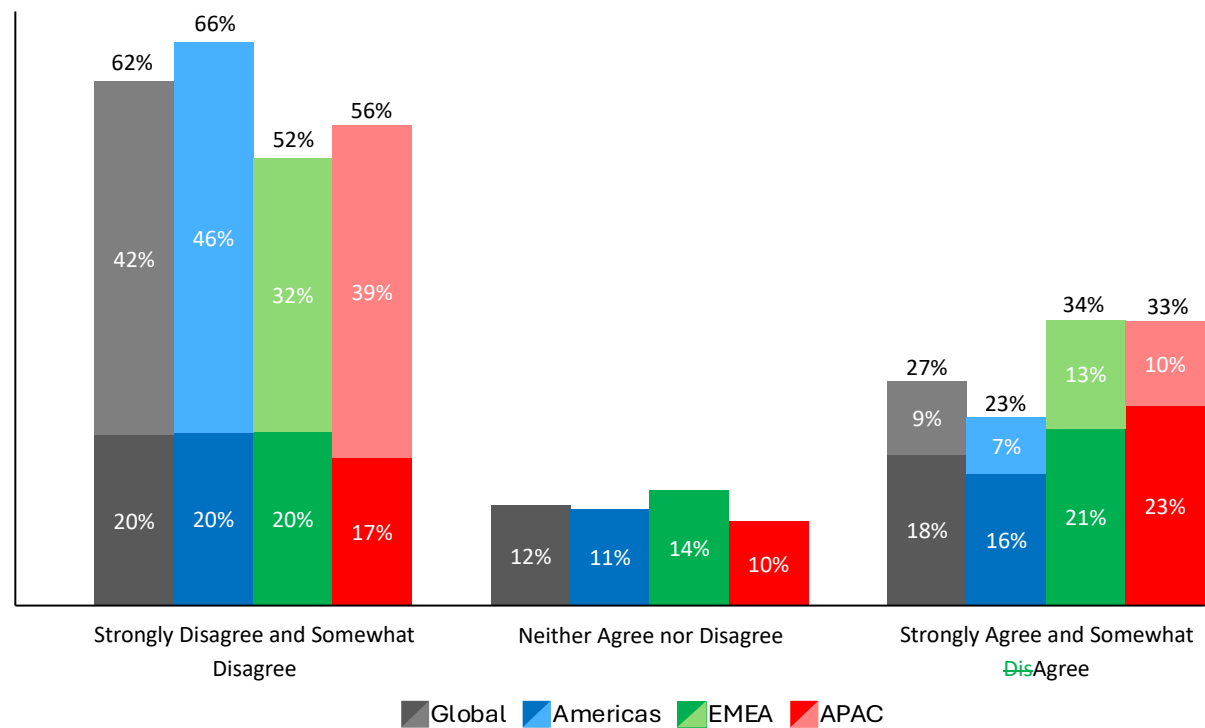
We asked this question because the SEC has expressed interest in further “scaling” disclosure and other requirements by company size to increase the number of initial public offerings. Surprisingly, there was *less* support (27%, **Exhibit 7**) among survey respondents for reducing reporting frequency for smaller companies than there was for reducing reporting frequency for all companies (35%, **Exhibit 6**). Support for this alternative was lower than what we observed in our 2019 survey (38%) by 11 percentage points.³⁰

Comments suggest that [investors respondents](#) favor uniform reporting frequency so they can compare results across the companies they cover and because heterogeneous reporting frequency introduces undesirable complexity. For this question, there was a material difference between the global results and results by region, so we present the regional results in the following exhibit.

³⁰ Chart 19 in [Quarterly Reporting Survey 2019](#).

Exhibit 8: Majority Does Not Support Scaled Approach for Smaller Companies - Regional Presentation

The SEC should move from requiring quarterly financial reporting on Form 10-Q to requiring semiannual (every 6 months) reporting – but only for certain types of companies (e.g., smaller reporting companies, non-accelerated filers, or emerging growth companies).
n = 2,527



As **Exhibit 8** shows, there was materially less support for reducing reporting frequency for smaller companies among respondents in the Americas region (primarily US) and materially less disagreement among respondents in EMEA and APAC regions, where semiannual reporting is more common. Surprisingly, this regional disparity was only present for this alternative and not for semiannual reporting for *all* companies.

Exhibit 9: Strong Support for Permitting Voluntary Quarterly Reporting

If the SEC requires semiannual reporting, the SEC should permit companies to report quarterly on a voluntary basis.
n = 2,531

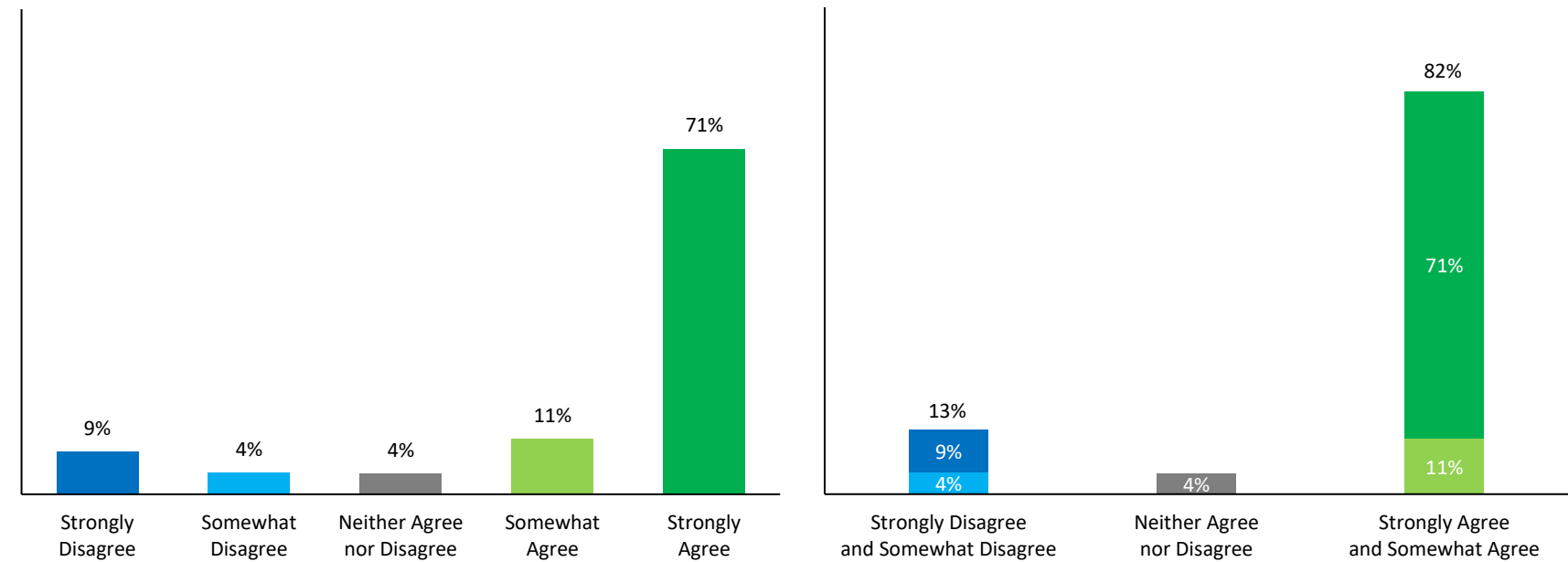


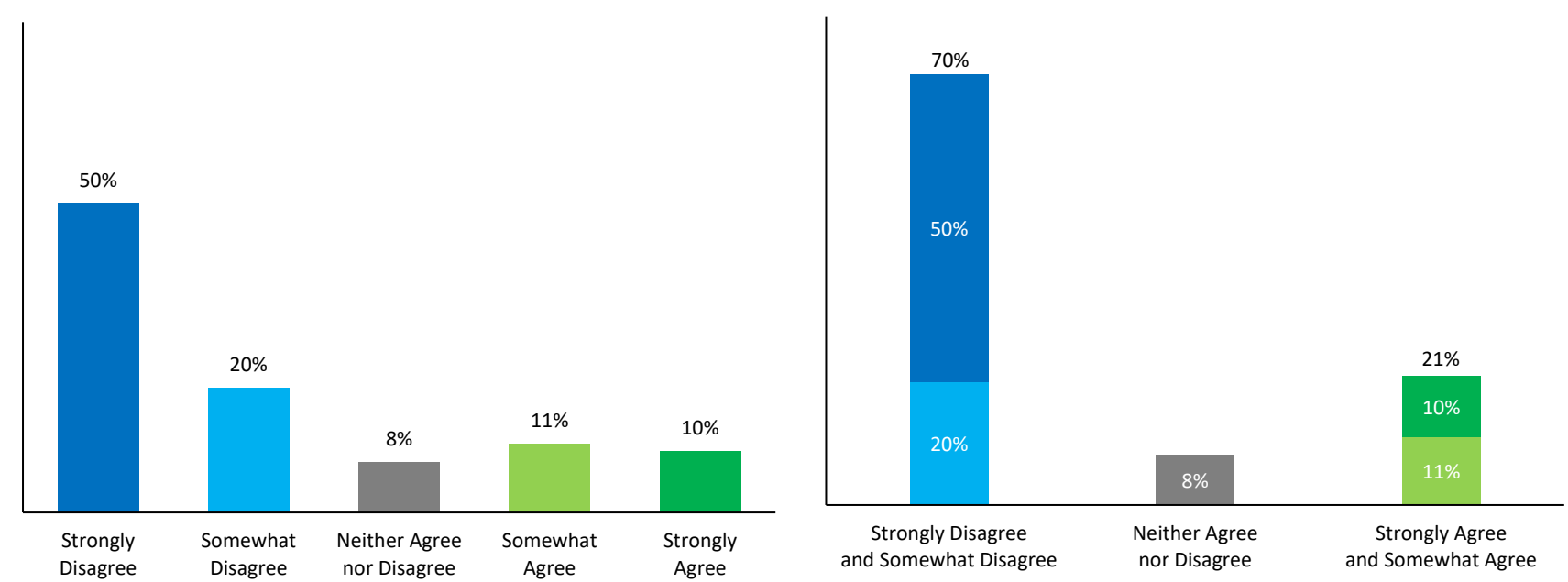
Exhibit 9 queries respondents on whether a voluntary, and potentially variable, reporting frequency regime should be adopted. We asked this question as it is commonly argued that even if the SEC reduces the required reporting frequency, companies should be free to voluntarily report on a quarterly basis. This question sets up questions later in the survey where we explore aspects of a voluntary quarterly regime.

This question elicited some of the highest levels of support across our entire survey, including 71% of respondents strongly agreeing (i.e., very high conviction). This suggests strong support for the ability to obtain quarterly information regardless of the required frequency. A small percentage of respondents (13%) disagreed because, [as comments suggest](#), they [may](#) desire a uniform reporting frequency [and or](#) believe that voluntary quarterly reporting would not achieve the goal of reducing “short-termism” by company management and investors.

Exhibit 10: Majority Does Not Support Issuer Choice of Reporting Frequency

Rather than impose a mandate, the SEC should give companies flexibility to elect their desired reporting frequency (e.g., quarterly, semiannually or annually).

n = 2,530



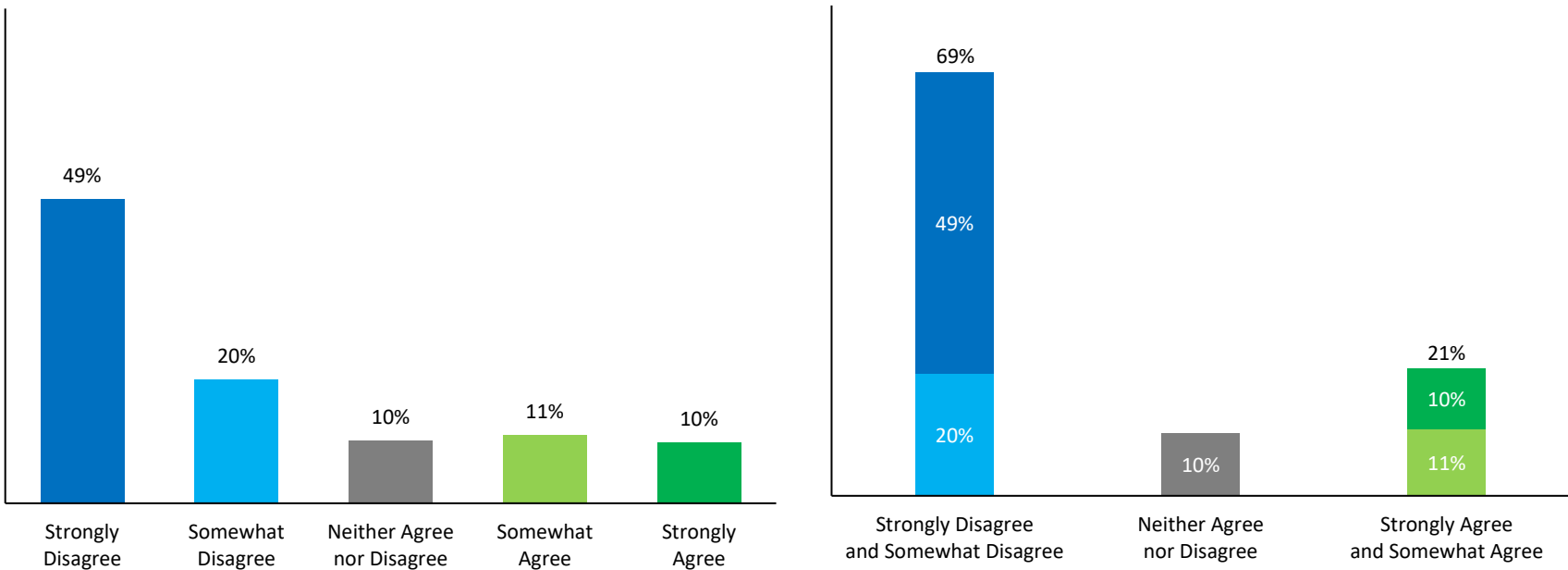
We asked this question because the SEC has expressed interest in providing choice of reporting frequency. In the words of SEC Chairman Atkins in his Financial Times Op-Ed discussed in the Background section earlier, the SEC should “allow the market to dictate the optimal reporting frequency based on factors such as the company’s industry, size and investor expectation.”

Support for replacing a mandate with issuer choice of reporting frequency was low, as **Exhibit 10** shows, with just 21% support and ~~over~~ 70% disagreement with much of that (~~over~~ 50%) strongly disagreeing. The lack of support for flexibility was consistent with our 2019 survey, where we found only 21% support.³¹

³¹ Chart 21 in [Quarterly Reporting Survey 2019](#).

Exhibit 11: Majority Does Not Support Issuer Choice in Changing Reporting Frequency

The SEC should permit companies to change their reporting frequency (i.e., move from quarterly to semiannual and vice versa).
n = 2,529



We asked this question since the SEC had expressed interest in giving companies the option to elect either a quarterly or semiannual reporting frequency. If an election can be made, can companies change their mind, or is it one-and-done? **Exhibit 11** shows that there is low support (21%) for giving companies the option to change their reporting frequency. This is consistent with our 2019 survey, where we found only 25% support.³² Commenters shared a desire to avoid complexity with variable reporting frequencies across the companies they cover – this sentiment was expressed by commenters who support quarterly *and* those who support semiannual reporting.

³² Chart 21 in [Quarterly Reporting Survey 2019](#).

3. THEMES AND OBSERVATIONS FROM COMMENTS ON FREQUENCY OF FINANCIAL REPORTING

We received 722 comments from respondents in the comment box on the frequency of financial reporting questions.

Many comments centered around themes of support for retaining current quarterly reporting requirements, support for a change to semiannual reporting (including optionality in reporting frequency), or support for a single reporting frequency across companies. Below we provide representative comments organized by these themes. The text beside each bullet point is a separate comment and commenter. For all comments received from respondents, see **Appendix B**.

Support For Quarterly Reporting

- *Although the argument for lengthening reporting frequency and against “short-termism” has its merits, **I believe the United States should maintain the current quarterly reporting system.** Incremental information **allows markets to price securities more efficiently.** Additionally, **less frequent disclosure could increase the incentive for market participants to seek material nonpublic information (MNPI),** further undermining investor trust. As an equity analyst, **I strongly oppose any SEC change that could heighten market volatility or weaken confidence in public markets.***
- ***I strongly encourage the SEC to maintain quarterly reporting.** As an experienced investor in Australia and in international markets it is **my view that semiannual reporting encourages and permits inside information by fund managers** (Australian Small Cap managers are blatant) and insiders. Particularly as an offshore investor, we value quarterly reporting as it reduces the risk we are missing out on “talk” on the street or information local investors are privy to. **I strongly oppose this proposed move by the SEC.***
- ***I have been a successful fund manager for over 25 years. I manage a global fund. For some European stocks we only get semiannual reports (and trading updates), which makes it much harder to analyze results.** Also, it makes discussions with management teams worse. Lastly, **companies active in these regions like France or the UK have clearly not performed better than their US peers.***
- ***While I appreciate Mr. Trump's comments about having long-term goals, I do not think that quarterly reports defeat this purpose.** They are a mere update on the progress being done towards achieving those long-term goals. I do agree that sometimes these frequent updates can result in unnecessary noise, however I think that they are a net positive for investors.*
- ***Quarterly reporting is even more important in today's technology driven market.** The factors in the valuation move too quickly and are too dynamic and quarterly reporting helps analysts to better gauge the future trajectory of revenue drivers. With so much of the stock market now weighed toward the MegaCap technology stocks, **we need as much clarity and information symmetry as possible.***
- ***While quarterly reporting can be more tedious and resource-intensive for smaller firms, I would argue that these companies should remain subject to higher levels of disclosure. Smaller firms are often overlooked by analysts,** which already leads to periods of price dislocation. If reporting were reduced to a semi-annual basis, **these firms would experience even longer periods of mispricing, ultimately harming market efficiency and investors.***

- **Information is key for financial market price transparency.** When companies are not reporting results, meeting with management and being on top of executives brings an extra layer of information vs the rest of the market. **This creates many problems as material non-public information starts to be priced in stocks every day. Transparency and public filings are key to a better market dynamic.** Without companies periodically informing results volatility will increase.

Support For Semiannual Reporting or Optionality Between Semiannual and Quarterly

The comments in support of semiannual reporting largely echo the arguments made in the Long-Term Stock Exchange's petition to the SEC discussed in the Background section earlier.

- **Quarterly reporting of earnings has unfortunately, more often than not, created a short-term operational and trader focus by management and investors** rather than encouraging a long-term ownership mentality. Management would be provided more flexibility to pursue long-term strategic initiatives if quarterly reporting became optional. It would also reduce the tendency for investors to act like traders rather than owners. **By making quarterly reporting optional, management would be empowered to use their discretion in choosing the frequency they wish to communicate financial results** to their owners and allow the market to more effectively evaluate and either reward or punish management business strategic, operational and communication results. Choice in reporting frequency would empower management to report in a manner they deem best for increasing long-term shareholder intrinsic value.
- **I think that companies with a healthy financial position (low leverage, good trends...) and well positioned could report semiannually but other companies may experience deterioration and semiannual reporting may hide their situation during that period of time.**
- **I think giving companies the option to issue interim reports on either a quarterly or semiannual basis makes sense.** I suspect that most large companies will choose to continue quarterly reporting, while many small companies will opt for semiannual reporting. That said, companies should be encouraged (and perhaps required) to report material changes in their financial performance or outlook as they occur on Form 8-K. **I believe that companies should have some flexibility to change from quarterly to semiannual or visa-versa, but they should only be allowed to do so once every two or three years** (to avoid any potential repeated switching back and forth). **Companies that choose semiannual reporting should be encouraged to provide greater detail (perhaps something akin to 10-K disclosures, rather than the typically limited disclosures contained in 10-Qs).** The SEC should also consider requiring some type of assurance for six month interim reports, if not a complete audit, then at least a review with a letter from the auditor. I do not believe that the SEC should permit companies to eliminate interim reports entirely (in favor of annual filings only).
- **I work in sell-side equity research and have many friends that are on the buy-side. I can honestly say that quarterly reporting is a massive burden for both sell-side analysts and buy-side investors.**

Between preview season, earnings season, and recap season, there is barely any time left in a given quarter for conferences, roadshows, and true fundamental analysis. Additionally, smaller sell-side firms (like the ones I worked at early in my career) don't have enough staff per team to properly deal with quarterly earnings, meaning that you have four seasons per year where team members are working 14 or even 18-hour days. While the hedge fund industry generates a lot of

profit during earnings season, a friend of mine at a hedge fund strongly believes he could find sources of profit elsewhere if companies moved to semiannual reporting. WE NEED GOVERNMENT TO FORCE THIS CHANGE.

Support For Single Reporting Frequency Across Companies

- *Any requirement should be mandatory for all the issuers, otherwise **it could end up being a mess.***
- ***Creating an option for 3M vs. 6M reporting would cause too much uncertainty. Allowing a company to switch from 3M to 6M, and back again, would create too much reporting volatility,** and potentially create bad incentives for company management. I think there is a somewhat moderate argument to allow smaller companies (based on revenue or market cap), or those recently IPOed, to perhaps permit a 6M frequency to reduce reporting expenses to allow management to concentrate on the business. A counter argument to that is that the company should just stay private, if they dislike 3M reporting.*
- ***Different rules in reporting requirements for different companies** would introduce additional **mess for investors.** No one would know which company follows which rules.*
- ***Equal reporting requirements allow for effective comparisons between companies, industries and sectors.** I prefer quarterly reporting as it provides a clearer picture of the intra year progress of the company.*
- *Every 6 months makes the most sense. Have to mandate it across the board if there is a change.*
- *Giving companies **options between every quarter vs semiannual strikes me as cumbersome and potentially problematic. It should be all or none.***
- *I am biased towards consistency of reporting requirements. Less than quarterly reporting would benefit smaller companies more than larger ones, but **having too much of a mix and allowing companies to change would create a messy environment and encourage companies to manipulate reporting rather than focusing on long-term goals.***
- ***I believe the best approach is a uniform requirement across all companies.** Companies can report more frequently if they would like. However semiannual is the bare minimum.*
- *I strongly agree for companies to move to 6-month reporting rather than a quarterly reporting. The quarterly reporting makes noise, makes analysts/management forget about the LT and makes people more concerned about ST movements rather than LT fundamentals, which should be the real focus. And **this should be imperative for all companies, otherwise each will do whatever they want and will not create a consistent and beneficial structure for the whole investment community.***

B. FORM OF REPORTING: FORM FOR REQUIRED SEMIANNUAL REPORTING

1. SUMMARY

After asking about the frequency of financial reporting, we asked respondents 2 questions – and provided the opportunity for comments – on the form or presentation of interim financial reporting and its scope, should the SEC switch to semiannual reporting.

Specifically, we asked whether issuers should use the existing Form 10-Q or whether the SEC should introduce a new Form 10-S. We then asked if the amount of information required on a new form should differ from what is required on Form 10-Q. These questions were aimed at getting respondents to think more in depth about how a change in reporting frequency would be operationalized.

In summary, as shown in **Exhibit 12**, we found that a slight majority (52%) of respondents support a new Form 10-S while a significant minority (36%) are neutral on the question and a small (13%) percentage support semiannual reporting on the same Form 10-Q.

Half of respondents (50%) want more extensive information on a new Form 10-S while a significant minority (39%) believe the SEC should require the same amount of information as the current Form 10-Q, with only a very small minority (3%) wanting less information.

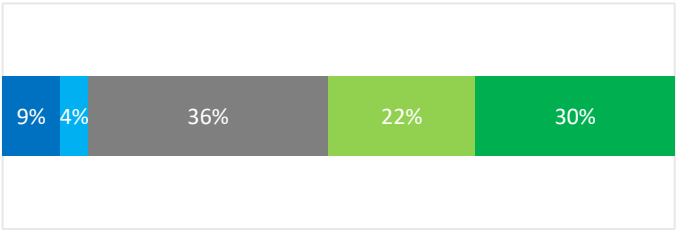
Interestingly, results for both questions differed materially by region – APAC respondents diverged with both Americas and EMEA respondents (63% vs. ~50%) with a stronger preference for a new semiannual reporting form from the SEC. In a similar vein, a greater percentage of APAC respondents compared to Americas and EMEA respondents (60% vs. ~54%) indicated that they would support more extensive semiannual reporting requirements than those for the current Form 10-Q.

Note that neither of these questions were asked in our 2019 survey so we do not make comparisons to our prior survey.

Exhibit 12: Mixed Investor Views on Form of Semiannual Reporting and its Scope

Slight Majority of Respondents Agree that New Form Should Be Introduced if Semiannual Reporting is Required

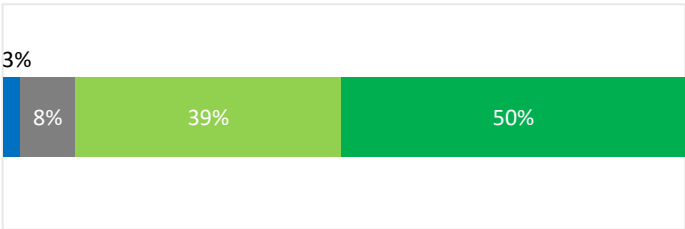
If the SEC requires semiannual reporting...The SEC should introduce a new form (e.g., Form 10-S) for companies to file. ~~n = 2,416~~. (Exhibit 13 & 14) n = 2,416



■ Strongly Disagree ■ Somewhat Disagree ■ Neither Disagree nor Agree ■ Somewhat Agree ■ Strongly Agree

Slight Majority Agrees that Scope of Semiannual Report, if Adopted, Should be Wider than Current Quarterly Report

If the SEC requires semiannual reporting...The nature and type of information required on that new form should be _____ currently required on the Form 10-Q filing. (Exhibit 15 & 16) n = 2,419. ~~Slight Majority Agrees that Scope of~~

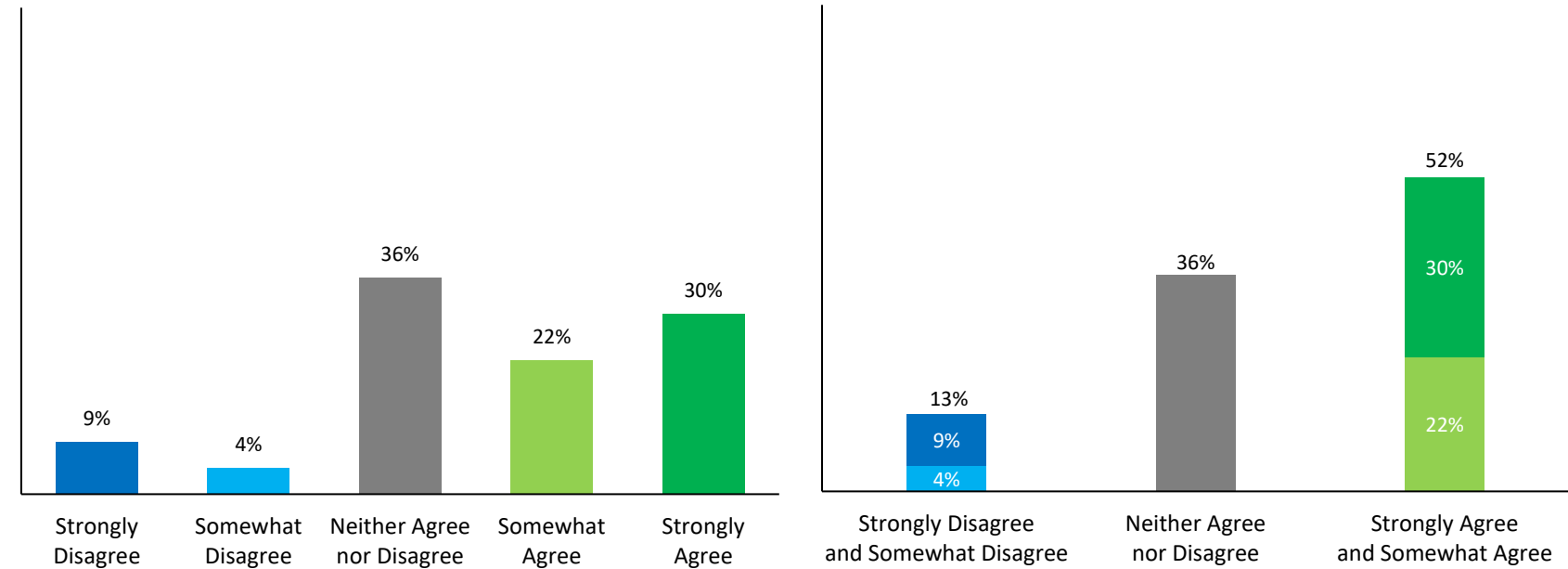


■ Less Extensive Than ■ Not Sure ■ The Same As ■ More Extensive Than

2. CHARTS OF SURVEY QUESTIONS AND RESULTS

Exhibit 13: Slight Majority of Respondents Agree that New Form Should Be Introduced if Semiannual Reporting is Required

If the SEC requires semiannual reporting...The SEC should introduce a new form (e.g., Form 10-S) for companies to file.
n = 2,416

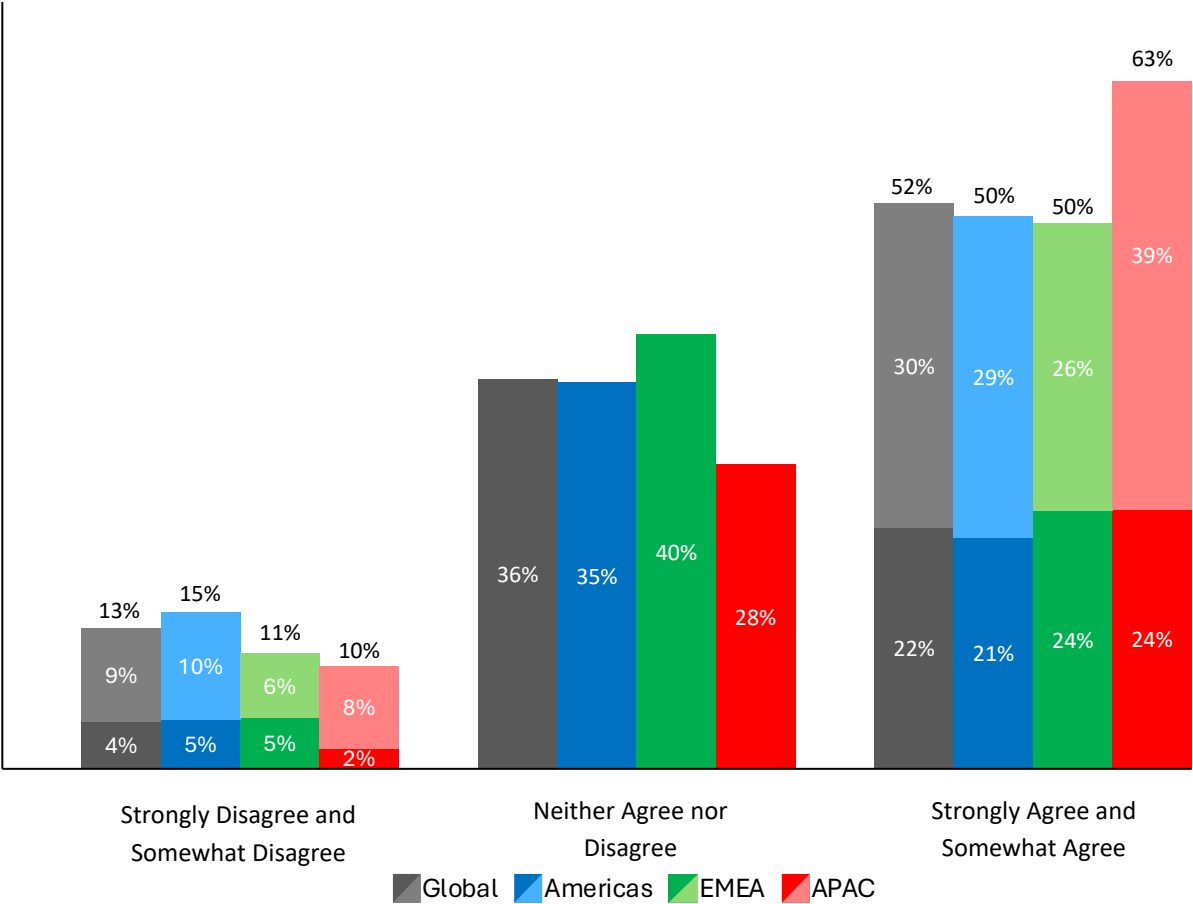


This question is aimed at better understanding [investor respondents'](#) expectations regarding how different semiannual reporting should look relative to quarterly reporting if the SEC changes its requirements. The Long-Term Stock Exchange's petition to the SEC discussed in the Background section suggested that Form 10-Q should remain, with issuers simply being able to file that form on a semiannual basis.

As **Exhibit 13** shows, [investors respondents](#) generally don't share that view, with a slight majority of respondents (nearly 52%) agreeing that a new form should be introduced. A large plurality (36%) were neutral on the introduction of a new form. That said, the regional results differed materially from the global results for this question, so we present the regional results in the following exhibit.

Exhibit 14: Slight Majority of Respondents Agree that New Form Should Be Introduced if Semiannual Reporting is Required (Regional)

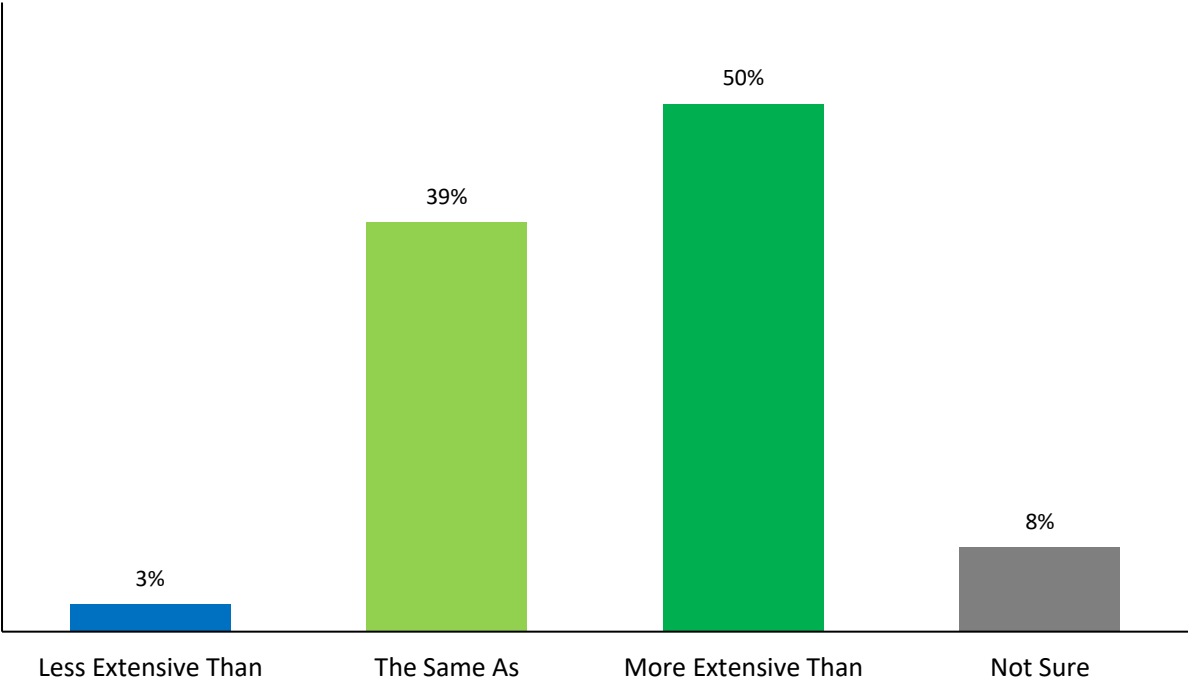
If the SEC requires semiannual reporting...The SEC should introduce a new form (e.g., Form 10-S) for companies to file.
n = 2,416



In **Exhibit 14**, approximately 10 percent more respondents in APAC – as compared to respondents in the Americas – “strongly agreed” that a new Form 10-S should be introduced. The offsetting difference was a similarly lower percent of APAC respondents indicating they “neither agree nor disagree.” Significantly more respondents in APAC region were interested in seeing a new semiannual form by the SEC, which aligns with how respondents in this region responded to the next question on the nature and extent of the information required on the new form.

Exhibit 15: Slight Majority Agrees that Scope of Semiannual Report, if Adopted, Should be Wider than Current Quarterly Report

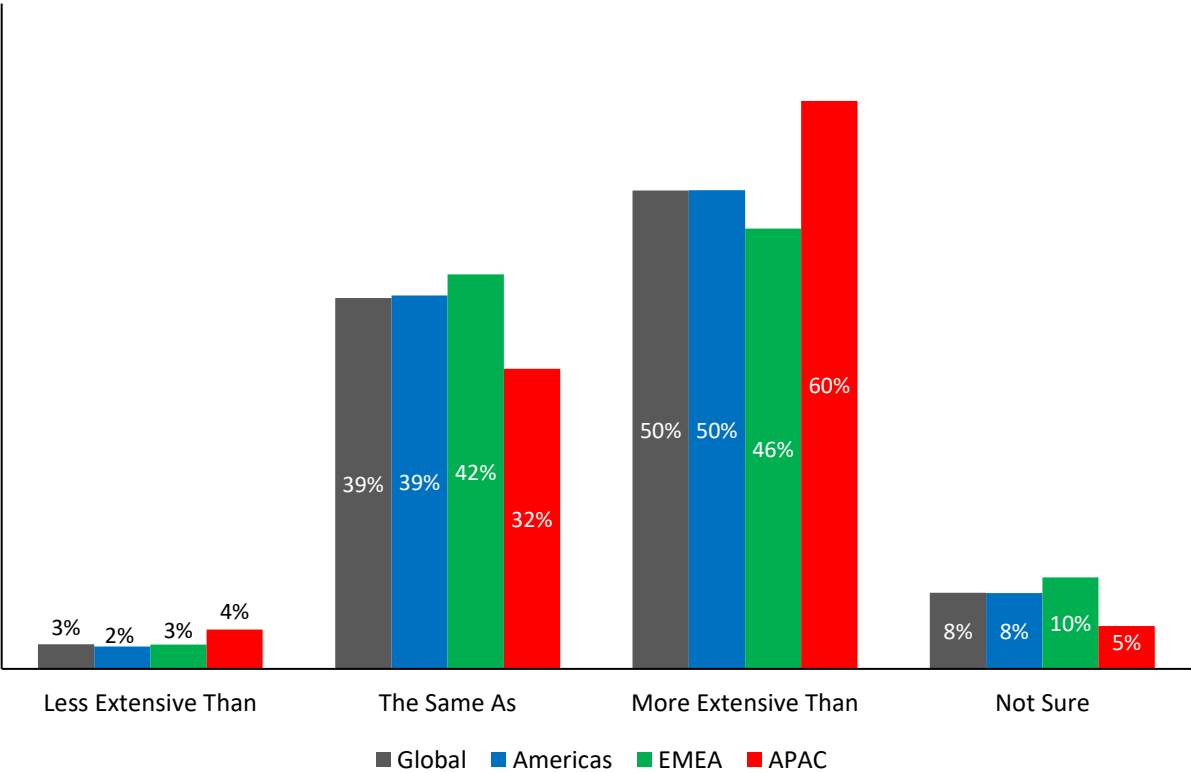
If the SEC requires semiannual reporting...The nature and type of information required on that new form should be _____ currently required on the Form 10-Q filing.
n = 2,419



A slight majority (50.4%) of respondents agree that a semiannual report, if adopted, should include *more* extensive information than what is currently required in Form 10-Q, to compensate for reduced frequency (**Exhibit 15**). Some respondents in the comments indicated that a semiannual report ought to include audited (higher level of assurance than reviewed) interim financial statements and more extensive management discussion & analysis than current Form 10-Qs. Other respondents, who support semiannual reporting, indicated that such an approach would defeat one of the reasons for reducing reporting frequency, which is to save management time on reporting. The regional results differed materially from the global results for this question, so we present the regional results in the following exhibit.

Exhibit 16: Slight Majority Agrees that Scope of Semiannual Report, if Adopted, Should be Wider than Current Quarterly Report (Regional)

If the SEC requires semiannual reporting...The nature and type of information required on that new form should be _____ currently required on the Form 10-Q filing.
n = 2,419



In **Exhibit 16**, approximately 10 percent more respondents in APAC – as compared to respondents in the Americas – indicated they want “more extensive” information in a Form 10-S than in a Form 10-Q. This difference is offset by a similarly lower percent of APAC respondents indicating they want “the same” amount of information. This aligns with the higher percentage of APAC respondents who sought a new semiannual reporting form from the SEC in **Exhibit 14**.

3. THEMES AND OBSERVATIONS FROM COMMENTS ON FORM OF INTERIM REPORTING

We received 177 comments from respondents in the comment box on the form of interim reporting questions.

Most comments expressed support for one of the positions in **Exhibit 15**: whether semiannual reporting should require more, less, or the same amount of information as required under current quarterly reporting requirements (i.e., compensating for lower reporting frequency).

Below we provide representative comments by these themes in order of their frequency.

The text beside each bullet point is a separate comment and commenter. For all comments received from respondents, see **Appendix B**.

Support For More Extensive Semiannual Reporting Than Form 10-Q

- *If the United States were to **move to semiannual financial reporting**, it **should be paired with more detailed disclosure requirements to preserve the transparency** that underpins investor confidence. Less frequent reporting inherently increases information gaps and uncertainty; richer, more granular disclosures would help offset that loss by giving investors the context needed to assess performance, risks, and capital allocation between reporting periods. **Enhanced detail would maintain market discipline, reduce the risk of surprise-driven volatility, and ensure that shareholders are not asked to trade timeliness for opacity**. In effect, **deeper disclosures would be the minimum safeguard necessary** to keep U.S. markets credible, efficient, and competitive under a less frequent reporting regime.*
- ***Full set of financial statements, an expanded management commentary & operational analysis**, while quarterly reports typically receive a limited "review," **a semiannual report should ideally receive an "interim audit" or at least an expanded review** with greater evidence-gathering procedures. **The auditor's report would need to be included**, providing a higher level of assurance than the standard "negative assurance" of a review. The additional information required is not merely more data, but **richer, more analytical, and more forward-looking data**, backed by a stronger level of managerial and auditor assurance.*

Support For Semiannual Reporting That Has the Same Requirements as Form 10-Q

- ***Less frequent reporting should follow current reporting requirements**. The detail and burden of reporting should not become more onerous while not becoming so brief that investors would be deprived of material information to evaluate financial results and material corporate events.*
- *If the SEC approves a change to semi annual reporting one of the purposes of which is to reduce the overhead burden on public companies. **It would be counterproductive to require substantially more information which would increase the cost of producing said statement**.*

Support For Less Extensive Semiannual Reporting Than Form 10-Q

- *If the SEC adopts semiannual reporting, **any new form should be streamlined and focused on material changes**, with core financial statements preserved **but reduced narrative and boilerplate**. **Robust and timely Form 8-K disclosures would be essential** to mitigate increased information asymmetry between reporting periods.*



- *The reporting nature of companies including all the risk factors are too voluminous. As a result, investors skim through the 10Ks and 10Qs. The information should be provided online where they have access to risk factors. But also, **in terms of reporting, management should provide details that are relevant to changing nature of the companies.***

C. FORM OF REPORTING: EARNINGS RELEASES VS. QUARTERLY REPORTS

1. SUMMARY

We next turned to questions on whether [investors respondents](#) prefer the form of interim reporting to be accomplished via earnings releases or quarterly reports on Form 10-Q, and [investors' respondents'](#) views on each of these types of interim reports. We posed these 13 questions for two reasons:

- **Subject of 2019 SEC Consultation** – During the SEC’s last effort to modify quarterly reporting requirements, this debate (quarterly reports vs. earnings releases) was a main thrust of the SEC’s [2019 Request for Comment](#), as discussed in the Background section. In that consultation, the SEC asked stakeholders whether earnings releases could replace Form 10-Qs or serve to satisfy most of their requirements such that the Form 10-Q could be used ~~to~~ as a “supplement” to the earnings release for any remaining reporting obligations. This approach was not supported by investors at that time, but it is possible that this approach re-emerges in SEC rulemaking.
- **Informs Voluntary Quarterly Reporting Process, Should SEC Move to Mandatory Semiannual Reporting** – If the SEC moves to semiannual reporting – but permits quarterly reporting as an option – it faces the question of how it should regulate voluntary quarterly reporting, if at all. Should it keep and require Form 10-Q filings or should quarterly reporting be done through an earnings release (more akin to jurisdictions such as the UK and Europe)? Should the SEC mandate or should issuers be allowed to choose how they voluntarily report on a quarterly basis? In the next section we pose more specific questions related to voluntary quarterly reporting, but this section facilitates those questions by asking respondents to think about the differences and value of the dual earnings release and Form 10-Q system as it exists today.

Before we proceeded with this series of questions, we provided respondents with the background chart shown in **Exhibit 17** below, which contrasts key features of earnings releases and Form 10-Q filings.

Exhibit 17: Earnings Releases vs. Quarterly Reports on Form 10-Q

	Earnings Release	Form 10-Q
Timing	Varies by company.	40 days after fiscal quarter end, 45 days after for smaller companies.
Form and Content	Ad hoc, decided by management. Non-GAAP financial measures must be reconciled to their nearest GAAP equivalent.	Prescribed by the SEC. Includes interim financial statements and notes. Includes management discussion and analysis (MD&A) of the quarterly and year-to-date results and updates from the last annual report (Form 10-K) on liquidity, legal contingencies, risk and uncertainties and critical accounting estimates. Presentation of Non-GAAP financial measures limited.
Independent Assurance	None.	Financial statements, including notes, are reviewed by auditor. Other information within the filing (e.g., MD&A) is read by auditor for any inconsistencies with the reviewed financial statements.
Management Liability and Certifications	Earnings releases are generally “furnished” not “filed” with the SEC Furnished documents are not subject to Section 18 of the Exchange Act, a liability provision that applies to filed documents. Anti-fraud provisions in SEC Rule 10b-5 remain applicable.	Form 10-Q is considered a “filed” document and subject to the liability provisions of Section 18 of the Exchange Act, with the exception of the attached unaudited financial statements. Anti-fraud provisions in SEC Rule 10b-5 are applicable. Management certifications per Sections 302 (accuracy and fair presentation of financial statements) and 906 (compliance with SEC regulations) of the Sarbanes–Oxley Act are required.

Exhibit 18 summarizes the results from the thirteen questions we asked about earnings releases vs. Form 10-Q filings. Below we highlight the key findings relative to the nature of the content, timing and the usefulness and importance of these documents. Three questions had regional differences.

Content

- A majority (66%) of respondents agreed that meaningful differences exist in the information provided to investors in earnings releases as compared to Form 10-Q filings.
- A significant majority (74%) agreed that earnings releases included more non-GAAP measures than Form 10-Q filings that can present a more positive management perspective on a company's results.

Timing

- [Respondents](#) ~~investors~~ [strongly broadly](#) believe (79%) that earnings releases are heavily relied upon by investors because they are released first. In Americas the agreement was higher at 81%.
- A small majority (58%) of respondents agree that Form 10-Q filings and earnings releases should be provided simultaneously.

Usefulness and Importance

- Only a minority (345%) ~~of investors~~ agreed that earnings releases are more heavily relied upon by investors than Form 10-Q filings because the information they contain is more useful. APAC had a higher level of agreement (445%).
- A slightly larger minority (43%) of respondents agreed that Form 10-Q filings are more important than earnings releases.
- However, a significant majority agreed that Form 10-Q filings are more useful or important to investors relative to earnings releases because they:
 - include incremental financial statement disclosures and MD&A (77%);
 - provide a structured information set that follows accounting standards and regulatory guidelines (74%); and
 - have, at times, impacted or changed my views about a company (69%).

Certification by Management and Review by Auditors

- A majority (56%) see Form 10-Qs as more important to investors than earnings releases because they are certified by the CEO and CFO of the company and subject to greater legal liability.
- A more significant majority (68%) of respondents agreed that Form 10-Q filings are very important to investors because they are reviewed by the company's auditors. But only a minority (49%) believe that auditors should review earnings releases and provide the same level of assurance on them as is done on Form 10-Q filings.

Retention of Form 10-Q

- There was very strong disagreement (78%) that the Form 10-Q should be abandoned, with even higher disagreement in the Americas (83%).

Collectively, these findings [communicate that investors see suggest](#) meaningful differences between earnings releases and Form 10-Q filings [from respondents' perspectives](#). The relevance and usefulness of the earnings release is heavily driven by its timing (generally released first) along with the freedom and

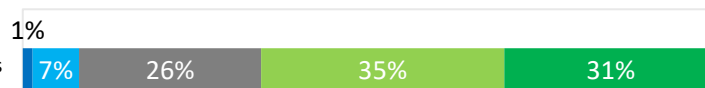
flexibility to report “through the eyes of management,” which often includes non-GAAP measures. This is likely why ~~investors~~ many respondents don’t support auditors’ involvement with earnings releases as ~~investors~~ they don’t want auditors to hinder management’s candor. A significant majority of respondents see the value the Form 10-Q because of its more robust, structured content, the involvement of the company’s auditors and the management certifications. There was very high disagreement that the Form 10-Q should be abandoned, with many respondents’ comments indicating that the rigor and liability of the Form 10-Q increases investor trust in the earnings release.

The bottom line from these series of questions is that ~~most~~ many investors respondents view earnings releases and 10-Qs as complements, not substitutes, and they want both.

Exhibit 18: ~~Investors~~ Respondents See Earnings Releases and 10-Qs as Distinct, Useful, and Complementary

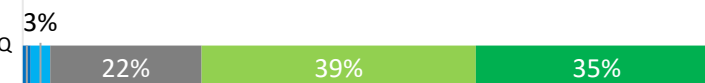
Earnings Releases Have Meaningful Differences from Form 10-Qs

Meaningful differences exist in the information provided in earnings releases versus information provided in Form 10-Q filings. (Exhibit 19) n = 1,811



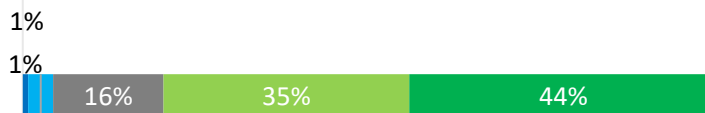
Earnings Releases Include More Non-GAAP Measures

Earnings releases generally include more non-GAAP measures than Form 10-Q filings, which can present a more positive management perspective on a company's results. (Exhibit 20) n = 1,811



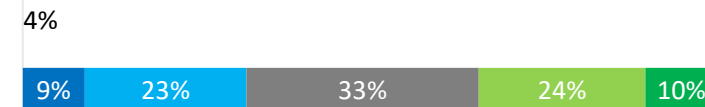
Earnings Releases Are More Heavily Relied Upon Because Released First

Earnings releases are heavily relied upon by investors because they are released first. ~~n = 1,802~~ (Exhibit 21 & 22) n = 1,802



Earnings Releases Not More Useful than Form 10-Qs

Earnings releases are more heavily relied upon by investors than Form 10-Q filings because the information they contain is more useful. ~~n = 1,792~~ (Exhibit 23 & 24) n = 1,792



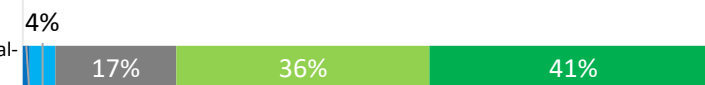
But Form 10-Qs Not Necessarily More Important Than Earnings Releases

Form 10-Q filings are more important to investors than earnings releases. (Exhibit 25) n = 1,793



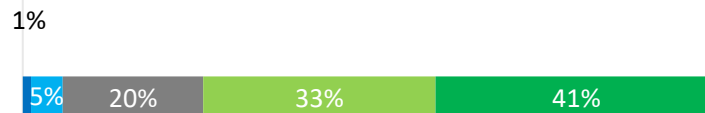
Form 10-Qs Include Important, Incremental Information

Form 10-Q filings are important to investors because they include incremental relative to earnings releases – MD&A and financial statement disclosures. (Exhibit 26) n = 1,790.



~~Investors See~~ Value in the Form 10-Q's Structured Approach

Form 10-Q filings are more useful to investors because they provide a structured information set that follows accounting standards and regulatory guidelines. (Exhibit 27) n = 1,786



Incremental Form 10-Q Information Can Affect Decision-Making

Form 10-Q filings include incremental information – as compared to the information in an earnings release – that has, at times, impacted or changed my views about a company. (Exhibit 28) n = 1,780



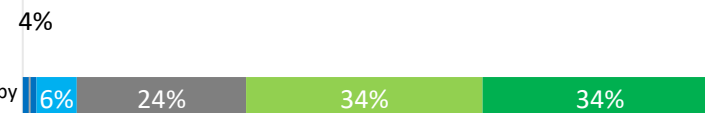
Management Certifications of Form 10-Q Offer Some Investor Comfort

Form 10-Q filings are more important to investors than earnings releases because they are certified by the CEO and CFO of the company and subject to greater legal liability. (Exhibit 29) n = 1,780



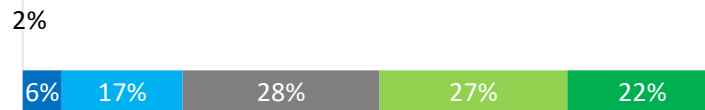
~~Investors Value~~ in Review of Form 10-Q by Auditors

Form 10-Q filings are very important to investors because they are reviewed by the company's auditors. (Exhibit 30) n = 1,772.



Less Than Majority Support for Auditor Review of Earnings Release

Auditors should review earnings releases and provide the same level of assurance on them as they do on Form 10-Q filings. (Exhibit 31) n = 1,776.



Strong Support for Retaining Form 10-Q, Not Replacing with Earnings Release

Form 10-Q filings should be abandoned in favor of companies providing only earnings releases. (Exhibit 32 & 33) n = 1,768.



Slight Majority Support for Simultaneous Form 10-Q and Earnings Releases

Form 10-Q filings and earnings releases should be provided simultaneously. (Exhibit 34) n = 1,759.

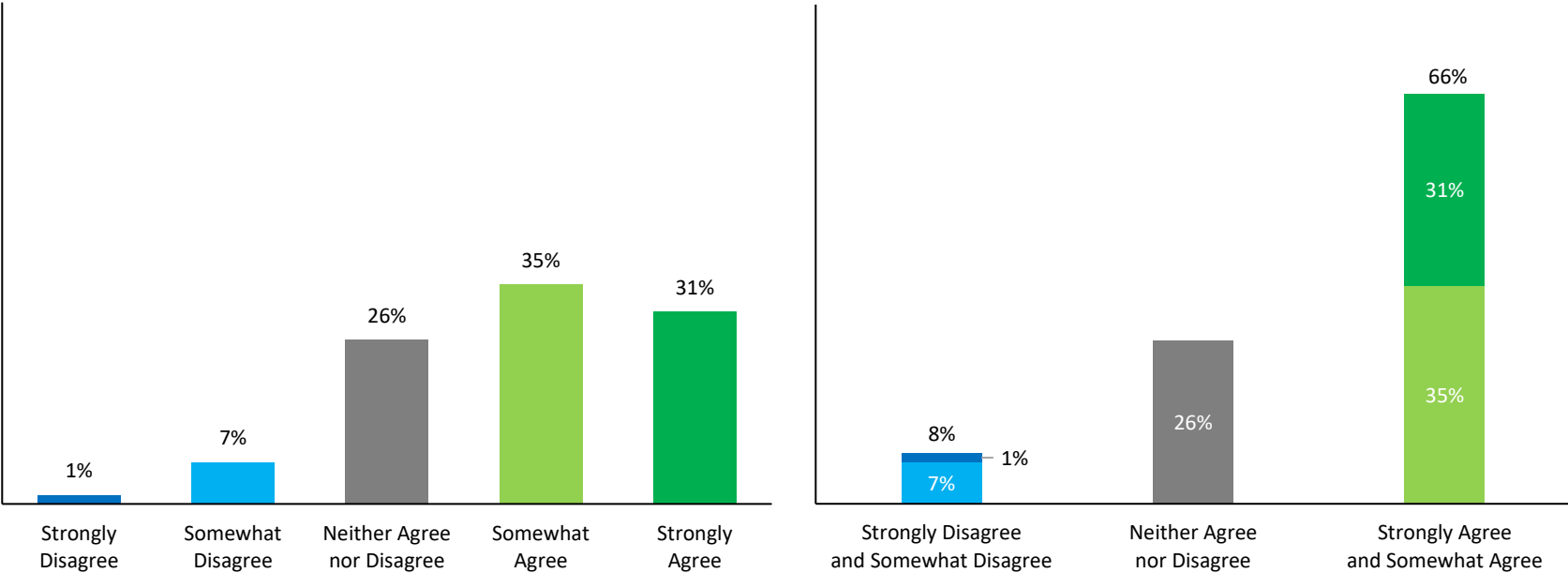


■ Strongly Disagree ■ Somewhat Disagree ■ Neither Disagree nor Agree ■ Somewhat Agree ■ Strongly Agree

2. CHARTS OF SURVEY QUESTIONS AND RESULTS

Exhibit 19: Earnings Releases Have Meaningful Differences from Form 10-Qs

Meaningful differences exist in the information provided in earnings releases versus information provided in Form 10-Q filings.
n = 1,811



The question posed in **Exhibit 19** was asked to better understand if [investors respondents](#) view the information in earnings releases and Form 10-Q filings differently.³³ We found a high level of agreement ([almost 66%](#)) that [investors respondents](#) see meaningful differences between earnings releases and Form 10-Q filings. This was similar to what we found (62%) in our 2019 survey.³⁴ Also consistent with the 2019 survey (23%), in the current survey the percentage of respondents (26%) who selected “neither agree nor disagree” was moderately high. There was low disagreement with this statement in both surveys.

³³ The question posed in our survey is similar to question 5 in the SEC’s [2018-2019 Request for Comment on Earnings Releases and Quarterly Reports](#).

³⁴ Chart 1 in [Quarterly Reporting Survey 2019](#).

Exhibit 20: Earnings Releases Include More Non-GAAP Measures

Earnings releases generally include more non-GAAP measures than Form 10-Q filings, which can present a more positive management perspective on a company’s results.

n = 1,811

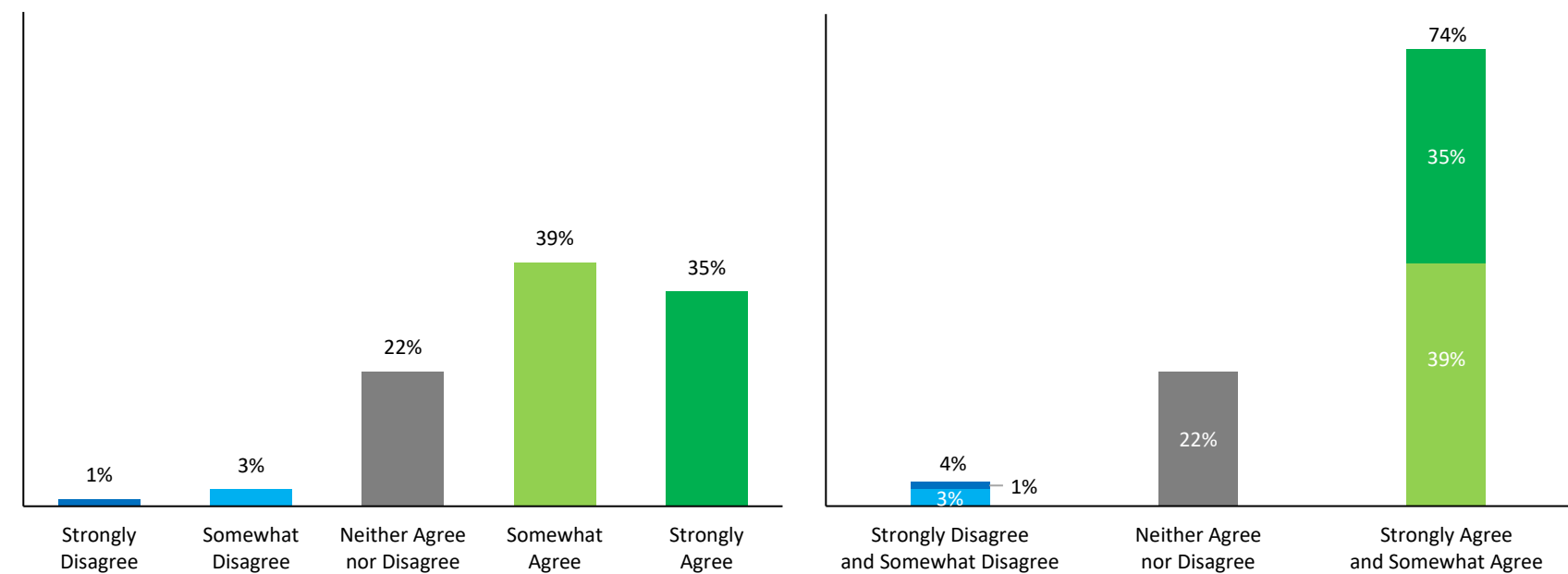


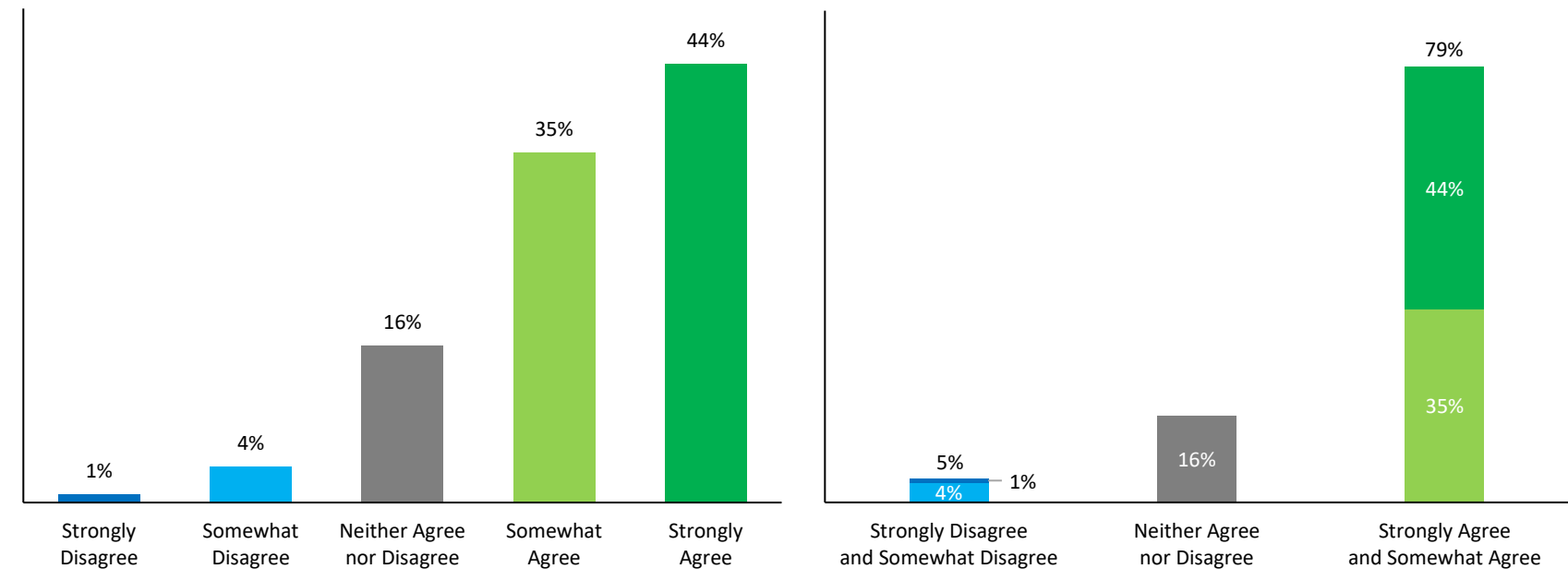
Exhibit 20 reflects the response to a question regarding one of the most common perceptions about earnings releases – that they include more non-GAAP measures that more positively convey results – as compared to Form 10-Qs that are more structured, highly regulated and have greater legal liability. There was widespread agreement (74%) among respondents that earnings releases contain more non-GAAP measures that more positively convey company results than Form 10-Q. This result was similar to what we found in our 2019 survey (76%).³⁵ This highlights a challenge investors may have with an earnings release-only interim reporting process under voluntary quarterly reporting.

³⁵ Chart 2 in [Quarterly Reporting Survey 2019](#).

Exhibit 21: Earnings Releases Are More Heavily Relied Upon Because ~~They Are~~ Released First

Earnings releases are heavily relied upon by investors because they are released first.

n = 1,802



A common belief is that earnings releases are more important than Form 10-Qs because earnings releases often move the market, not Form 10-Q filings. The questions in **Exhibit 21** and **Exhibit 23**, ask – respectively – whether earnings releases are more heavily relied upon because they’re released first *or* because the information they contain is more useful.

As **Exhibit 21** shows, there was very high level of agreement (79%) that earnings releases are heavily relied upon because they are released first. This is a similar level of agreement to what we found in our 2019 survey (84%).³⁶

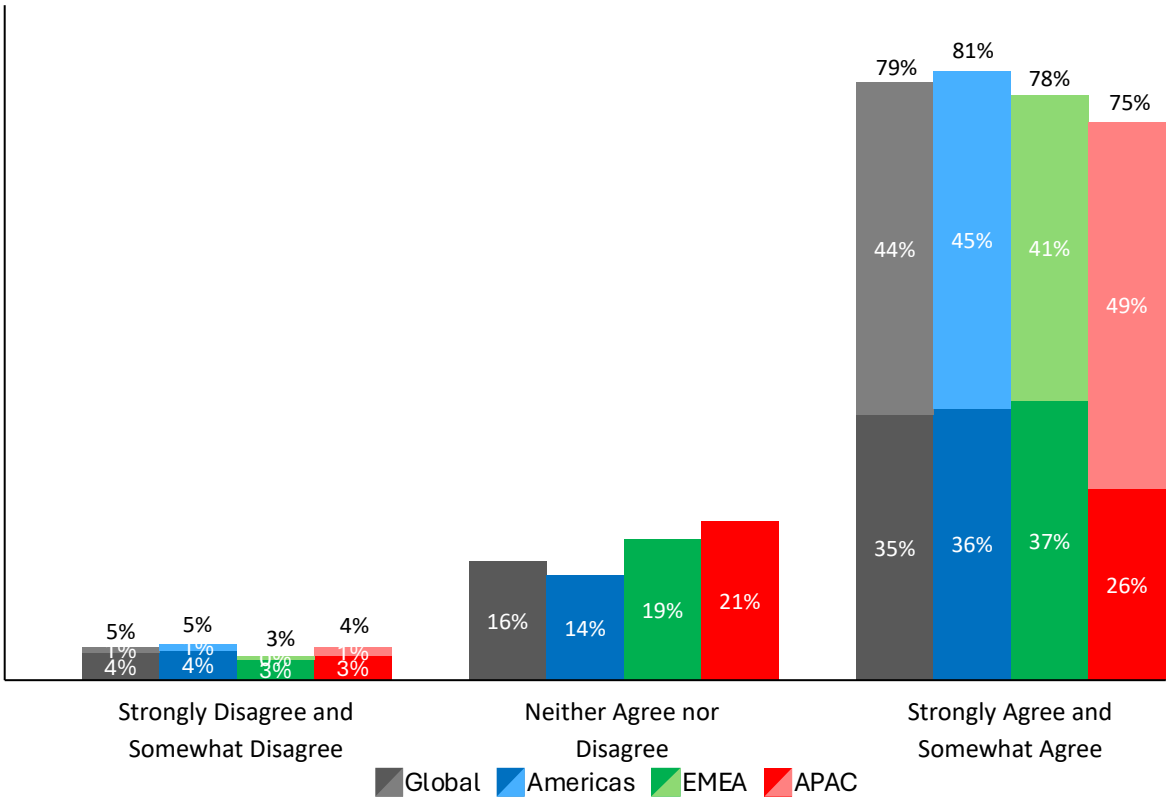
The regional results differed materially from the global results, so we present the regional results in the next exhibit.

³⁶ Chart 1 in [Quarterly Reporting Survey 2019](#).

Exhibit 22: Earnings Releases Are More Heavily Relied Upon Because ~~They Are~~ Released First (Regional)

Earnings releases are heavily relied upon by investors because they are released first.

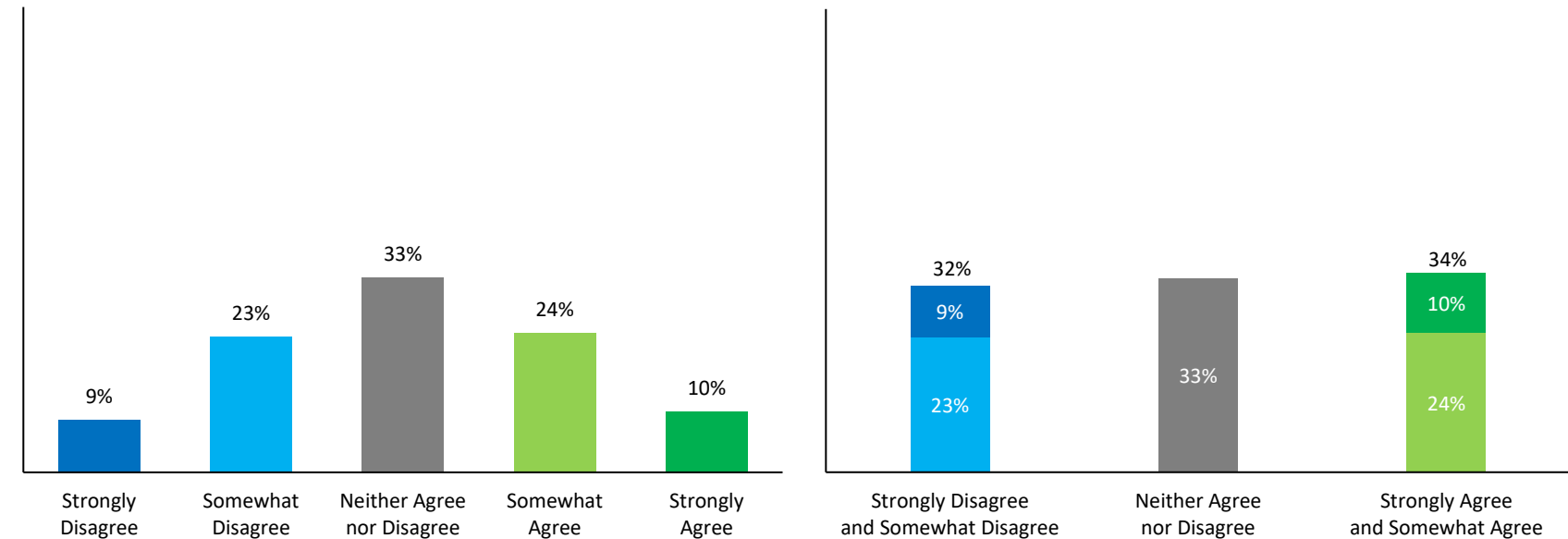
n = 1,802



In **Exhibit 22**, significantly fewer respondents in APAC – as compared to the Americas and to a lesser extent EMEA – ~~strongly somewhat~~ agreed that earnings releases are heavily relied upon by the market because they are issued first. The difference was accounted for in the “neither agree nor disagree” category communicating that those in APAC, and to a lesser extent EMEA, have relatively less conviction among respondents that earnings releases are relied upon heavily because they come first than in the Americas.

Exhibit 23: Earnings Releases Not More Useful than Form 10-Qs

Earnings releases are more heavily relied upon by investors than Form 10-Q filings because the information they contain is more useful.
n = 1,792



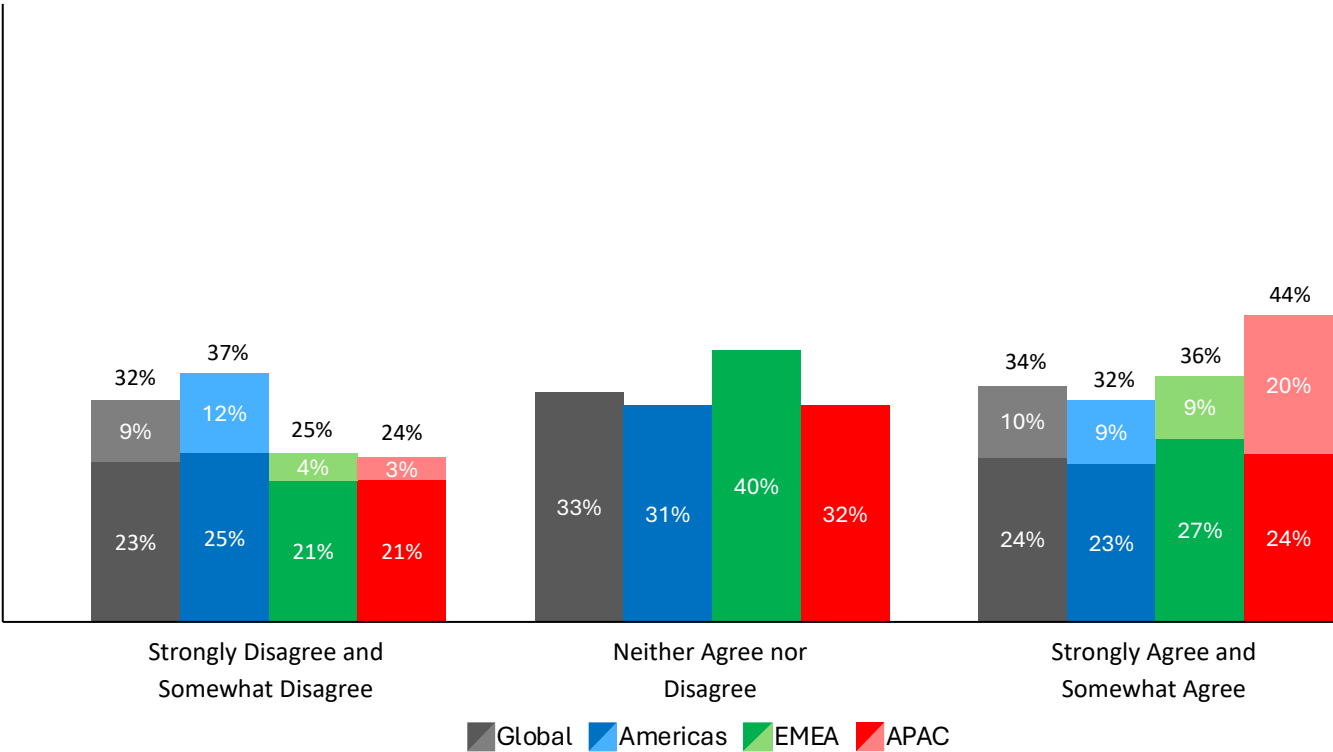
As **Exhibit 23** shows, respondents were decidedly mixed on the relative usefulness of the information in the earnings release as compared to the Form 10-Q – in contrast to **Exhibit 21** where there was strong agreement that earnings releases are relied upon because they’re released first. There were practically equal numbers of respondents who agreed, neither agreed nor disagreed, or disagreed that earnings releases contain more useful information than Form 10-Qs. The level of agreement that earnings releases contain more useful information aligns with is nearly identical to what we found in our 2019 survey (34%). That said, in 2019 only 11% had no opinion on this question and 55% disagreed – compared to 323 in 2026 – that earnings releases contained more useful information than Form 10-Q filings.³⁷

Respondents’ comments included the sentiment that neither earnings releases nor Form 10-Q filings are more or less useful than one another, rather that they are distinct and fulfill different purposes (albeit with some overlapping information). The regional results differ materially from the global results, so we present the regional results in the next exhibit.

³⁷ Chart 1 in [Quarterly Reporting Survey 2019](#).

Exhibit 24: Earnings Releases Not More Useful than 10-Qs (Regional)

Earnings releases are more heavily relied upon by investors than Form 10-Q filings because the information they contain is more useful.
n = 1,792

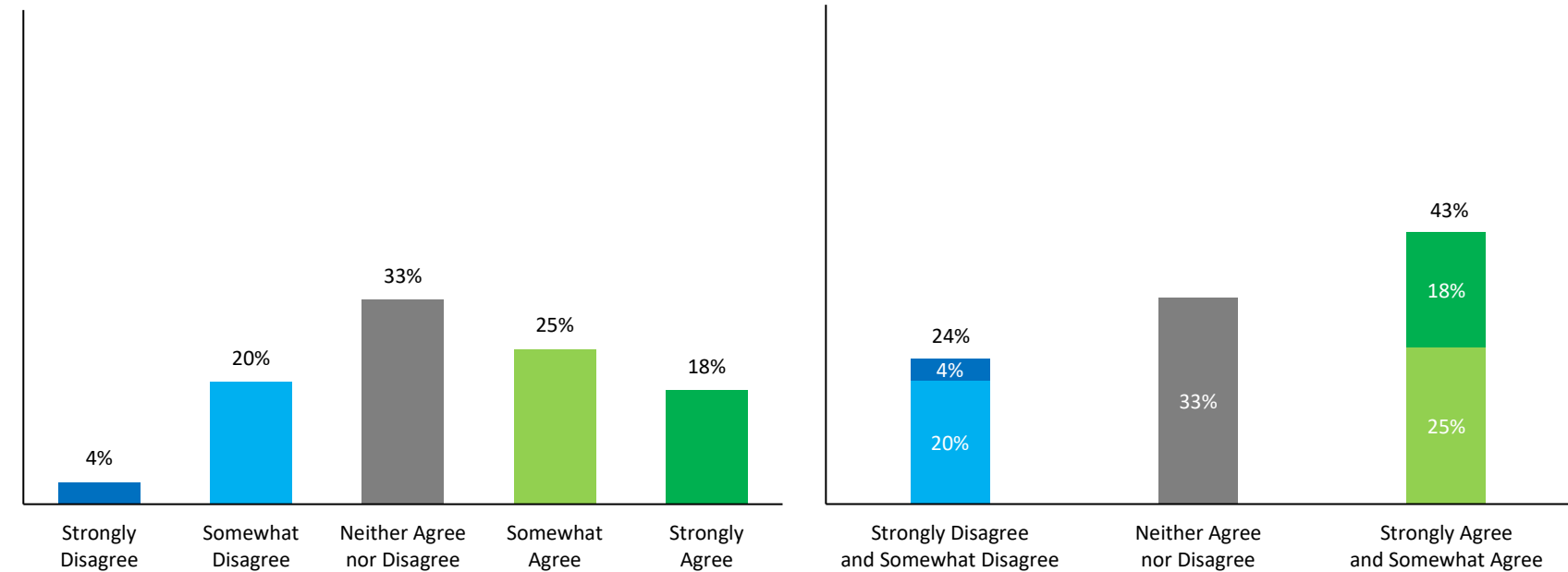


In **Exhibit 24**, significantly more APAC respondents (44%) – as compared to Americas respondents (32%) – have a positive view of the usefulness of information in earnings releases relative to information in Form 10-Qs. In EMEA, there was more neutrality (40%) than disagreement or agreement.

Exhibit 25: But Form 10-Qs Not Necessarily More Important Than Earnings Releases

Form 10-Q filings are more important to investors than earnings releases.

n = 1,793



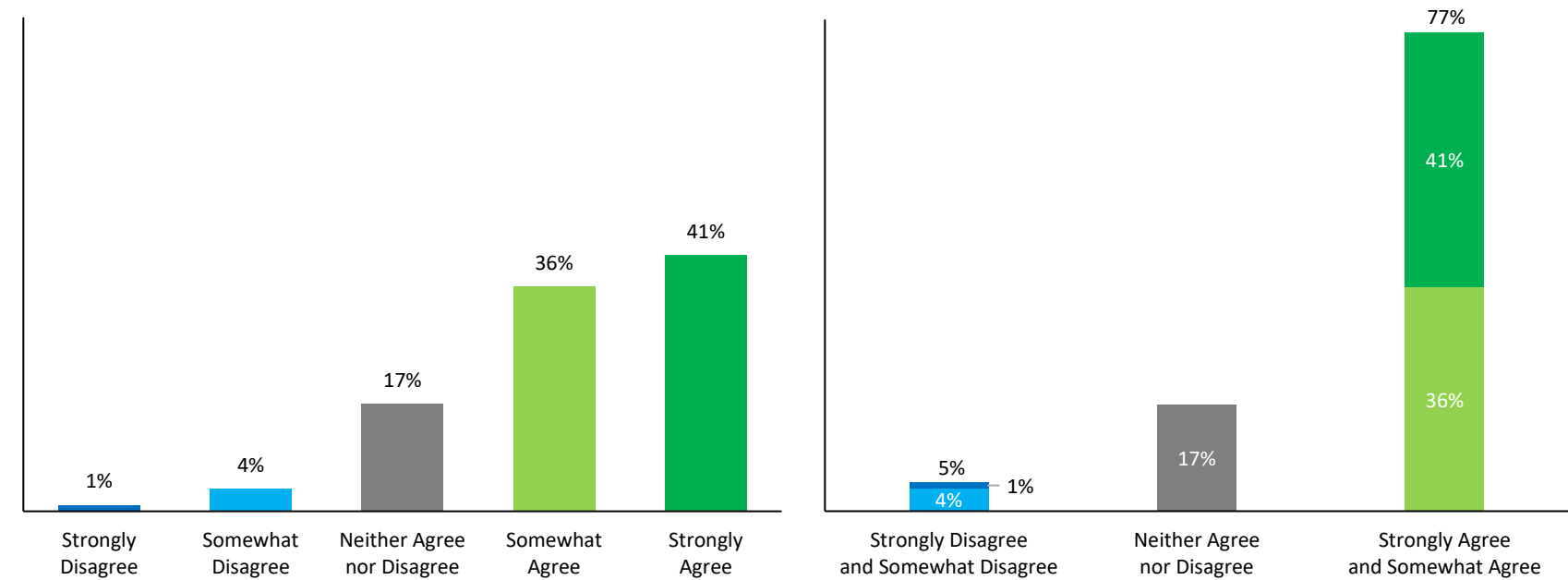
While respondents were mixed about whether earnings releases contain more useful information than Form 10-Qs, they were also mixed on the view that Form 10-Q are more important than earnings releases. As shown in **Exhibit 25**, there was more agreement (43%) than disagreement (24%) but also a significant number of neutral respondents (33%) and none of the positions reached a majority. Our 2019 survey showed that a slightly higher number of respondents (50%) agreed that Form 10-Qs are more important than earnings releases and 37% disagreed, leaving only 13% neutral on the issue in 2019 as compared with 33% in 2026.³⁸ Overall, it appears [investors respondents](#) had more conviction – one direction or the other – on this issue in 2019 than in 2026.

³⁸ Chart 4 in [Quarterly Reporting Survey 2019](#).

Exhibit 26: Form 10-Qs Include Important, Incremental Information ~~to the Earnings Release~~

Form 10-Q filings are important to investors because they include incremental – relative to earnings releases – financial statement disclosures and MD&A.

n = 1,790



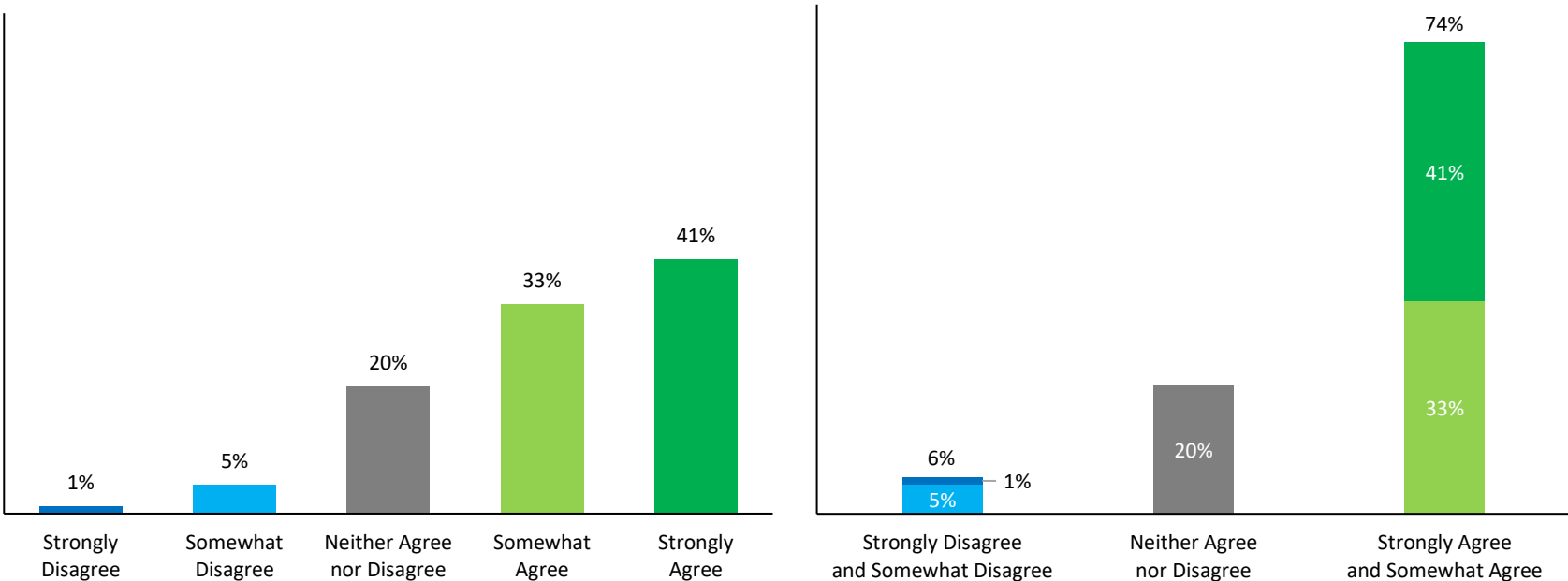
To better understand the relative importance of Form 10-Qs versus earnings releases and the source of the Form 10-Qs value, **Exhibit 26** asks if Form 10-Qs contain incremental financial statement disclosures and MD&A, relative to the earnings release, that enhance their value. Respondents strongly agreed (close to 80% agreement). Respondents left comments indicating that earnings releases 1) omit one or more interim financial statements and the notes to those financial statements, and 2) have differently structured MD&A with different information (i.e., earnings release has guidance and forward-looking information, non-GAAP measures, overall more “narrative” while Form 10-Q has more factual, “ground truth” information). This result was similar to what we found in our 2019 survey, where 91% agreed that Form 10-Qs are important because of these additional disclosures.³⁹

³⁹ Chart 5 in [Quarterly Reporting Survey 2019](#).

Exhibit 27: ~~Investors See~~ Value in the Form 10-Qs Structured Approach

Form 10-Q filings are more useful to investors because they provide a structured information set that follows accounting standards and regulatory guidelines.

n = 1,786



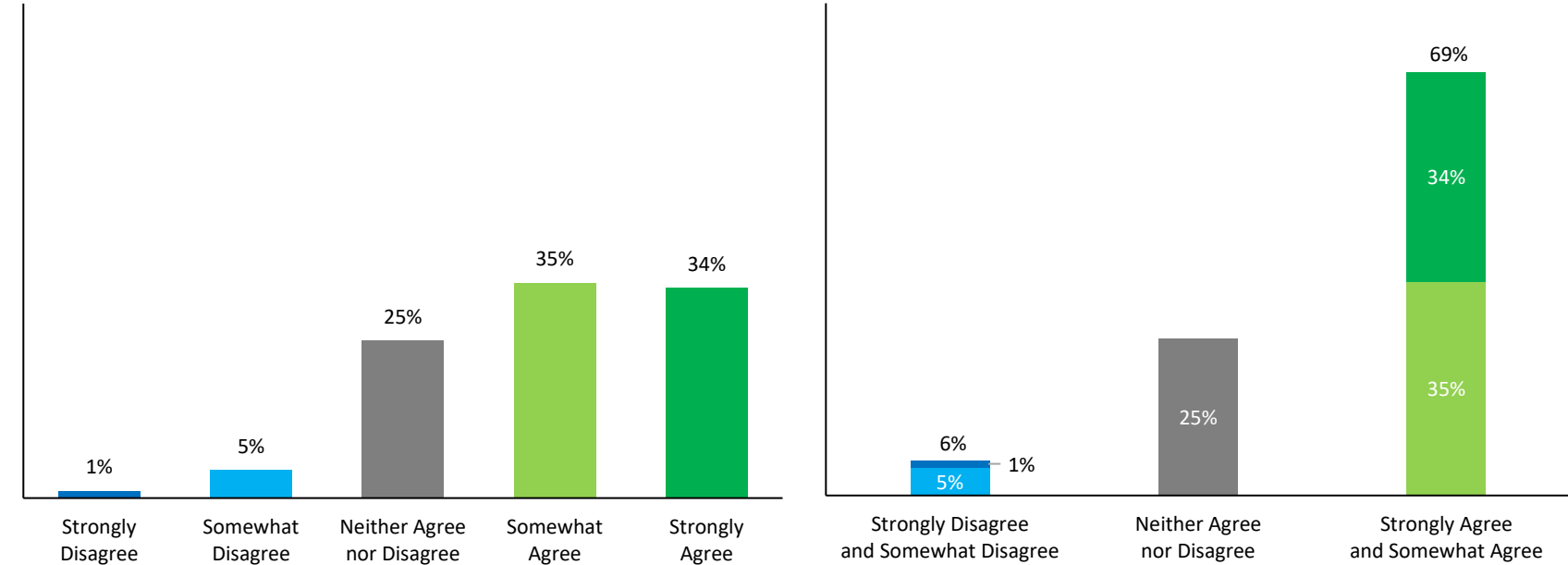
Similar to **Exhibit 26**, in **Exhibit 27** we again interrogated the drivers of Form 10-Q’s usefulness. Respondents strongly agreed (74%) that the structured approach of the Form 10-Q adds value. Many respondents left comments indicating that the structure of Form 10-Qs facilitates comparisons across companies, while the earnings release contains company-specific information that builds on the common foundation. The results in **Exhibit 27** were similar to what we found in our 2019 survey, where 72% of respondents agreed that Form 10-Qs are useful to investors because they provide structured information that adheres to accounting standards and regulations.⁴⁰

⁴⁰ Chart 5 in [Quarterly Reporting Survey 2019](#).

Exhibit 28: Incremental Form 10-Q Information Can Affect Decision-Making

Form 10-Q filings include incremental information – as compared to the information in an earnings release – that has, at times, impacted or changed my views about a company.

n = 1,780



As a follow up to the prior question, the question in **Exhibit 28** delves into the value of the incremental information in Form 10-Qs – by asking if that incremental information has impacted or changed ~~investors'~~ respondents' views about a company. Respondents broadly agreed (69%). This result was similar to the result (75%) in our 2019 survey, though at that time there was significantly lower “no opinion” (10%, vs. the 25% who indicated neither agree nor disagree in 2026).⁴¹ In the comments, respondents noted that financial statement note or cash flow information in Form 10-Qs not presented in earnings releases has impacted their views on companies.

⁴¹ Chart 5 in [Quarterly Reporting Survey 2019](#).

Exhibit 29: Management Certifications of Form 10-Q Offer Some Investor Comfort

Form 10-Q filings are more important to investors than earnings releases because they are certified by the CEO and CFO of the company and subject to greater legal liability.

n = 1,780

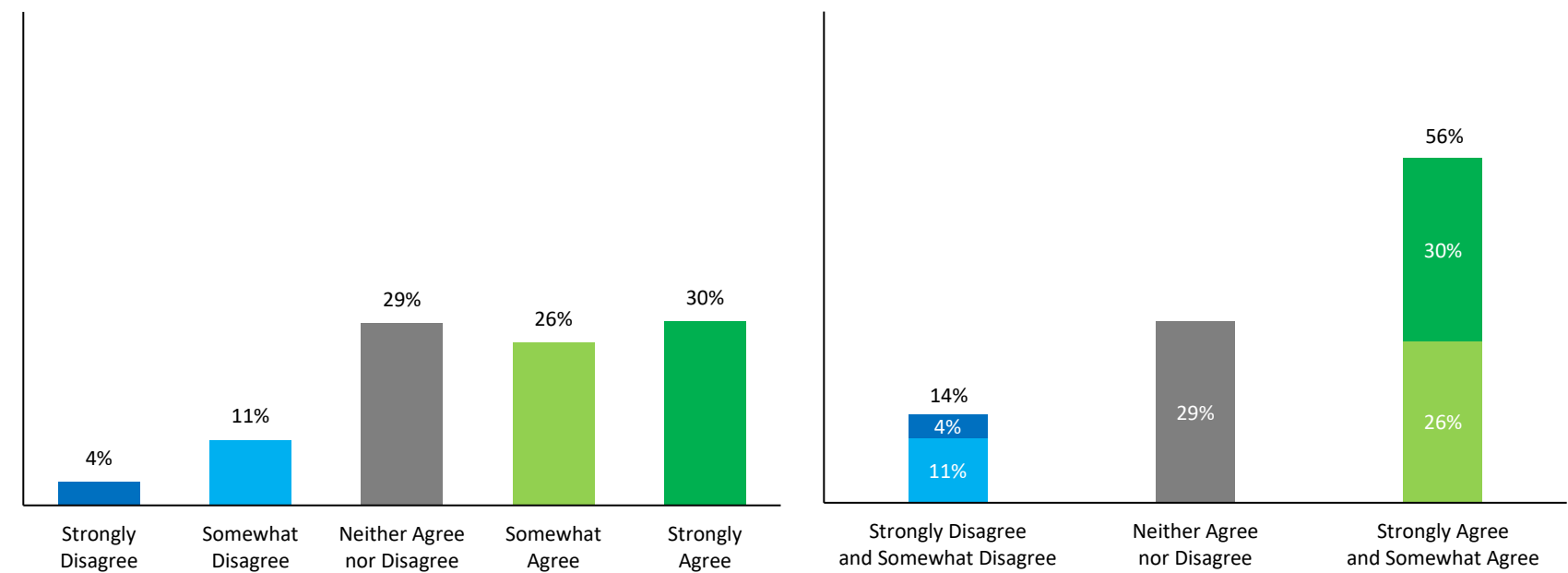


Exhibit 29 queries the value of another differentiating feature of Form 10-Qs, the management certification and greater legal liability for misstatements than for earnings releases (i.e., which are furnished, not filed with the SEC). More than a majority (56%) agreed Form 10-Qs were important because of this feature, but almost 30% neither agreed nor disagreed. In our 2019 survey, there was higher agreement (65% vs. 56%) and disagreement (29% vs. 14%) with this statement with just 6% indicating “no opinion.”⁴² Taken with the prior exhibits, respondents value Form 10-Q more than earnings releases because of the incremental and structured information in a Form 10-Q as well as, but to a lesser extent, management certifications and legal liability.

⁴² Chart 6 in [Quarterly Reporting Survey 2019](#).

Exhibit 30: Investors Value in Review of Form 10-Q by Auditors

Form 10-Q filings are very important to investors because they are reviewed by the company’s auditors.
n = 1,772

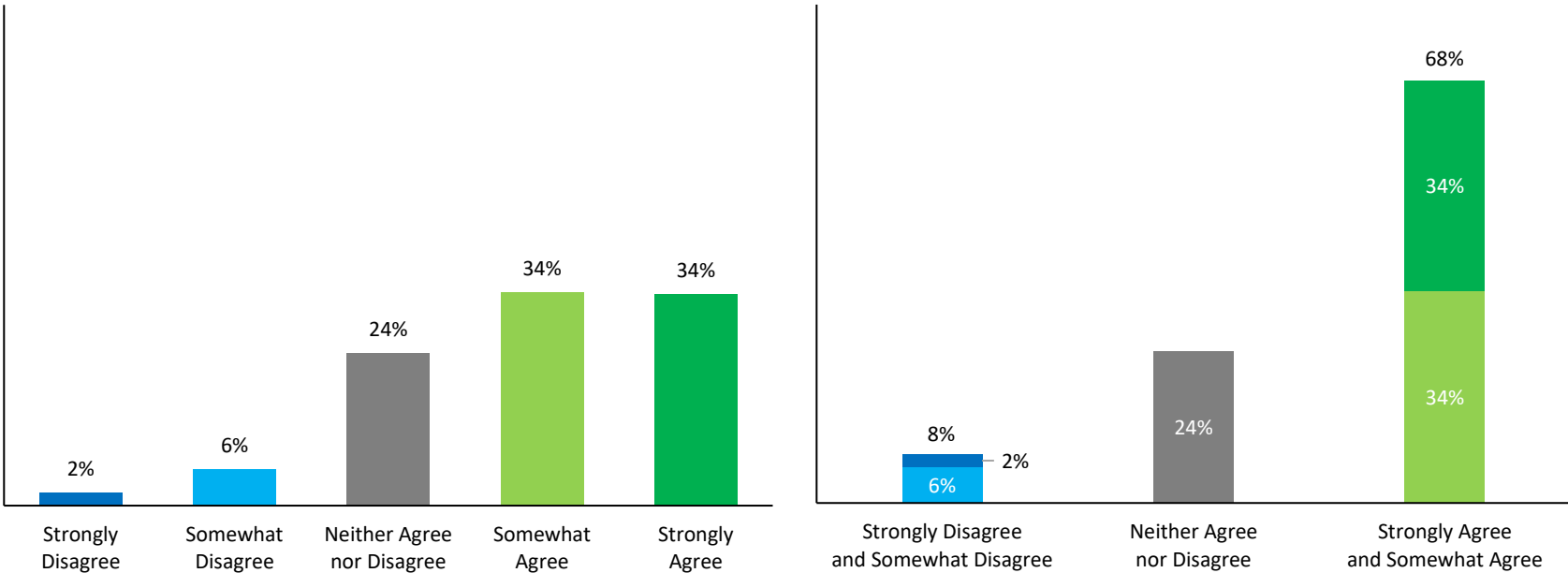


Exhibit 30 asks if the auditors’ review of the interim financial statements in the Form 10-Qs is an important feature that investors respondents value. Interestingly, there was broader agreement with the importance of this feature of the Form 10-Q (68%) than for management certification and legal liability (56%) in Exhibit 29. Agreement that the auditors’ review is an important value driver of the Form 10-Q was similar in our 2019 survey (71%).⁴³

⁴³ Chart 7 in [Quarterly Reporting Survey 2019](#).

Exhibit 31: Less Than Majority Support for Auditor Review of Earnings Release

Auditors should review earnings releases and provide the same level of assurance on them as they do on Form 10-Q filings.
n = 1,776

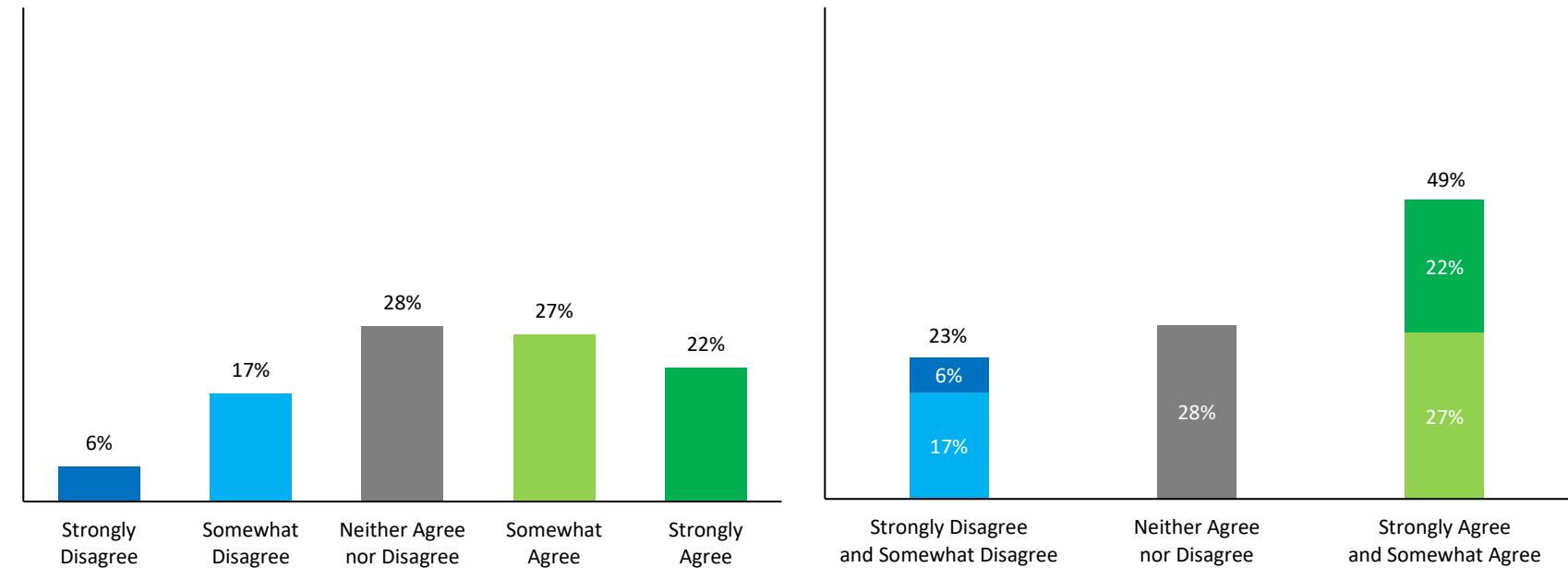


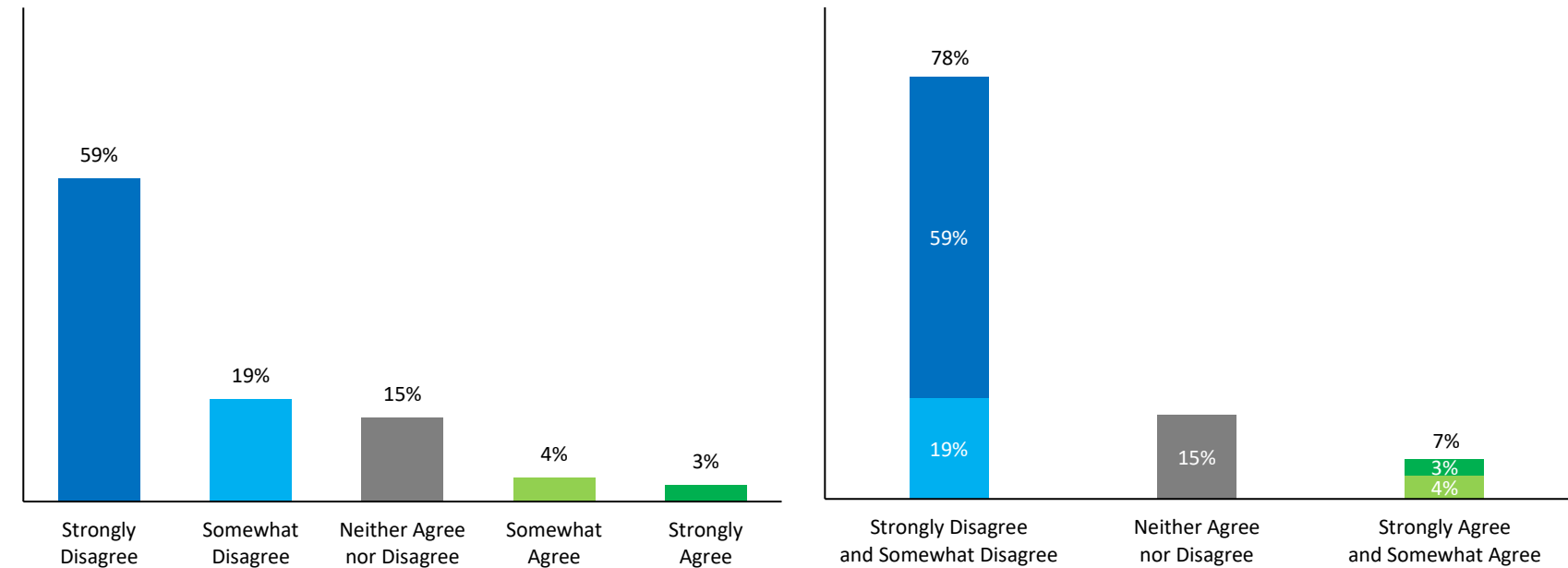
Exhibit 31 builds on the prior question by asking if auditors’ review should extend to the earnings release, in addition to the interim financial statements in the Form 10-Q. Interestingly, despite the value that respondents attribute to the auditor’s review of the Form 10-Q, less than a majority agreed (49%) that auditors should also review the earnings release. Respondents left comments indicating that investors would police and punish any differences that emerge between the earnings release and the Form 10-Q, so it wasn’t necessary to have auditors involved in the earnings release and potentially slow down its publication. The results were somewhat similar, but even less enthusiastic about auditor involvement in the earnings release than in our 2019 survey where 54% agreed with an auditor review.⁴⁴

⁴⁴ Chart 7 in [Quarterly Reporting Survey 2019](#).

Exhibit 32: Strong Support for Retaining Form 10-Qs, Not Replacing with Earnings Release

Form 10-Q filings should be abandoned in favor of companies providing only earnings releases.

n = 1,768



We then asked [investors respondents](#) the “bottom line” on their views regarding Form 10-Q versus earnings releases: should the SEC abandon Form 10-Q? **Exhibit 32** shows that most respondents (78%) disagree with replacing Form 10-Qs with an earnings release process, with 59% of respondents strongly disagreeing. The results closely resemble those in **Exhibit 265** where respondents largely agreed that the Form 10-Q contains important incremental information to earnings releases. The results are similar to what we found in our 2019 survey, where 85% of respondents disagreed with the SEC abandoning the Form 10-Q.⁴⁵

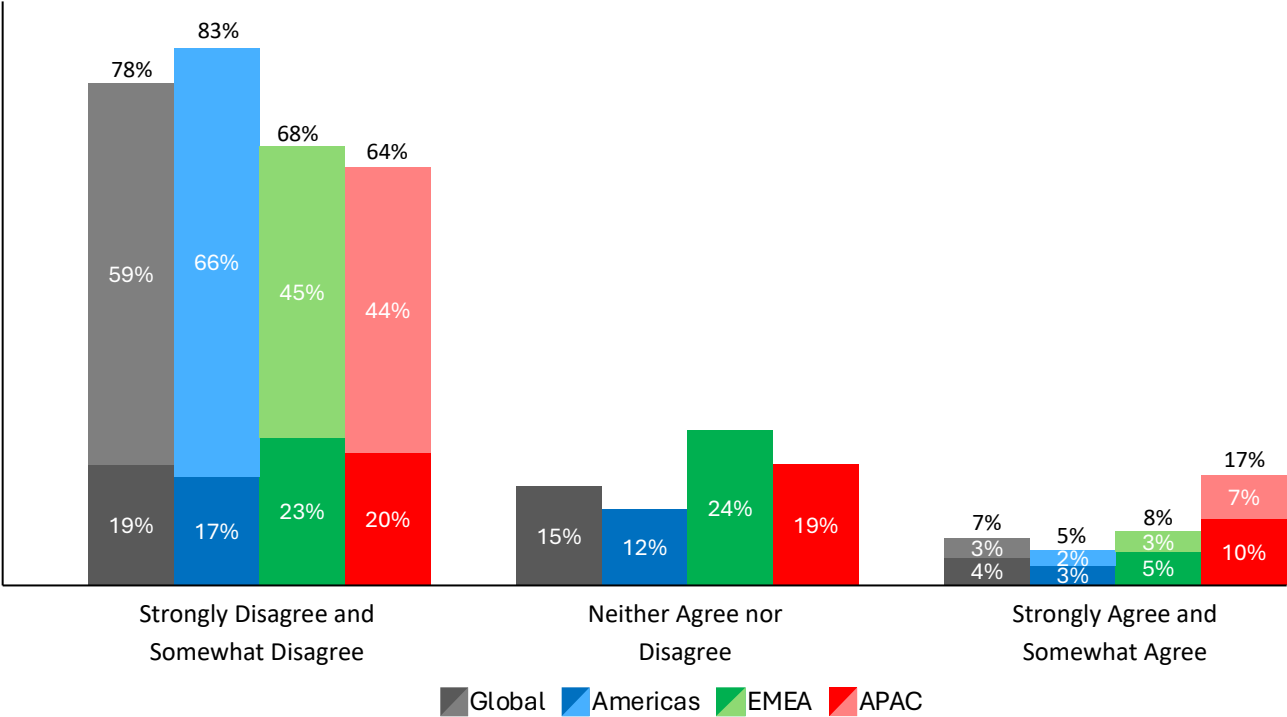
The regional results differed materially from the global results so we present the regional results in the next exhibit.

⁴⁵ Chart 8 in [Quarterly Reporting Survey 2019](#).

Exhibit 33: Strong Support for Retaining Form 10-Qs, Not Replacing with Earnings Release (Regional)

Form 10-Q filings should be abandoned in favor of companies providing only earnings releases.

n = 1,768



As **Exhibit 33** shows, EMEA (68%) and APAC (64%) respondents were significantly less opposed to the SEC abandoning the Form 10-Q for an earnings release process than Americas (83%) respondents – that said, still around 2/3rds of EMEA and APAC respondents did not support abandoning the Form 10-Q. These results likely reflect diverse experiences in jurisdictions with an earnings release process for voluntary quarterly reporting or trading updates (e.g., UK and Europe in EMEA, Hong Kong and Australia in APAC).

Exhibit 34: Slight Majority Support for Simultaneous Form 10-Q and Earnings Releases

Form 10-Q filings and earnings releases should be provided simultaneously.

n = 1,759

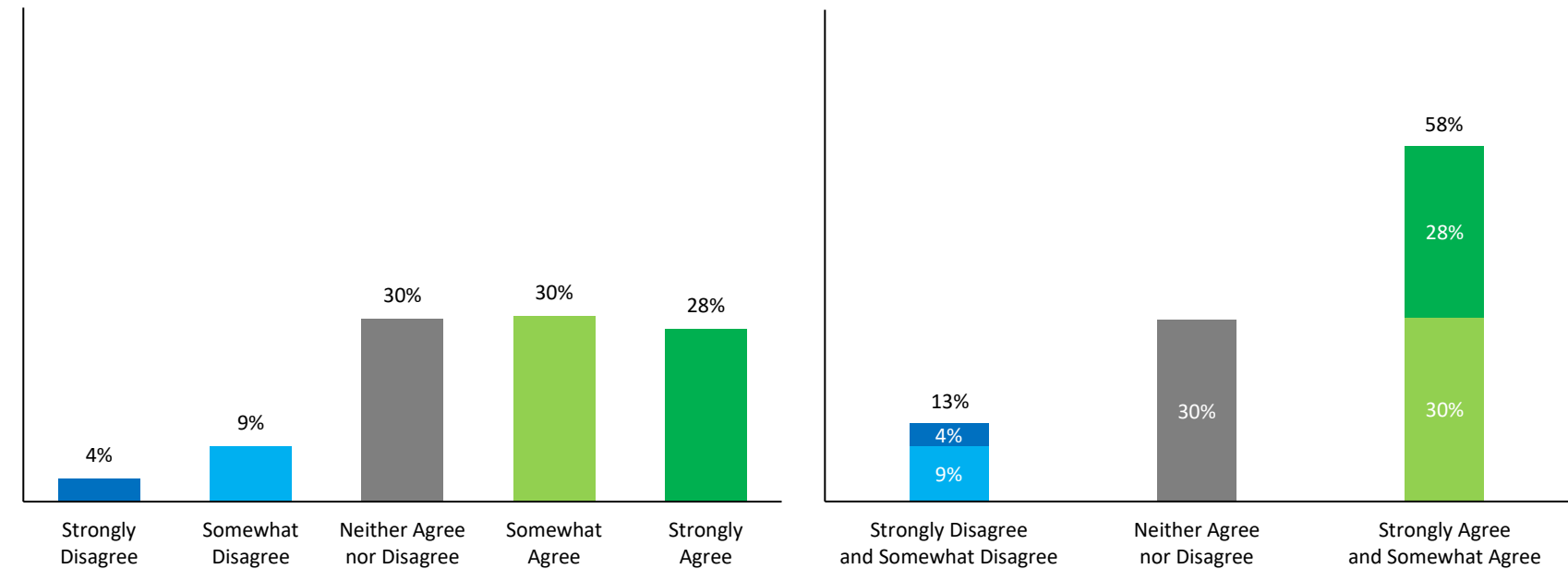


Exhibit 34 is another question from the SEC’s 2018 [Request for Comment](#) (Question 16). A majority, but not an overwhelming majority (58%), of respondents support simultaneous release of the Form 10-Q and earnings release. This is lower than what we found in our 2019 survey (67%).⁴⁶ Less than half as many respondents in the 2019 survey (13% versus 30%) had a neutral opinion. Some respondents left comments stating that the delay in the Form 10-Q release doesn’t bother them and that the Form 10-Q is more oriented towards a smaller audience of professional investors. Another commenter indicated that they believe it takes companies longer to put together the notes and other disclosures in the Form 10-Q versus the earnings release and requiring simultaneous release could delay the earnings release, an undesirable outcome.

⁴⁶ Chart 10 in [Quarterly Reporting Survey 2019](#).

3. THEMES AND OBSERVATIONS FROM COMMENTS ON EARNINGS RELEASES VS. QUARTERLY REPORTS

We received 104 comments from respondents in the comment box related to the questions regarding whether the form of reporting should be that of earnings releases or Form 10-Qs.

The most common sentiment expressed within the comments was that earnings releases and Form 10-Qs are distinct, useful, and complementary sources of information for investors (i.e., reflecting support for the current system).

Other common themes that emerged in the comments include that: 1) the Form 10-Q is an anchor or disciplining mechanism for the earnings release, 2) support for the simultaneous release of the 10-Q and earnings release, 3) auditor involvement in the earnings release is unnecessary, and 4) concern regarding the use of non-GAAP financial measures in earnings releases.

Using representative comments, we highlight below each of these common themes in order of frequency. The text beside each bullet point is a separate comment and commenter. For all comments received from respondents, see **Appendix B**.

Form 10-Qs and Earnings Releases Are Distinct, Complementary and Useful

- *Each report serves a different purpose. **Earnings releases help to build on management's vision, while Form 10-Q filings provide better understanding of the company's past.***
- *10-Q formalizes GAAP accounting. Earnings releases help us understand the story and highlights from management's view and future trajectory. **They are complementary.***
- ***Earnings releases and 10-Qs have some overlap, but they serve different functions and both are important. The 10-Qs are absolutely critical because they provide the bedrock, detailed, audited, certified "truth" about the company's results.** It is very, very important to have this as the starting point. You've absolutely got to have those 10-Q quality financials as your starting point and quality-control point in financial analysis. **They provide the terra firma.** You've got to have that. The 10-Q's strengths--rigorous detail and standardization--however, can also be a weakness. That's where the earnings releases come in. **The earnings releases provide preliminary results so you get them sooner. But the 10-Q's 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 releases need to be 99.9% accurate because investors will notice and be troubled by any meaningful changes that occur in the 10-Q's that come out a few days or weeks later. Another contribution of the **earnings releases is that it is often truly helpful to have Non-GAAP adjustments and other KPI's.** To be blunt, this is because the GAAP accounting standards introduced over the last 25 years have often obscured companies' underlying results. So, the **Non-GAAP adjustments and KPI's are often truly necessary to translate the terra firma to a holistic, clearer understanding of the businesses performance.** And you can usually apply Non-GAAP adjustments a la carte, deciding for yourself which Non-GAAP adjustments are fair and which are painting too rosy of a picture. So in summary, the 10-Q's and earnings releases serve related, but distinct functions and both are essential.*

- **Earnings release are valuable because they come out first, they are more likely to contain granular performance data about business performance, and are more likely to contain detailed guidance. 10-Qs are valuable because they contain incremental data like the full financial statements, which enable us to calculate many more ratios. They also contain important incremental data like off balance sheet obligations, commentary around internal controls, etc.**
- *in practice, earnings releases should contain most financial statements and non-GAAP metrics. What we have found with US reporters is that some delay 10-Qs until after conference calls and presentations to allow for any disclosures made during calls etc. and update accordingly. While less timely than press releases, **the 10Q contains important note-level disclosure that provides richer context to the financial statements.***
- **Investors and analysts probably feel that earnings release are more meaningful or impactful than 10-Qs, namely because equity and debt spreads react immediately.** However, generally speaking **the 10-Qs are more useful for analytical understanding of the company** (trends, accounting classifications, and more complete disclosures and discussions).

Form 10-Q Disciplines the Earnings Release

- **Accuracy of earnings releases is higher when there is a 10-Q filing coming some days/weeks later.**
- *Both should ideally be similar in disclosure but form 10-Q being a statutory requirements must disclose only factual and verifiable data*
- **Earnings release = marketing material. Without the 10-Q to hold them accountable, the earnings release on its own would become completely useless** leading to a lack of transparency that would undermine all markets for all investors. The efficiency of our system to productively deploy capital depends on a foundation of common standards and requirements.
- *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.***

Support for Simultaneous Release of Form 10-Q and Earnings Release

- **The delay between 10Q and earnings releases is a problem,** and it seems many companies game this system to bury bad news (e.g., weak cash flow). Ideally, and as some companies already do, the earnings release and 10Q should be released simultaneously. However, **I see no problem with keeping the two documents discrete.**
- **We need the 10-q to be released at the same time as the earnings release.** I've got companies that don't put a full cash flow statement in their earnings release, ones that don't put the share count. Oftentimes there is valuable modeling information in the 10-Q related to pricing, volume, cashflow and sub segment disclosures. If I were president, I'd first make the 10-Q (and 10-k for that matter) statement mandatory to be filed at the same time as the earnings press release. Then we can tackle the semiannual earnings report question.
- **Preparation of 10-Qs requires more time vs. earnings releases.** Allow greater time for greater disclosure and transparency.

- ***Releasing the 10Q at the same time doesn't really matter to me. It would increase price discovery but quantitative firms and large language models will parse through the data almost instantly.*** The point of the 10q is to advantage the fundamental analyst in a world where nobody reads the financial statements and certainly not the footnotes anymore.
- ***In Canada the earnings release and formal md&a and financial statements are provided at the same time. That's a better system.***

Auditor Involvement in Earnings Release is Unnecessary

- ***I'm reluctant to suggest increasing the reliance on auditors.*** Companies in theory have no reason to provide misleading earnings releases if 10Q filings are assured -any material differences between the release and the 10Q should be identified by investors. Reduces credibility if an earnings release says one thing and the 10Q contradicts this.
- ***When quarterly reporting requires audit review, it can delay the release of information.*** Best practices is for a company to release an unaudited "trading statement" shortly after period close with full quarterly financial statements (including cash flow statement) at the earliest possible time. ***If you rely just on earnings releases, many companies won't provide cash flow statements or notes which are very helpful these days to understand cash earnings (capex, intangible capex/r&d and IFRS leases often lead to P&L looking significantly better than actual cash).*** I also anticipate that this could make quarterly dividend announcements much more important signaling for the quarter performance which will encourage dividends for non-economic reasons. At worse, it will lead to semiannual dividends which generally results in less efficient capital management.
- ***Earnings releases and 10-Qs should not be viewed as either/or. One is not "better" or "worse" than the other.*** Earnings releases are important because they allow the company to get the most pertinent information out into the market more quickly, due to lower regulatory standards. If they are required to be released together, or if earnings releases are scrapped, it means this pertinent information will likely be more delayed in getting into the market. A [reviewed] 10Q is also very important to have. And if people think "oh, companies just lie and use non-GAAP numbers in earnings releases, then the real numbers get released later in the 10-Q," then that company will get scrutinized by investors and get called out on the earnings call, they will have a poor reputation and management will lose credibility. ***So the "problems," that seem like are underlying the questions in this survey are not really problems imo, they are policed and regulated in the markets, and companies course correct to regain credibility.***

Concerns with Non-GAAP Financial Measures in Earnings Releases

- ***I think 10-Qs are important because they enforce standards of reporting.*** Imagine having to go back through 5 years of non-standard earnings releases on 3 different competitor companies. The work to do any valid comparative analysis would be immense. ***Earning releases are important because that is what makes headline and often what markets will react to. They should also be truthful.*** Anytime you see a headline that quotes earnings which happen to be non-gaap, that information is of limited use without knowing the adjustments recon gaap to non-gaap.

- ***Many companies include info in the earnings releases that cannot be cross checked in the 10Q. For example Non-GAAP bridges. Also, Non-GAAP bridges should require more standardisation around how information is displayed and provided. Every P&L line reported should have a GAAP and Non-GAAP disclosure if the company is going to provide Non-GAAP.***
- ***Non-GAAP measures found in earnings releases can be helpful in evaluating operating performance particularly from a cash flow perspective for companies that provide that information. Some companies provide the bare minimum on both earnings reports and what's required in the Qs. I prefer more disclosure.***
- ***The adjustments to go from gaap to non-gaap earnings is getting out of hand. especially with respect to share based compensation. This leads to overstatement of earnings and shareholder value and creates distortions in the market.***

D. FORM OF REPORTING: RULES FOR A VOLUNTARY REPORTING REGIME

1. SUMMARY

The next six questions queried respondents on how a voluntary quarterly reporting regime – if the SEC adopts such a system – should work to best serve investors. What should the role of the SEC be? Should the SEC retain and require Form 10-Q filings, or should voluntary reporting be an earnings release-based process?

Exhibit 35 summarizes the responses to these questions ~~and highlights that investors largely support maintaining the protections afforded under the Form 10-Q and SEC filing structures as they exist today, even if quarterly reporting becomes optional.~~

~~B~~below we highlight the results, noting that only one question included material regional differences.

Views on Requiring Form 10-Q:

- There was strong support (66%) for requiring Form 10-Q filing by companies that elect voluntary quarterly reporting;
- With only a minority (23%) indicating the Form 10-Q filing should be optional for companies that elect voluntary quarterly reporting, with ~~65~~6% disagreeing with such optionality; and
- The vast majority (74%) disagreed with the view that Form 10-Q filing should be abandoned by the SEC with an even higher level of disagreement (78%) in the Americas.

Views on Furnished vs. Filed Form 8-Ks:

- There was low support (34%) for furnishing (i.e., low legal liability) quarterly earnings releases when it represents the only quarterly information released in a voluntary quarterly reporting regime.
- There was much broader support (~~63~~4%) for “filing” earnings releases with the SEC in a voluntary reporting regime.
- There was little support (~~11~~9%) for, and significant opposition (65%) to, removing the SEC from the process entirely by, for example, having companies post voluntary earnings releases solely on their own websites.

The results highlight that respondents ~~investors~~ largely support maintaining the protections afforded under the Form 10-Q and SEC filing structures as they exist today, even if quarterly reporting becomes optional.

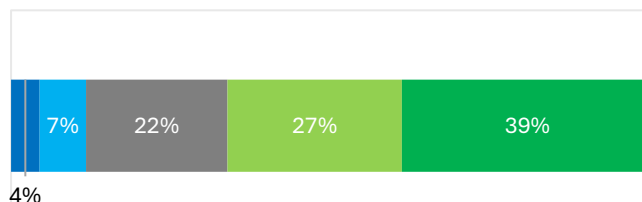
Exhibit 35: If Quarterly Reporting Becomes Voluntary, Investors Respondents Largely Support Retaining Form 10-Qs and Enhancing Legal Liability of Earnings Release

If Quarterly Reporting Becomes Voluntary...

Form 10-Q Filing Should Still Be Required

Form 10-Q filing should be required for companies that elect voluntary quarterly reporting.

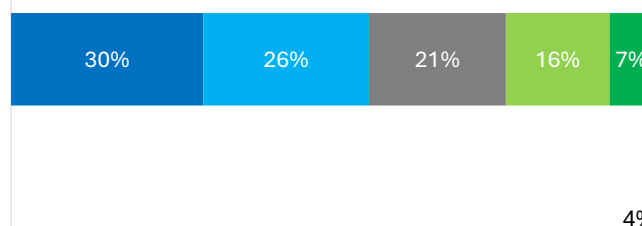
(Exhibit 36) n = 1,620.



Form 10-Q Filing Should Not Be Optional

Form 10-Q filing should be optional for companies that elect voluntary quarterly reporting.

(Exhibit 37) n = 1,616.



Form 10-Q Filing Should Not Be Abandoned

Form 10-Q filing should be abandoned by the SEC.

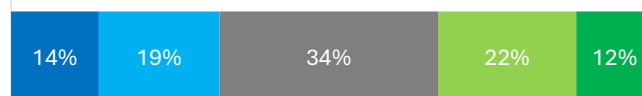
(Exhibit 38 & 39) n = 1,607.



Low Support for Retaining “Furnished” Earnings Releases

Quarterly earnings releases should be “furnished” (i.e., low legal liability) to the SEC on Form 8-K by companies that elect voluntary quarterly reporting.

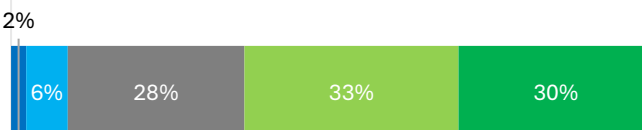
(Exhibit 40) n = 1,618



Much Higher Support for “Filing” Earnings Releases

Quarterly earnings releases should be “filed” (i.e., higher legal liability) with the SEC by companies that elect voluntary quarterly reporting.

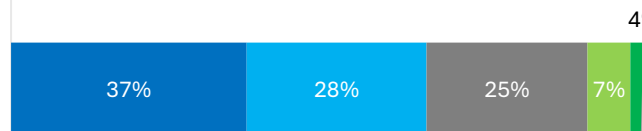
(Exhibit 41) n = 1,621



Very Low Support for Keeping SEC Out of the Loop

Quarterly earnings releases should not be sent to the SEC at all by companies that elect voluntary quarterly reporting (i.e., only appear on companies’ websites).

(Exhibit 42) n = 1,616.



■ Strongly Oppose
 ■ Oppose
 ■ Neutral
 ■ Support
 ■ Strongly Support

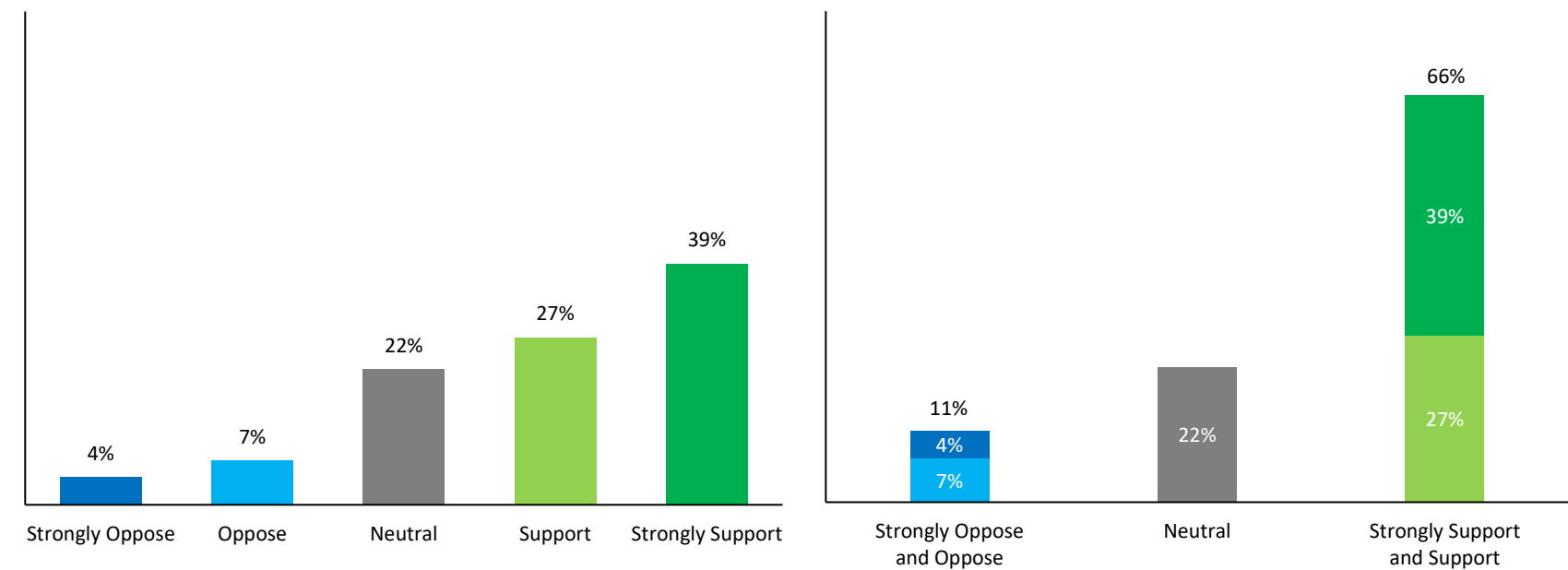
2. CHARTS OF SURVEY QUESTIONS AND RESULTS

Exhibit 36: If Quarterly Reporting Becomes Voluntary, Form 10-Q Filing Should Still Be Required

If the SEC moves to mandatory semiannual reporting, please indicate your degree of support for each of the following approaches that the SEC could adopt for quarterly reports on Form 10-Q for companies that elect voluntary quarterly reporting:

Form 10-Q filing should be required for companies that elect voluntary quarterly reporting.

n = 1,620



In **Exhibit 36**, respondents indicate they strongly supported (66%) not only keeping Form 10-Q in a voluntary quarterly reporting regime, but requiring it for companies that elect to report quarterly. One third of respondents were either neutral (22%) or opposed (11%) to such a requirement, with commenters suggesting that requiring a Form 10-Q would deter companies from communicating with investors, which would be undesirable.

Exhibit 37: If Quarterly Reporting Becomes Voluntary, Form 10-Q Filing Should Not Be Optional

If the SEC moves to mandatory semiannual reporting, please indicate your degree of support for each of the following approaches that the SEC could adopt for quarterly reports on Form 10-Q for companies that elect voluntary quarterly reporting:

Form 10-Q filing should be optional for companies that elect voluntary quarterly reporting.

n = 1,616

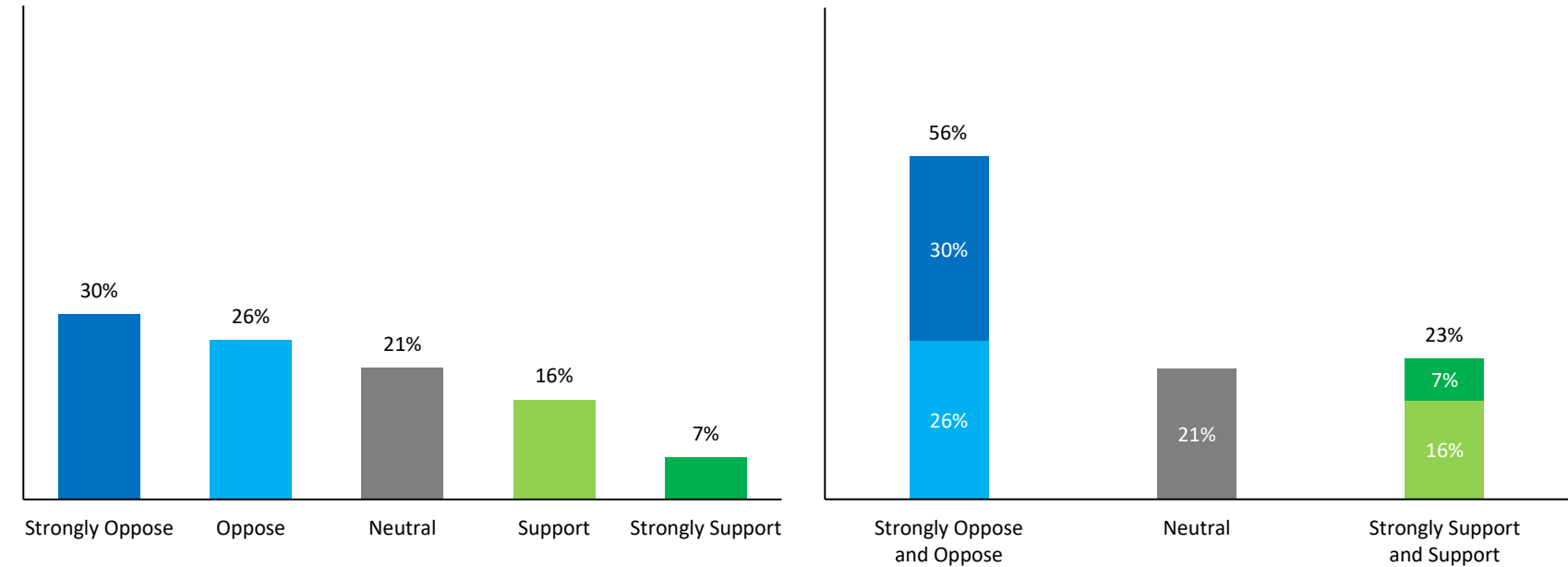


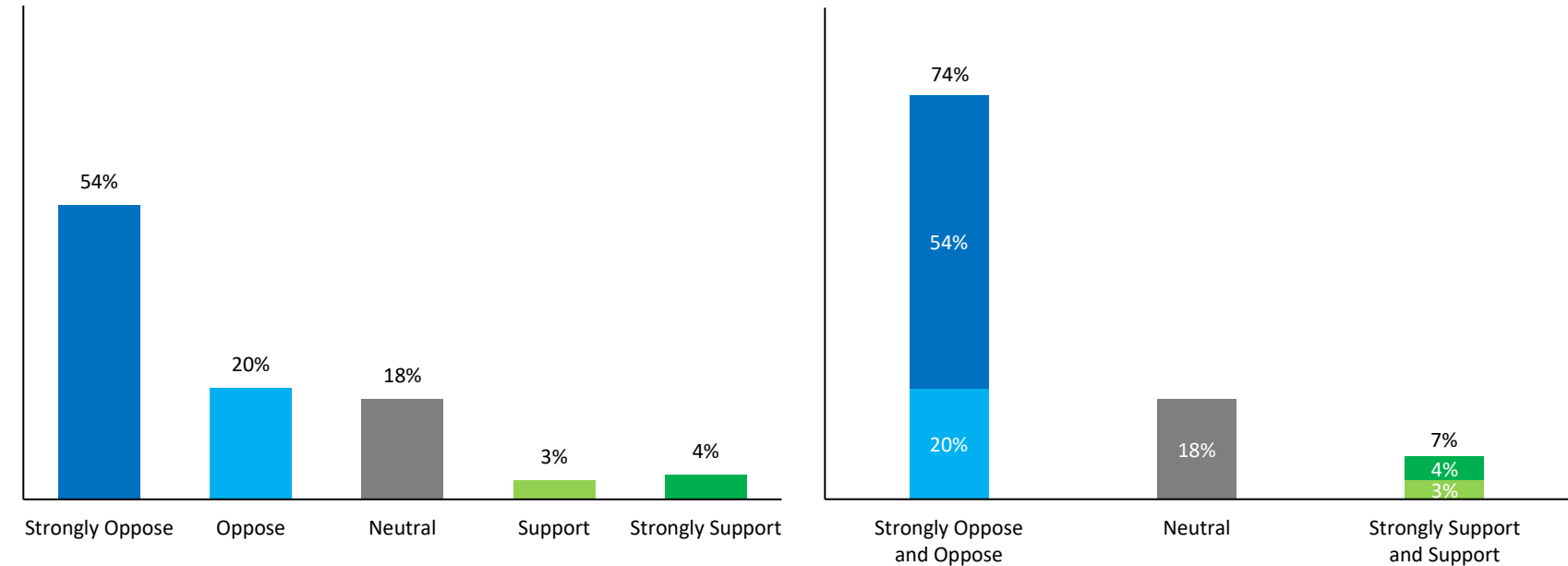
Exhibit 37 shows roughly the reverse of **Exhibit 36**, with 56% of respondents opposing an optional Form 10-Q filing and only 23% supporting the Form 10-Q being optional, with 21% being neutral on the idea, if quarterly reporting were to become voluntary. Commenters suggested that making the Form 10-Q optional would increase the number of companies that report quarterly on a voluntary basis, while other commenters warned that without a Form 10-Q filing or requirement, information in earnings releases would be less complete or lower quality.

Exhibit 38: If Quarterly Reporting Becomes Voluntary, Form 10-Q Filing Should Not be Abandoned

If the SEC moves to mandatory semiannual reporting, please indicate your degree of support for each of the following approaches that the SEC could adopt for quarterly reports on Form 10-Q for companies that elect voluntary quarterly reporting:

Form 10-Q filing should be abandoned by the SEC.

n = 1,607



As shown in **Exhibit 38**, 74% of respondents opposed abandoning the Form 10-Q. The 74% of respondents in opposition was modestly lower than the 85% who were opposed in our 2019 survey.⁴⁷ While only 66% of respondents supported requiring the Form 10-Q as shown in **Exhibit 36** and only 23% supported making it optional in **Exhibit 37**, only 7% of respondents in this question (**Exhibit 38**) supported the option of abandoning the Form 10-Q entirely – showing there is strong support for both retaining and requiring the Form 10-Q for voluntary quarterly reporting.

The regional results differed materially from the global results, so we present the regional results in the next exhibit.

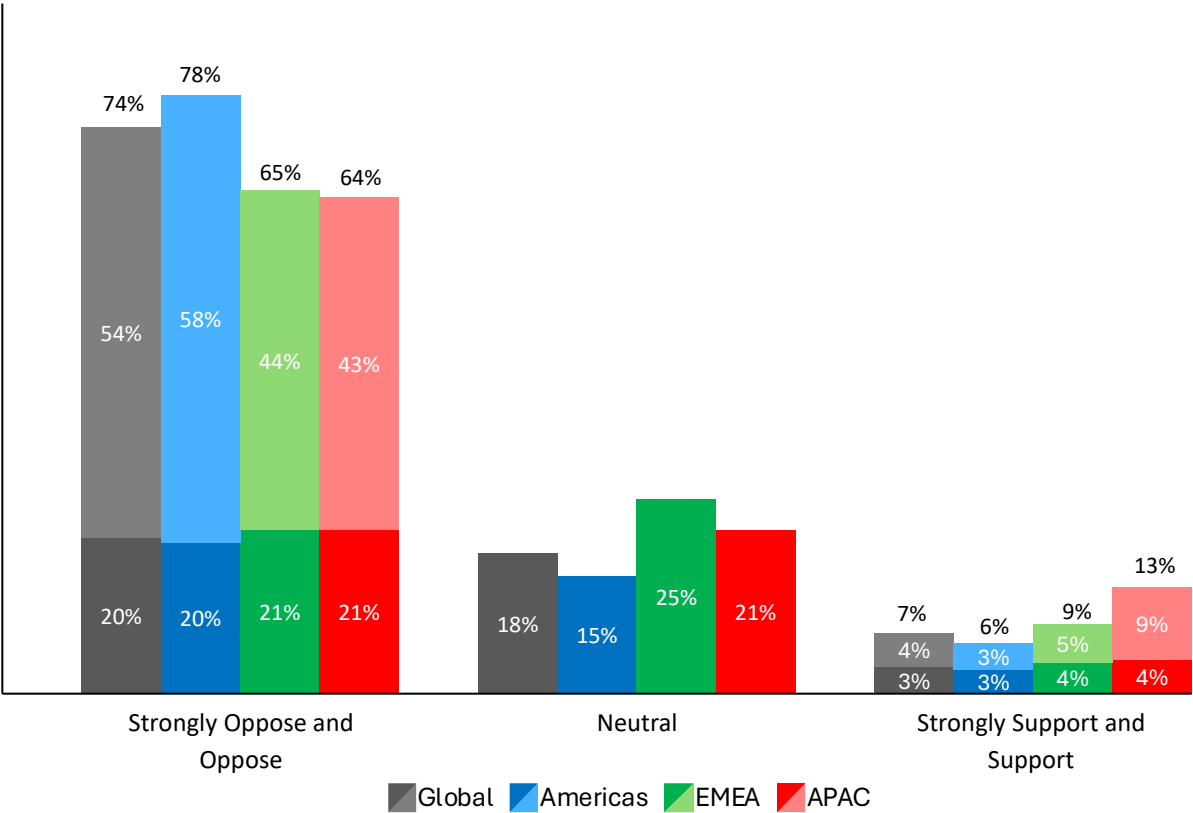
⁴⁷ Chart 8 in [Quarterly Reporting Survey 2019](#).

Exhibit 39: If Quarterly Reporting Becomes Voluntary, Form 10-Q Filing Should Not be Abandoned (Regional)

If the SEC moves to mandatory semiannual reporting, please indicate your degree of support for each of the following approaches that the SEC could adopt for quarterly reports on Form 10-Q for companies that elect voluntary quarterly reporting:

Form 10-Q filing should be abandoned by the SEC.

n = 1,607



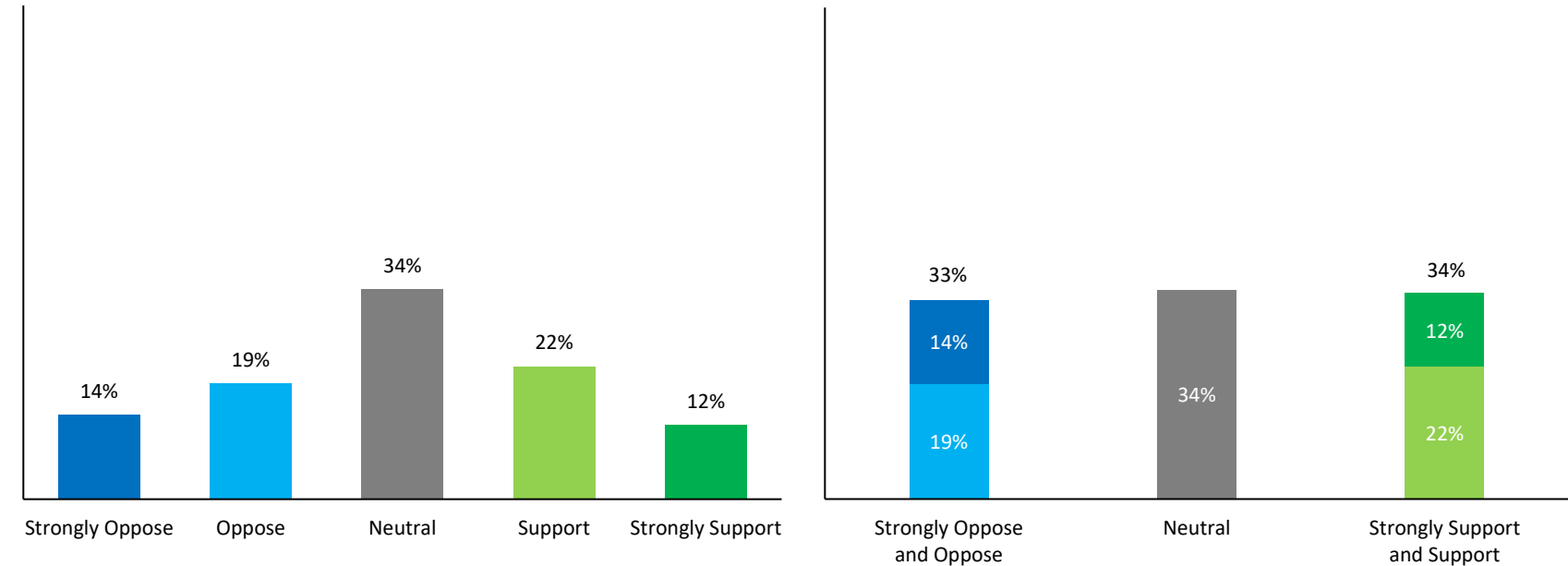
Opposition to the SEC abandoning Form 10-Q in a voluntary quarterly reporting regime was sharply lower among EMEA (65%) and APAC (64%) respondents than Americas (78%) respondents (**Exhibit 39**), although it was still opposed by a majority of respondents from those regions. This likely reflects EMEA and APAC respondents’ experience with reporting processes driven quarterly earnings releases, likely with different liability differences than the US, in those regions.

Exhibit 40: If Quarterly Reporting Becomes Voluntary, Low Support for Retaining “Furnished” Earnings Releases

If the SEC moves to mandatory semiannual reporting, please indicate your degree of support for each of the following approaches that the SEC could adopt for earnings releases for companies that elect voluntary quarterly reporting:

Quarterly earnings releases should be “furnished” (i.e., low legal liability) to the SEC on Form 8-K by companies that elect voluntary quarterly reporting.

n = 1,618



Currently, earnings releases must be “furnished” to the SEC on Form 8-K, which is a lower legal liability threshold than the need to “file” documents, which is the requirement for Form 10-Qs, Form 10-Ks, and registration statements. **Exhibits 40 and 41** query respondents on whether that “furnished” status should be maintained if quarterly reporting is made optional (i.e., and Form 10-Q is optional or not required) or if the earnings releases should be elevated to a higher standard (i.e., being filed) by the SEC. **Exhibit 40** shows that the current “furnishing” system does not have strong support if quarterly reporting becomes voluntary, with practically equal numbers of respondents opposed, neutral, and in support.

Exhibit 41: If Quarterly Reporting Becomes Voluntary, Much Higher Support for “Filing” Earnings Releases

If the SEC moves to mandatory semiannual reporting, please indicate your degree of support for each of the following approaches that the SEC could adopt for earnings releases for companies that elect voluntary quarterly reporting:

Quarterly earnings releases should be “filed” (i.e., higher legal liability) with the SEC by companies that elect voluntary quarterly reporting.
n = 1,621

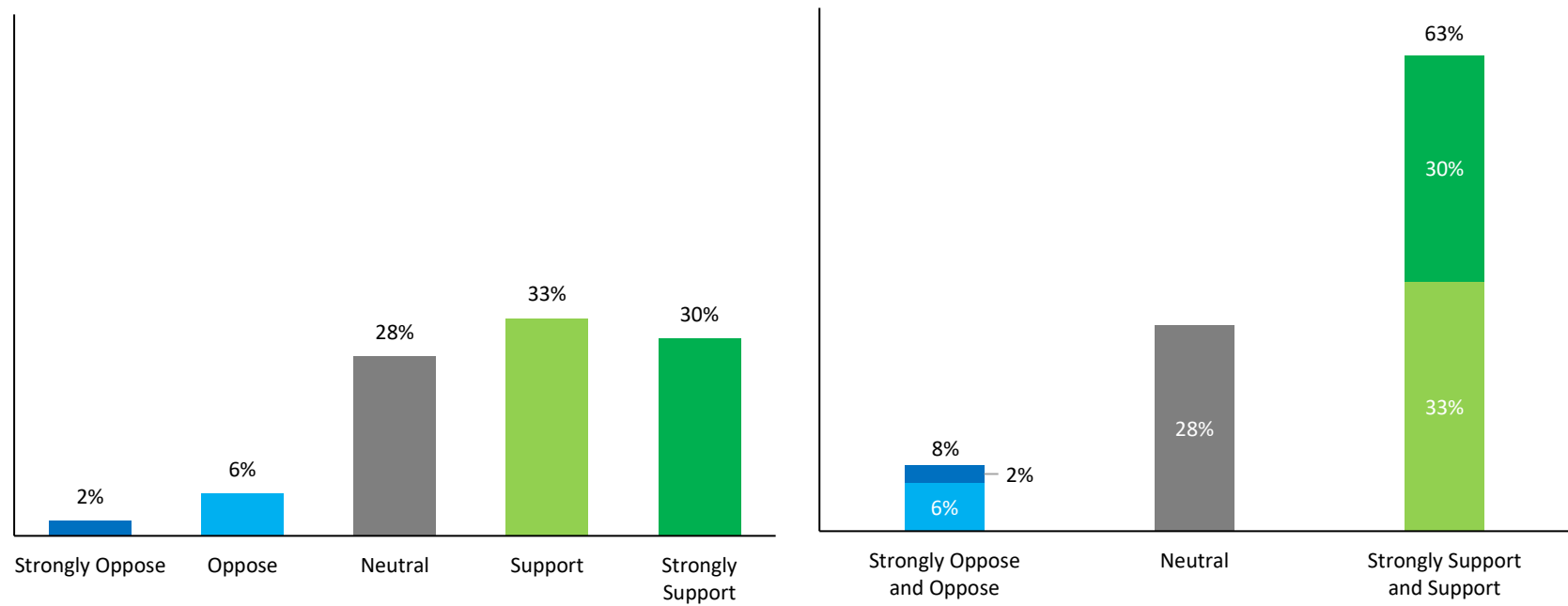


Exhibit 41 shows that most respondents (63%) support increasing the threshold to “filing” for earnings releases in a voluntary quarterly reporting system. Commenters suggested that a higher threshold would compensate for no longer having the Form 10-Q filing, which disciplines earnings releases today. This is remarkably consistent with what we found in our 2019 survey, where 62% of respondents agreed that securities regulators should require companies that voluntarily publish quarterly earnings releases to file those releases with the SEC, rather than furnish them.⁴⁸

⁴⁸ Chart 22 in [Quarterly Reporting Survey 2019](#).

Exhibit 42: If Quarterly Reporting Becomes Voluntary, Very Low Support for Keeping SEC Out of the Loop

If the SEC moves to mandatory semiannual reporting, please indicate your degree of support for each of the following approaches that the SEC could adopt for earnings releases for companies that elect voluntary quarterly reporting:

Quarterly earnings releases should not be sent to the SEC at all by companies that elect voluntary quarterly reporting (i.e., only appear on companies’ websites).

n = 1,616

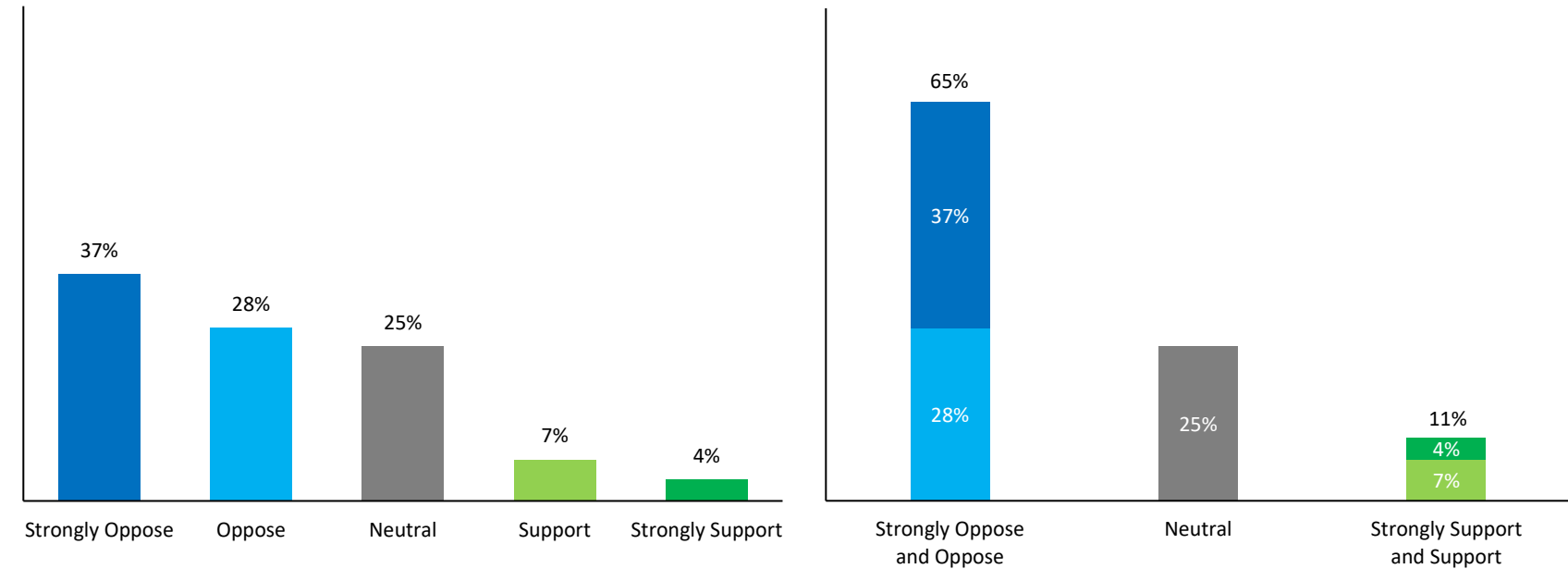


Exhibit 42 shows that the least popular option regarding what the SEC should do in a voluntary quarterly reporting system with earnings releases is to require neither furnishing nor filing the documents with the Commission, with 65% of respondents opposing the SEC getting “out of the loop” entirely.

3. THEMES AND OBSERVATIONS FROM COMMENTS ON RULES FOR A VOLUNTARY REPORTING REGIME

We received 69 comments from respondents in the comment box related to the questions associated with the rules for a voluntary reporting regime.

Most comments were either in support of stricter requirements for voluntary quarterly reports (i.e., Form 10-Q filing, filing the earnings release) or looser requirements for those reports.

We highlight, using representative comments, each of these themes in order of frequency below. The text beside each bullet point is a separate comment and commenter. For all comments received from respondents, see **Appendix B**.

Stricter Requirements for Voluntary Quarterly Reports

- *Companies should be legally liable for doing what they promise to investors. **Agreeing to quarterly reporting should not make it optional**, and it should be disclosed and approved if they wish to switch. **Honestly shareholders should have a say in what companies do. Let them vote.***
- ***Companies should not be allowed to lie about their results for 3months** before submitting serious reporting*
- ***Earnings releases without a formalized Q raise the probability of manipulation** between formal filings. If you want to release inter-period that should be accompanied by details found in a Q or K.*
- ***If they [report it, it] should be held to high standard...You can fib at 1Q and 3Q but must tell truth at 2Q and 4Q? What is point?***
- ***Voluntary reporting regimes must not become an excuse for lower standards. If a company elects to provide quarterly data, it should be required to file a formal Form 10-Q with full legal liability. In an era where AI and automated systems digest financial data instantly, the SEC should prioritize structured, high-integrity filings. Reducing reporting frequency or lowering the rigor of voluntary reports creates dangerous information gaps. Instead of retreating to semiannual cycles, the SEC should facilitate a move toward more frequent, AI-validated disclosures to meet the needs of modern, high-speed capital markets.***
- *Is the purpose of financial reporting to support investors, efficient markets, and capital formation? If so, then we **need quarterly reporting to be fulsome, whether it's voluntary or mandatory.***

Looser Requirements for Voluntary Quarterly Reports

- ***Companies should be rewarded for communicating to investors, not given extra restrictions or requirements.***
- ***Companies who volunteer quarterly reporting should not be compelled**, but this should count towards their desire for more transparency towards investor - governance. **If voluntary filers are required to file, this will only dissuade them from volunteering.***
- ***If not required, I imagine a lot of companies would hide behind the 10Q requirement**, "if we provide any information we have to file a 10Q" so having such a requirement for any more frequent disclosure I think would reduce transparency. Still **maintaining a separate class for***

10Qs for companies that wish to maintain best practices and signal a rigor to their reporting is helpful. In the best case, this would lead to most serious businesses continuing as is and companies that don't trading at a discount to those that do. This is often the case in countries where it is optional, the best companies still do full quarterly.

- *To be clear, **if semiannual reporting becomes the new legal threshold, companies should be required to furnish a quarterly earnings release.** The requirement to "file" the earnings release with higher legal liability would, in essence, remove the more interesting parts of the earnings release and replace what the 10-Q now represents.*
- *I think trading updates are great, but the **goal here is allow companies the ability think long-term.***

E. EXPECTATIONS REGARDING A VOLUNTARY REPORTING REGIME

1. SUMMARY

A common argument made regarding a move to mandatory semiannual reporting is that it will not necessarily eliminate quarterly reporting because many companies will continue to report on a voluntary basis.

We wanted to obtain a broad sample of ~~investors'~~ members' expectations regarding whether they anticipate that the US companies they invest in will continue to report quarterly, if the SEC makes it optional, and whether the companies doing voluntary quarterly reporting will voluntarily file a Form 10-Q.

Additionally, we sought to determine whether, if quarterly reporting is done by way of an earnings release (i.e., “trading updates,” as they are known in Europe and the UK), the earnings release will look different from the earnings releases today when it is accompanied, either simultaneously or shortly thereafter, by a Form 10-Q.

Somewhat surprisingly, as **Exhibit 43** illustrates, just a minority of investors respondents (32%) believe that companies will continue to report quarterly. A larger plurality of investors respondents (44%) believe that companies will not, and close to a quarter (23%) are unsure as to what companies will choose to do.

Most investors (57%) believe earnings releases under voluntary quarterly reporting regime will have less or significantly less information than earnings releases today.

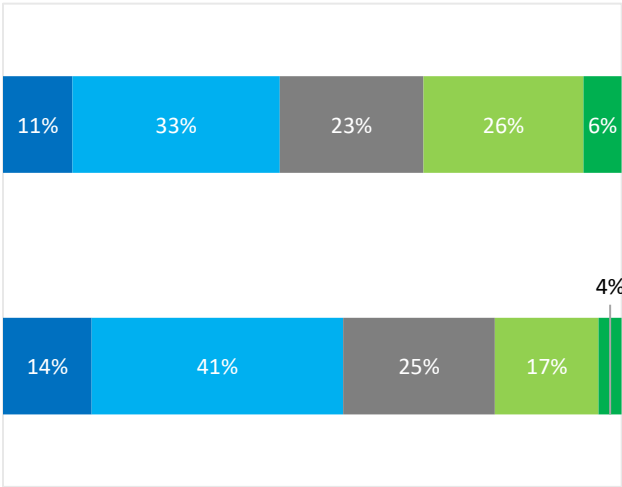
There were no significant differences in the results by region.

The bottom line is that most investors respondents expect ~~many~~ companies will to not report quarterly on a voluntary basis and, overall, investors expect to receive less information from companies. Investors Respondents do not have high expectations for a voluntary reporting regime.

Exhibit 43: Most ~~Investors~~ Expect to Receive Less Information from Companies if Quarterly Reporting Becomes Voluntary

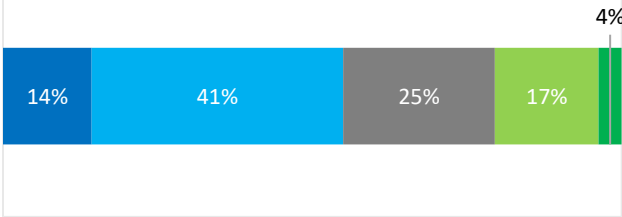
~~Investors~~ Doubt That Companies Will Report Quarterly

If the SEC requires only semiannual reporting, how strongly do you believe that the U.S. companies you invest in will continue to report quarterly?
(Exhibit 44) n = 1,619.



Few ~~Investors~~ Expect Voluntary Form 10-Qs

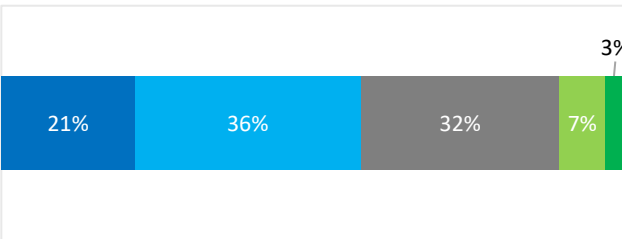
If companies choose to report quarterly and have the option, but not requirement, to file Form 10-Q, how strongly do you believe they will voluntarily provide a Form 10-Q filing?
(Exhibit 45) n = 1,610.



■ Very Strongly Do Not Believe ■ Do Not Believe ■ No Opinion ■ Strongly Believe ■ Very Strongly Believe

Many ~~Investors~~ Expect Thinner Earnings Releases

If Form 10-Q is abandoned and voluntary quarterly reporting is done solely through earning releases ‘furnished’ or ‘filed’ on Form 8-K, I expect that those earnings releases would contain _____ information relative to earnings releases today.
(Exhibit 46) n = 1,604.



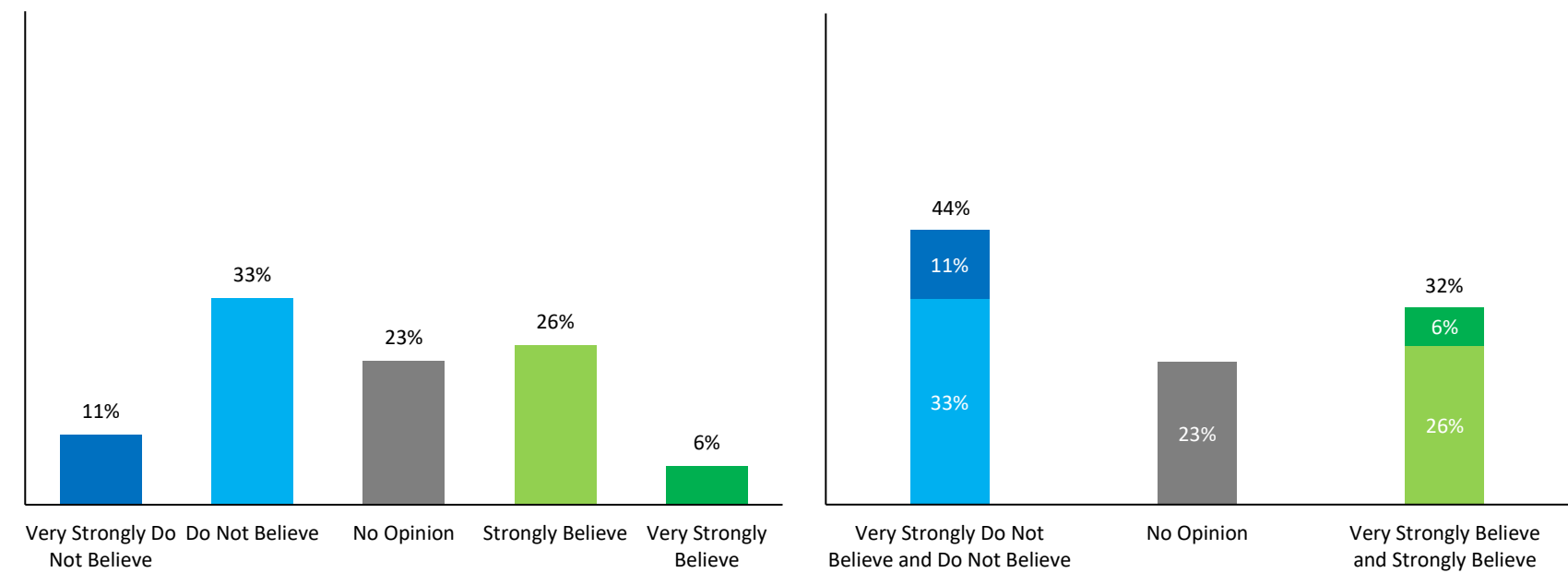
■ Significantly Less ■ Less ■ About the Same ■ More ■ Significantly More

2. CHARTS OF SURVEY QUESTIONS AND RESULTS

Exhibit 44: ~~Investors~~ Doubt That Companies Will Report Quarterly

If the SEC requires only semiannual reporting, how strongly do you believe that the U.S. companies you invest in will continue to report quarterly?

n = 1,619

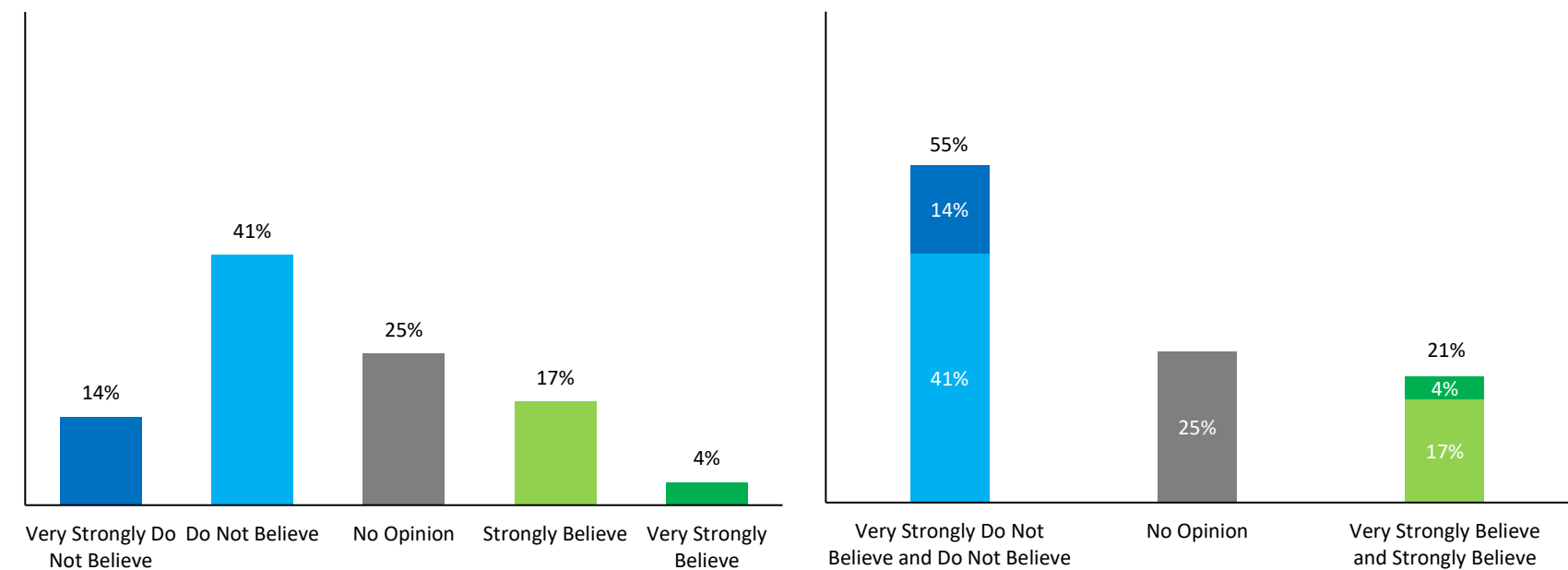


As **Exhibit 44** shows, more ~~investors~~ (44%) believe that the US companies they invest in will not report quarterly on a voluntary basis than ~~investors those~~ that do (32%) among survey respondents. Commenters suggest that many companies will always do the minimum that they are required to, in quarterly reporting and everything else. Other commenters write that companies will report quarterly, but only sales figures or commentary on progress towards annual guidance. Still other commenters believe that the “best run” or “respected” companies will largely continue their current reporting practice.

Exhibit 45: Few ~~investors~~ Expect Voluntary Form 10-Qs

If companies choose to report quarterly and have the option, but not requirement, to file Form 10-Q, how strongly do you believe they will voluntarily provide a Form 10-Q filing?

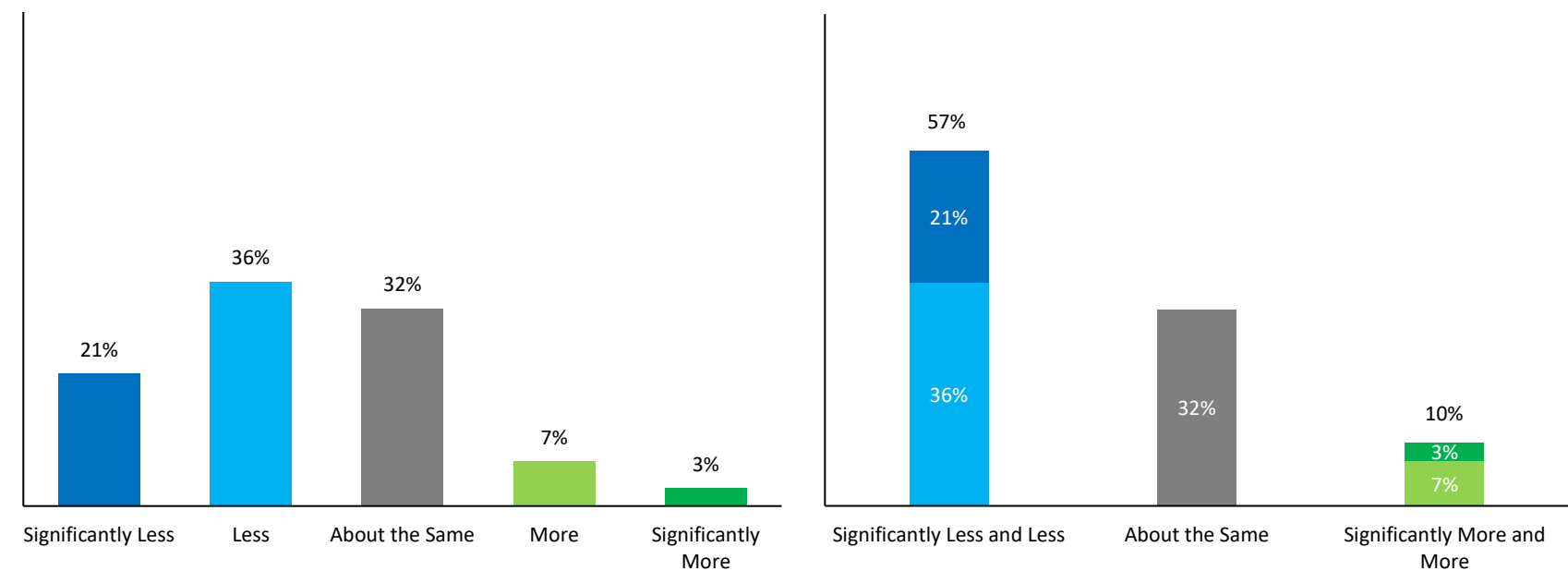
n = 1,610



Even fewer ~~investors~~ (21%), as shown in **Exhibit 45**, believe that companies will file Form 10-Qs if they are made voluntary. Commenters suggest that if many companies were going to voluntary file Form 10-Qs, they probably would not be advocating for semiannual reporting in the first place.

Exhibit 46: Many ~~investors~~ Expect Thinner Earnings Releases

If Form 10-Q is abandoned and voluntary quarterly reporting is done solely through earning releases ‘furnished’ or ‘filed’ on Form 8-K, I expect that those earnings releases would contain _____ information relative to earnings releases today.
n = 1,604



Most ~~investors~~ respondents (57%) expect quarterly earnings releases in a semiannual reporting regime to contain less or significantly less information than earnings releases today (**Exhibit 46**). Many commenters explained that this is based upon their experience and observations in semiannual reporting jurisdictions like Europe, where issuers’ quarterly releases often contain only sales figures or commentary.

3. THEMES AND OBSERVATIONS FROM COMMENTS ON EXPECTATIONS REGARDING VOLUNTARY REPORTING REGIME

We received 81 comments from respondents in the comment box related to the questions regarding expectations for voluntary reporting regime questions.

We categorized the respondents' comments related into those that:

- articulated why investors expect less information,
- explain why less information is bad,
- describe why "it depends,"
- communicate their experience internationally, and
- explain why less information is good (i.e., from those respondents who desire a switch to semiannual reporting).

We highlight, using representative comments, each of these common themes in order of frequency below. The text beside each bullet point is a separate comment and commenter. For all comments received from respondents, see **Appendix B**.

~~Investors~~ Expecting Less Information

- *If we give the option to **companies they will choose the easiest path**. It may not be right away for most companies but as the dominoes fall eventually **all will choose less reporting**. It's only to their advantage to report less.*
- ***European companies are currently providing** quarterly Trading Data. Information is **much less than their half yearly**.*
- *The **UK is a good example where voluntary quarterly earnings releases often have low information quality** and are inconsistent between companies*
- ***Earnings releases typically do not contain full financial statements and notes**. If quarterly reporting becomes voluntary, **it's highly likely that earnings releases will contain even less information than they do now**.*
- ***Most companies will take the easier, less expensive option**, and **companies that are struggling will report the least amount of information possible**.*
- ***Companies are not going to do work that they are not required to do**. SEC standards are high but that is a good thing. It protects market integrity and gives investors **CONFIDENCE**.*

~~Investors~~ Explaining Why Less Information Is Bad

- *In this scenario, **quarterly releases will become useless** because companies will only report "good" news when they elect to do so. The market **will be drowned in a flood of useless marketing commentary**, and **starved of useful information**.*
- ***Less information will lead to manipulation (stock price) and possibly fraud**. Periodicity can be lengthened but requirements should be the same as current at a minimum.*

The Amount of Information Depends

(On the Company, the Nature of the News (+ or -), Market Capitalization, and Investor Demands)

- ***This could go either way and it really depends on the company.*** Some will treat this as an opportunity to set themselves apart by being more transparent, others will treat this as an opportunity to be more secretive and say they are just trying to remain competitive within their industry or that they don't have time for these games. ***But it will have the net effect of less transparency and more guesswork on the part of investors, creating an overall negative effect on the markets.***
- These questions ***depend on whether the news is positive or negative.***
- I think that the ***decision to file 10-Qs along with earnings releases is likely to vary mostly by market cap.*** Large companies that opt to continue quarterly reporting are more likely to continue filing 10-Qs. Many mid-cap companies may opt to eliminate 10-Q filings but continue quarterly earnings releases. A higher proportion of small cap companies will opt for semiannual reporting only. ***I think that the amount of information contained in earnings releases is more likely to depend upon the economic environment and companies' sensitivity to it.*** Those companies that have a ***good story to tell will probably opt to disclose more.***
- Companies in trouble could reduce/change the amount of information released in order to hide problems.
- ***Companies will do what the market will force them to do!***

International Experience Tells Us Less Information Will Be Provided

- I expect ***quarterly updates will look more like European company announcements; just a sales figure and perhaps some bookings guidance but not much of substance.***
- ***This is like trading statements in Europe.*** Just look over there for guidance as to what will happen

Investors Explaining Why Less Information Is Good

- A move to semiannual reporting ***should be made to ease reporting burdens on companies.*** This negates your questions above.
- ***Investor fixation on the significance of quarterly earnings on the value of their investments is exaggerated by the financial media.*** Quarterly earnings releases benefit financial media outlets far more than investors and encourage short-term investor behavior. Short-term behavior increases/encourages the mentality of "trading" as opposed to "investment."
- Management teams at large companies are risk-averse; they're afraid to do something outside the norm for their peer group. For this reason, we need government to force the change to semiannual reporting, or else nothing is going to be accomplished (except maybe for resource-constrained small-caps).
- ***Quarterly reporting is fueling short-term trading which is actually bad for companies, workers, and society.*** The SEC should require annual filings, in my opinion, and ***bar other furnishings or filings,*** so that companies cannot be pressured by Wall Street analysts to continuing releasing quarterly information. In my career, I have literally seen a company fire good workers to hit the quarterly numbers and immediately open a new job posting to replace the good person who they



fired. This is not a capital market doing the right theoretical allocation of capital into new business ideas, it's a market of short-term speculation.

F. POTENTIAL IMPLICATIONS OF A REDUCTION IN REPORTING FREQUENCY

1. SUMMARY

We next asked a series of 11 questions to gauge ~~investors'~~ respondents' views on the ramifications of a switch to semiannual reporting, ranging from the impact on the comparability of companies' financial reporting, to dividend policies, and to insider trading. Many of these potential concerns already surfaced in earlier questions and in respondents' comments to them.

Exhibit 47 summarizes the results of the 11 questions. There were variations by region on 4 questions as noted below. In responding to these questions, ~~investors~~ respondents advised that:

- **Six months is too long a period of time** between the release of earnings of financial information in the current market environment (66% agreement). There was higher agreement on this point in the Americas (~~70~~69%) than other regions.
- The **benefit to investors of quarterly reporting exceeds the costs of such reporting** (63% agreement).
- Decreasing reporting frequency **may increase** ~~the equity risk premium and the cost of capital~~ (70% agreement). There was lower agreement on this point in APAC ~~(64%)~~.
- **Allowing companies differing or flexible reporting frequencies will make comparability** between companies and between industries **more difficult for investors** (~~84~~82% agreement).
- **Non-GAAP financial measures should not be allowed to be presented in earnings releases if full financial statements** from which those measures are derived from or related to **are not presented** – a scenario which may occur in a mandatory semiannual reporting regime that allows flexibility in the form and content of quarterly reporting (57% agreement).
- There are concerns and **uncertainty regarding the continuity of quarterly dividends** and whether they may be changed to a semiannual frequency if quarterly reporting is eliminated, with a directional preference that quarterly dividends be supported by quarterly reporting ~~(approximately 80% agreement)~~.
- Respondents ~~investors~~ expect reduced reporting frequency will **increase the need for significant event disclosures (on Form 8-K)** with the SEC (82% agreement).
- **There is significant concern regarding the release and use of material non-public information during an extended semiannual reporting period.** Specifically, concern was expressed regarding:
 - The **timeliness** of the release of important information, particularly negative information (74% agreement). There was higher agreement on this point in the Americas (77%).
 - An increase in the **unevenness or unfairness** in the disclosure of information to investors which will disadvantage certain investors (71%). There was higher agreement on this point in the Americas (74%).
- **A longer reporting period will afford management greater ability to take advantage of insider information** with respect to their own purchases and sales of stock (66% agreement).

The bottom-line is that most ~~respondents~~ investors express significant concerns with, and have low expectations for, reducing reporting frequency.

Exhibit 47: ~~Investors Have~~ Significant Concerns with, and Low Expectations For, Reducing Reporting Frequency

~~Investors Believe~~ Benefits of Quarterly Reporting Exceed Its Costs

The benefit to investors of quarterly reporting exceeds the costs of such reporting. (Exhibit 48) n = 1,579

Non-GAAP Measures Need Financial Statement Context

Non-GAAP financial measures should not be allowed to be presented in earnings releases if full financial statements from which those measures are derived from or related to are not presented. (Exhibit 49) n = 1,568

Flexible Reporting Periods Challenge Comparability

Allowing companies differing or flexible reporting frequencies will make comparability between companies and between industries more difficult for investors. (Exhibit 50) n = 1,572

Quarterly Dividend Should Be Supported by Quarterly Reporting

Companies that pay a quarterly dividend should retain quarterly reporting. (Exhibit 51) n = 1,558

Ending Quarterly Reporting May End Quarterly Dividends

Companies may change to paying dividends semiannually if they adopt semiannual reporting. (Exhibit 52) n = 1,544

Decreasing Reporting Frequency May Increase Cost of Capital

Moving from quarterly to semiannual reporting will increase the cost of capital. ~~n = 1,561~~ (Exhibit 53 & 54) n = 1,561

~~Investors See~~ Six Months Is Too Long in Current Environment

Six months is too long a period of time between the release of earnings or financial information in the current market environment. ~~n = 1,563~~ (Exhibit 55 & 56) n = 1,563

~~Investors~~ Expect More 8-K Disclosures with Semiannual Reporting

Reduced reporting frequency will increase the need for significant event disclosures (on Form 8-K) with the SEC. (Exhibit 57) n = 1,554



■ Strongly Disagree ■ Disagree ■ Neither Agree nor Disagree ■ Agree ■ Strongly Agree

High Concern About Timeliness of Disclosure, Particularly Bad News

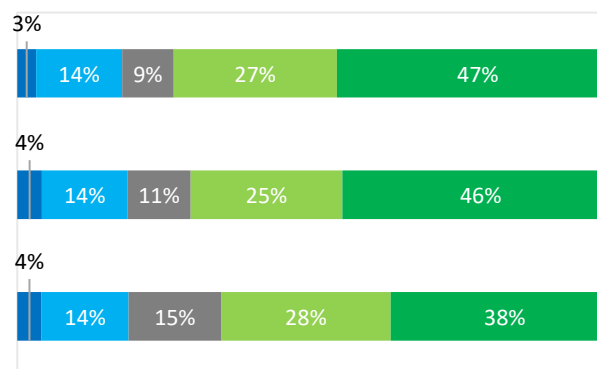
How concerned are you that important information, particularly negative information, will be released in a less timely manner? (Exhibit 58 & 59) n = 1,561

High Concern About Selective Disclosure with Less Frequent Reporting

How concerned are you that reducing the frequency of reporting will increase unevenness or unfairness in the disclosure of information to investors and disadvantage certain investors? ~~n = 1,561~~ (Exhibit 60 & 61) n = 1,586

High Concern About Insider Trading with Less Frequent Reporting

How concerned are you that longer reporting periods will afford management greater ability to take advantage of insider information with respect to their own purchases and sales of stock? (Exhibit 62) n = 1,555



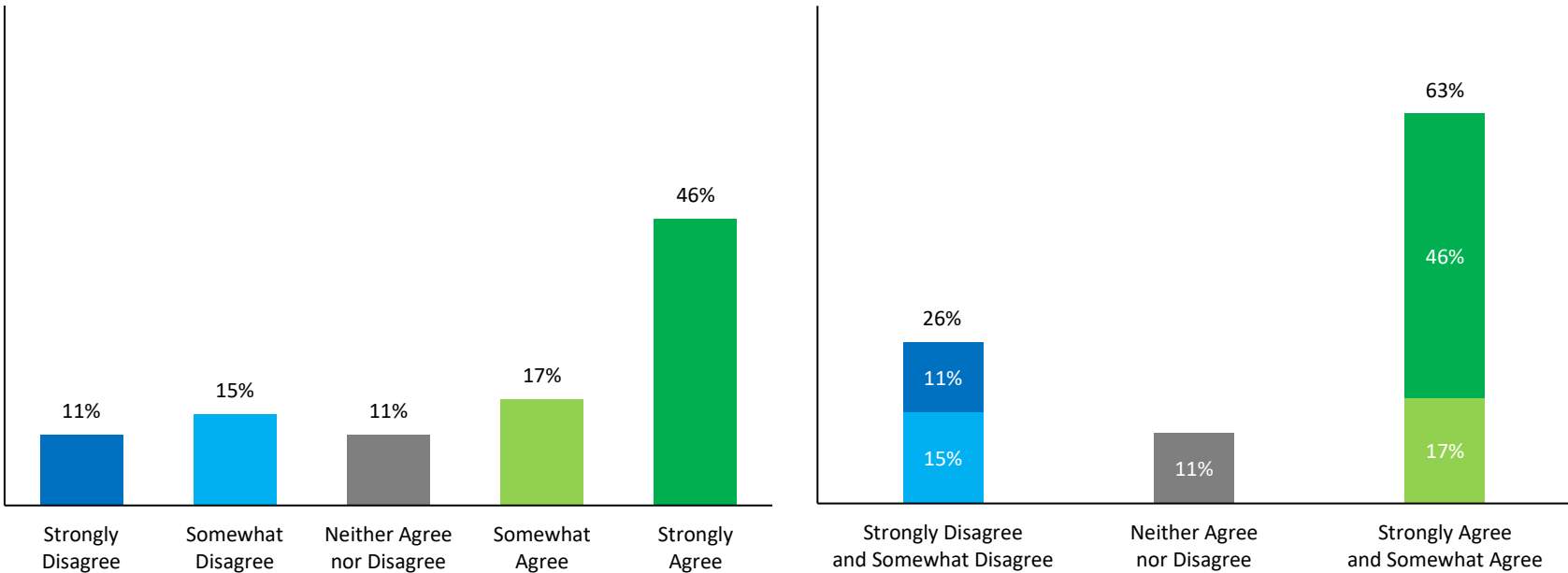
■ Not Concerned at All ■ Not Concerned ■ No Opinion ■ Concerned ■ Very Concerned

2. CHARTS OF SURVEY QUESTIONS AND RESULTS

Exhibit 48: ~~Investors~~ Believe Benefits of Quarterly Reporting Exceed Its Costs

The benefit to investors of quarterly reporting exceeds the costs of such reporting.

n = 1,579



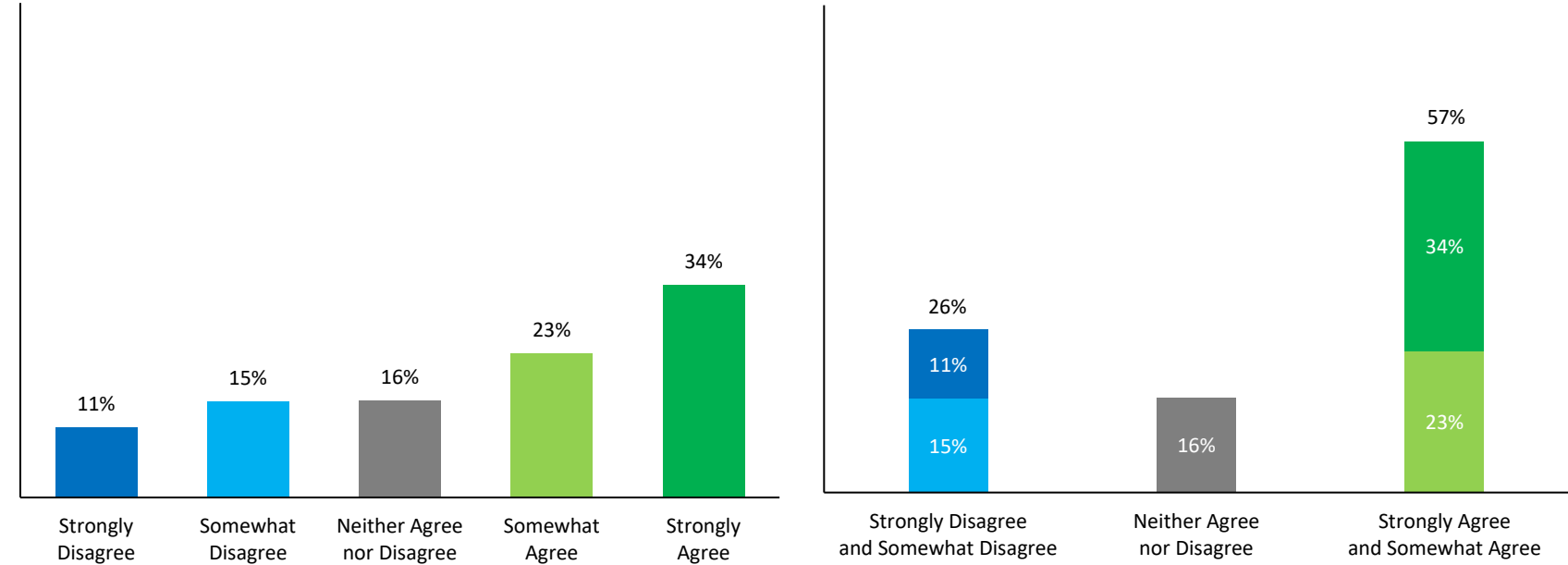
Respondents ~~investors~~ see the benefits of quarterly reporting as exceeding their costs, with more than twice as many respondents agreeing (63%) than disagreeing (26%) as shown in **Exhibit 48**. The results are similar to what we found in our 2019 survey, in which 65% of respondents agreed that the benefits of quarterly reporting exceed their costs.⁴⁹

⁴⁹ Chart 18 in [Quarterly Reporting Survey 2019](#).

Exhibit 49: Non-GAAP Measures Need Financial Statement Context

Non-GAAP financial measures should not be allowed to be presented in earnings releases if full financial statements from which those measures are derived from or related to are not presented.

n = 1,568



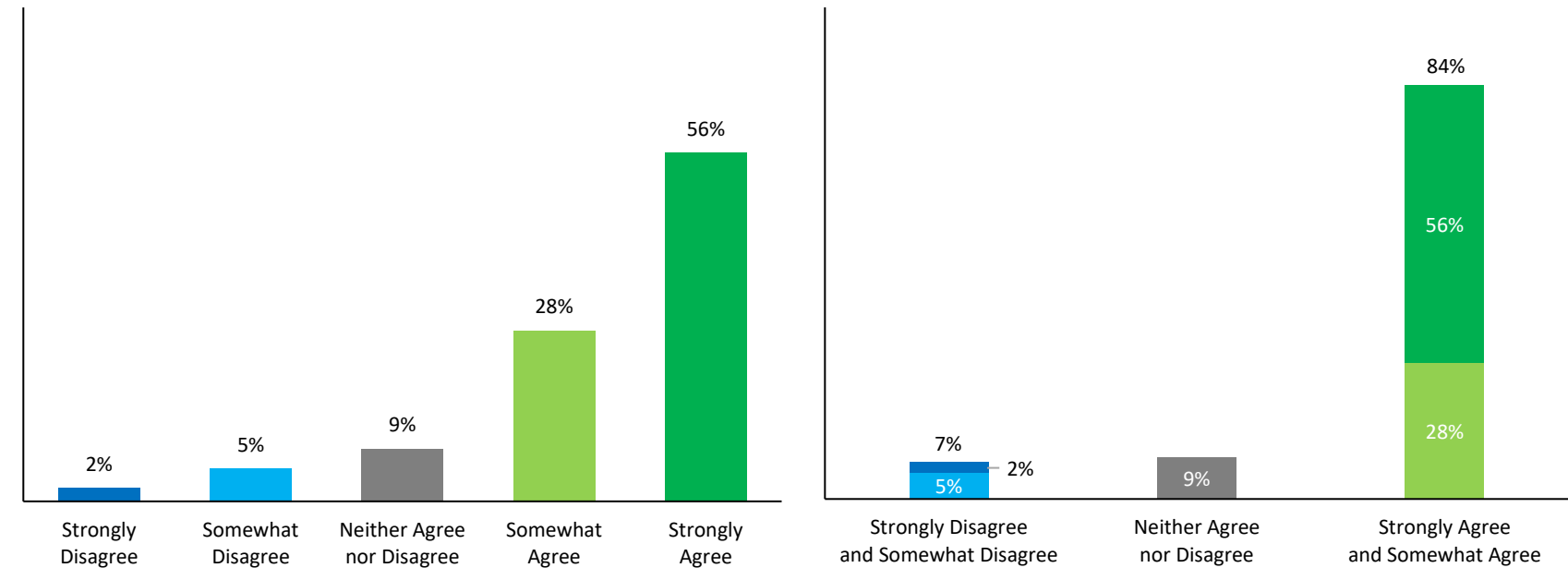
Voluntary quarterly reporting done by way of an earnings release raises an important question regarding non-GAAP financial measures, which are commonly included in earnings releases today. SEC Regulation G requires that non-GAAP financial measures be reconciled to their nearest GAAP equivalent. GAAP measures are presented in the interim financial statements, which are reviewed by the auditor and required to be presented in the Form 10-Q filing. Without the Form 10-Q filing, our concern was that investors might lose the context, reconciliation, and comfort from the presentation and review of the interim financial statements from which non-GAAP financial measures are derived.

As **Exhibit 49** shows, close to 60% of investors [respondents](#) agree that non-GAAP financial measures should not be permitted to be presented without the context of the applicable financial statement.

Exhibit 50: Flexible Reporting Periods Challenge Comparability

Allowing companies differing or flexible reporting frequencies will make comparability between companies and between industries more difficult for investors.

n = 1,572



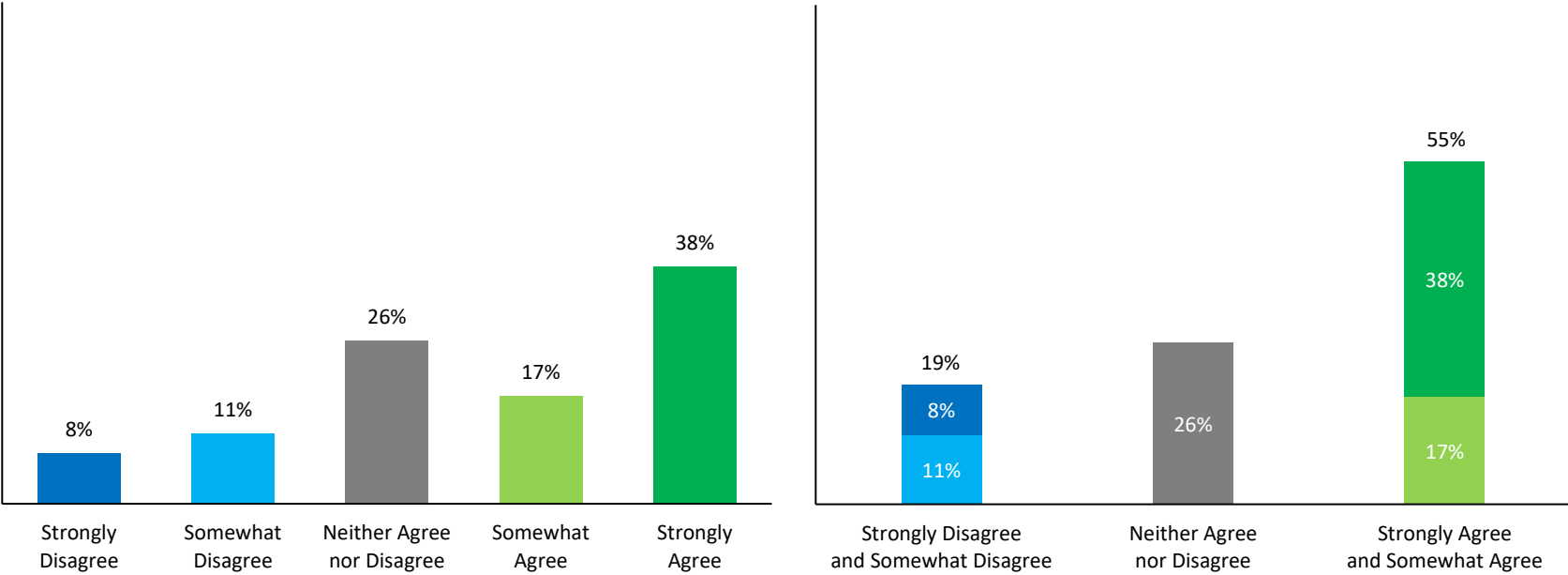
Comparability is one of the most significant and widely shared concerns [of investors](#) in a voluntary quarterly reporting regime – 84% of respondents (**Exhibit 50**) agreed that different companies having different reporting frequencies will make comparing companies and industries more difficult. These results echo what we found in our 2019 survey, where 87% of respondents agreed that flexible reporting periods will challenge comparability.⁵⁰

⁵⁰ Chart 17 in [Quarterly Reporting Survey 2019](#).

Exhibit 51: Quarterly Dividend Should Be Supported by Quarterly Reporting

Companies that pay a quarterly dividend should retain quarterly reporting.

n = 1,558

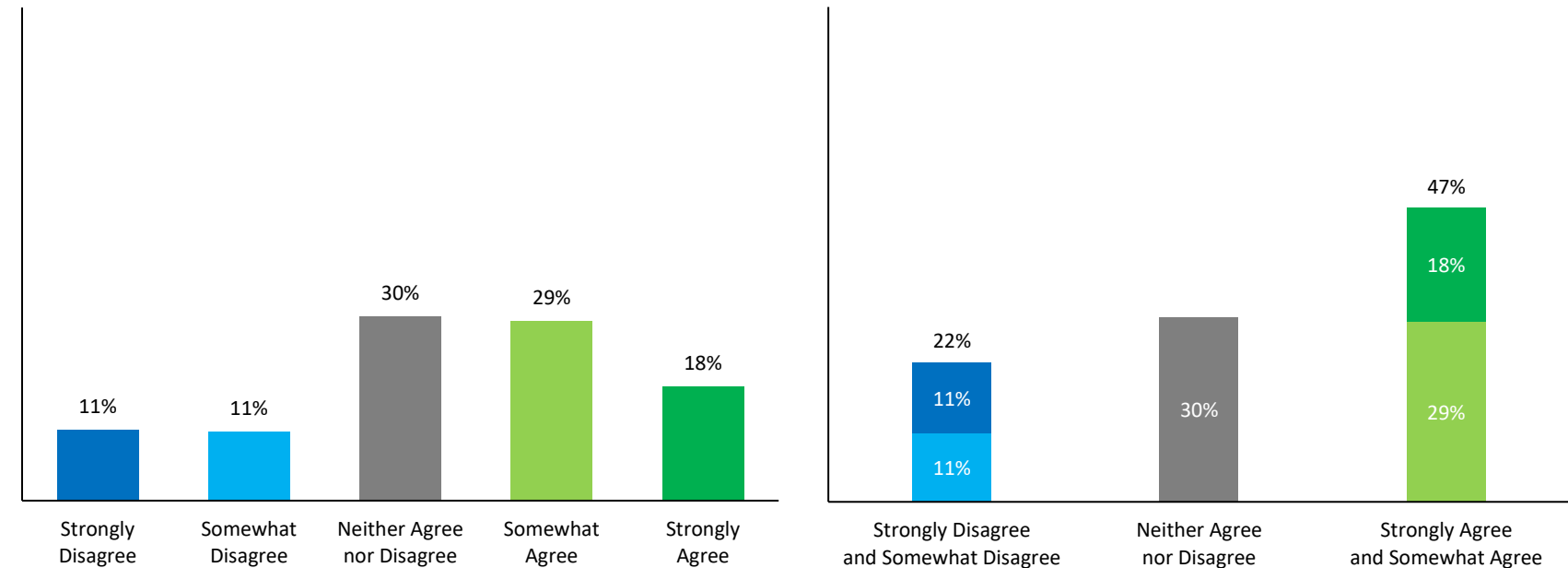


Quarterly dividends are common in the US, while semiannual or annual dividends are common in other countries – especially those that require reporting on a semiannual basis. Quarterly dividends are a direct cash outflow from issuers which many investors rely upon for income. A majority of [respondents investors](#) (nearly 55%) agreed that companies that pay quarterly dividends should retain quarterly reporting – so investors can judge company cash flows relative to dividend payments (**Exhibit 51**).

Exhibit 52: Ending Quarterly Reporting May End Quarterly Dividends

Companies may change to paying dividends semiannually if they adopt semiannual reporting.

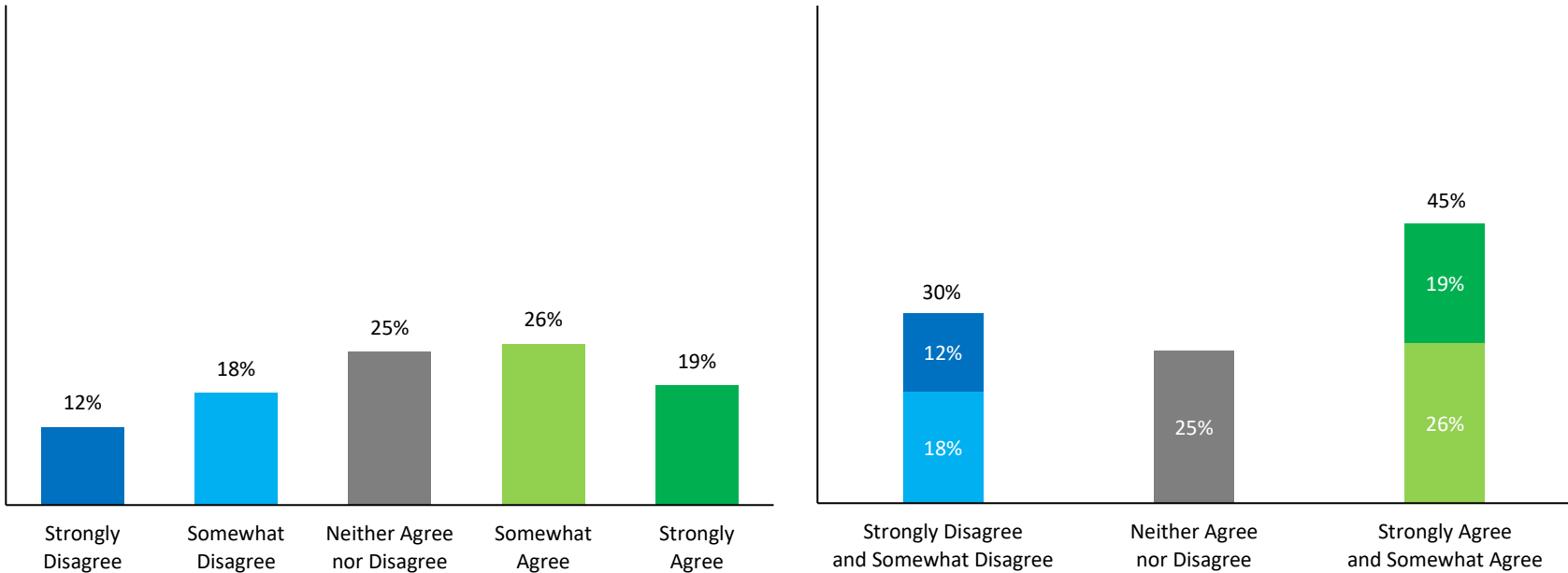
n = 1,544



Just less than a majority (47%) of [investors respondents](#) in **Exhibit 52** agreed that companies may move to semiannual dividends if required reporting is shifted to a semiannual, rather than quarterly, basis. That said, approximately 30% neither agreed or disagreed that there may be a change – with some commenters expressing uncertainty on this topic.

Exhibit 53: Decreasing Reporting Frequency May Increase Cost of Capital

Moving from quarterly to semiannual reporting will increase the cost of capital.
n = 1,561

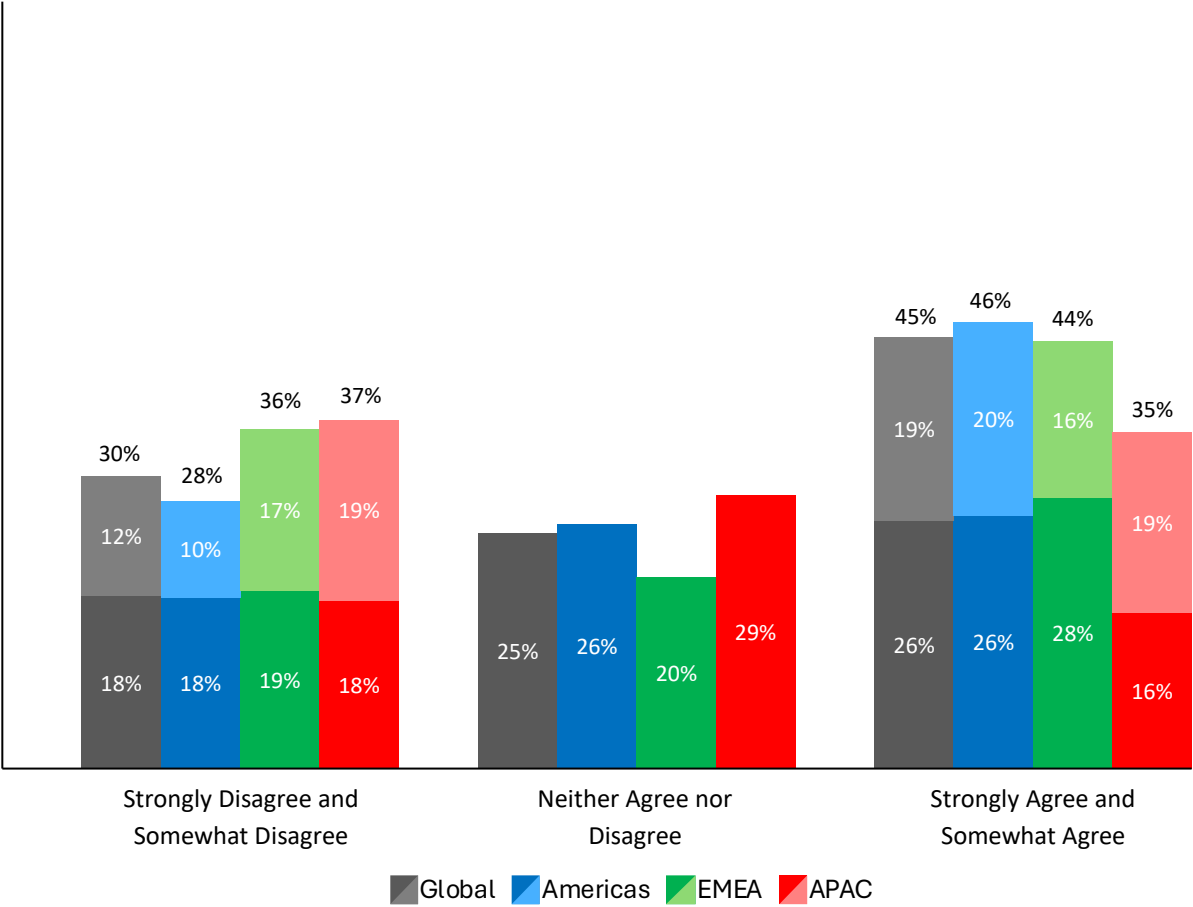


Respondents’ views, as shown in **Exhibit 53**, regarding how the cost of capital (i.e., investors’ required rate of return) might evolve if reporting frequency is reduced are somewhat mixed, with 45% of investors agreeing that the cost of capital would increase while approximately 30% disagreeing and nearly 25% unsure. Some commenters expressed that the cost of capital at the country or jurisdiction level depends on many factors including the relative attractiveness of investments in that country vs. others’, so it is difficult to judge the outcome precisely.

The regional results differed materially from the global results for this question, so we present the regional results in the next exhibit.

Exhibit 54: Decreasing Reporting Frequency May Increase Cost of Capital (Regional)

Moving from quarterly to semiannual reporting will increase the cost of capital.
n = 1,561



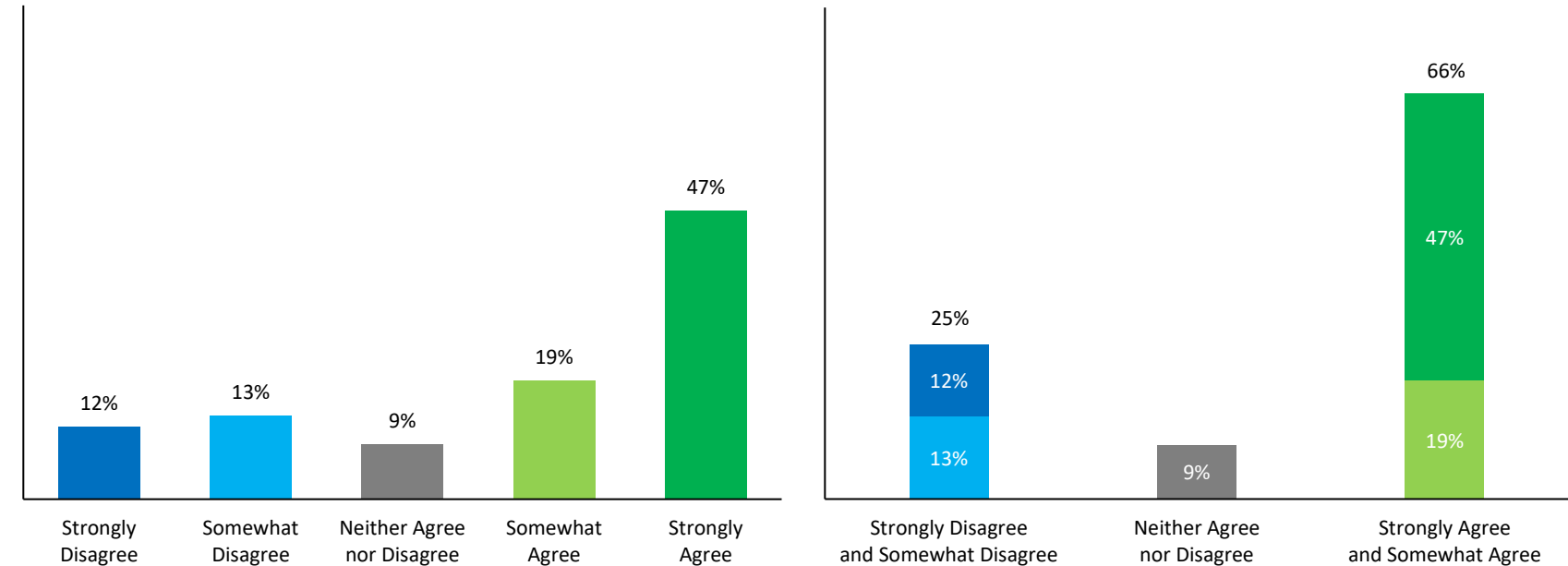
The level of agreement among APAC respondents (35%) was sharply lower than that of Americas respondents (46%), while the level of uncertainty of APAC respondents (29%) was much higher than for EMEA respondents (20%) in Exhibit 54.

Exhibit 55: ~~Investors See Six Months i~~As Too Long in Current Environment

If quarterly reporting is abandoned or the nature and form of information provided is reduced, there will be longer periods of time that investors will not have heard from company management. Investors will likely have to rely more on significant event disclosures on Form 8-K or other means of communication and alternative data. With that as context, provide your views on the following questions:

Six months is too long a period of time between the release of earnings or financial information in the current market environment.

n = 1,563

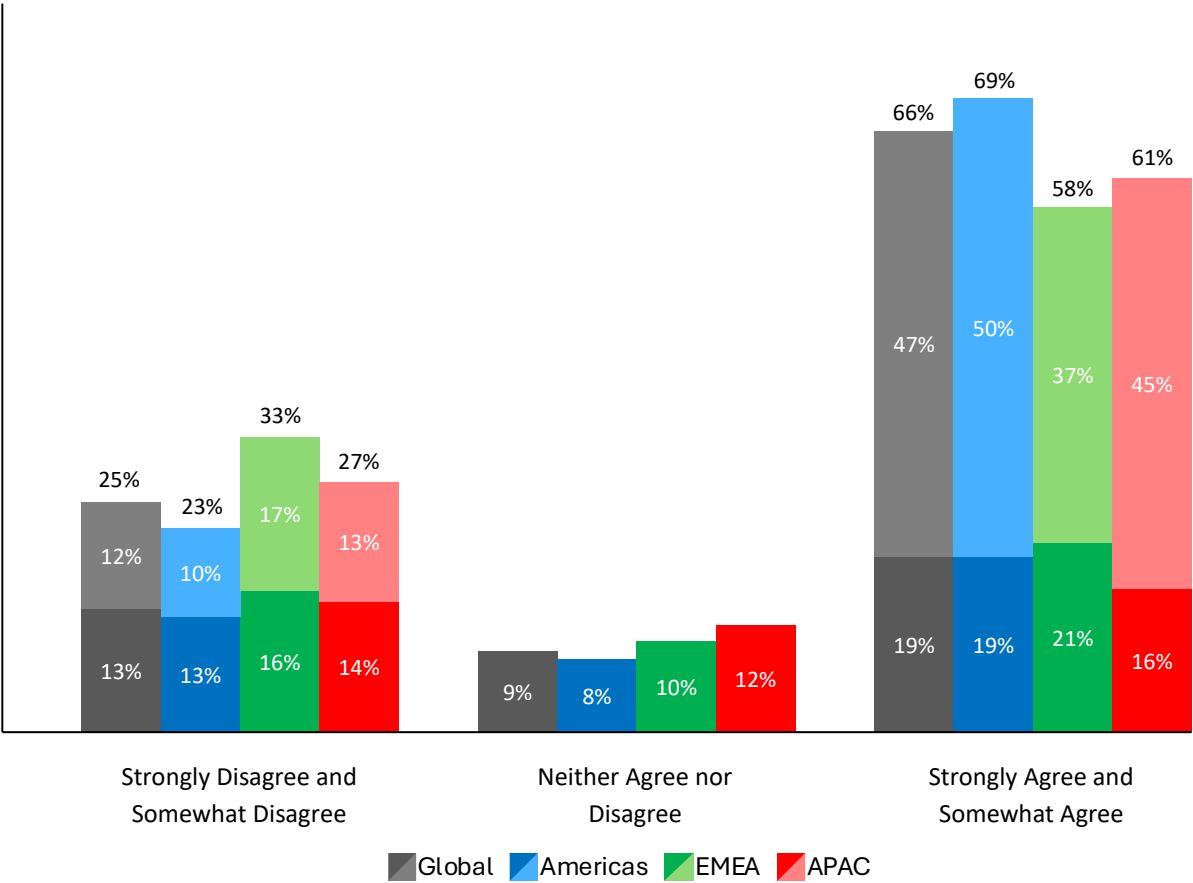


As shown in **Exhibit 553**, ~~Fi~~two thirds (66%) of respondents agree that six months is simply too long to go without information on an investment in the current environment. Some commenters wrote that rapid changes in artificial intelligence and its effects on business models and risks have made up-to-date information and outlooks from companies ever more important.

The regional results differed materially from the global results for this question, so we present the regional results in the next exhibit.

Exhibit 56: ~~Investors See Six Months As~~ Too Long in Current Environment (Regional)

Six months is too long a period of time between the release of earnings or financial information in the current market environment.
n = 1,563



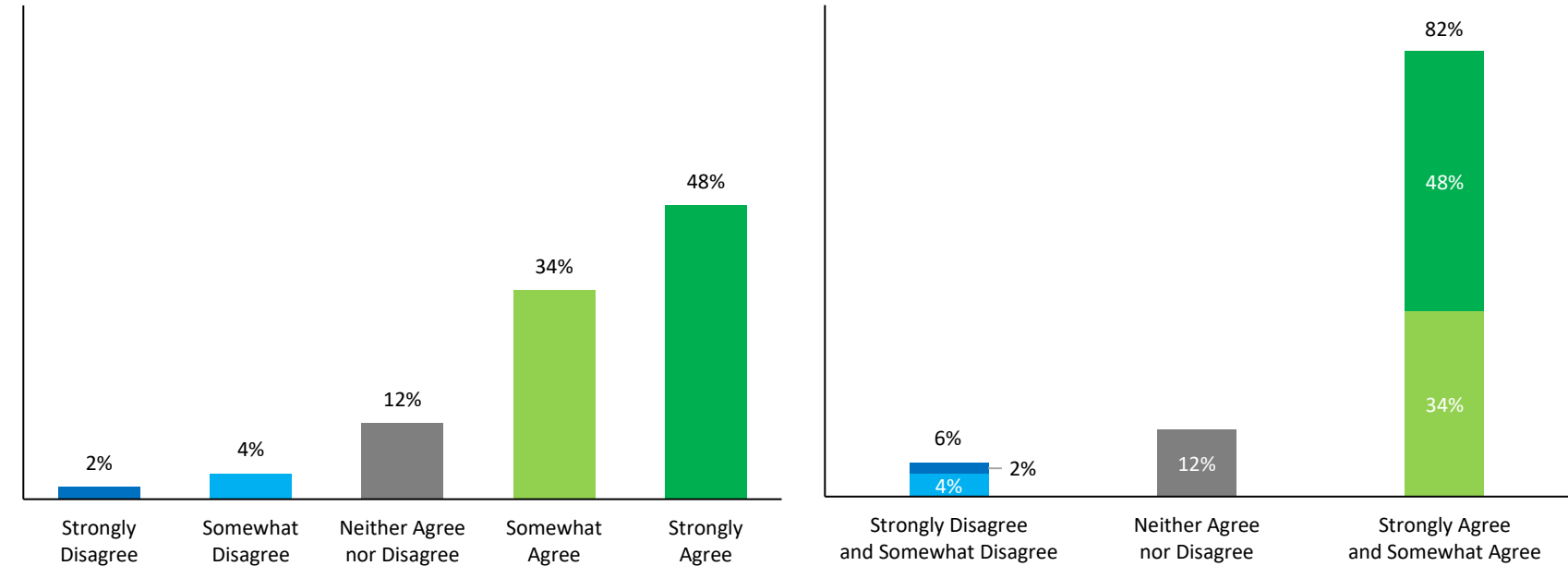
As shown in **Exhibit 56** Americas respondents (70%) most strongly agreed that six months was too long a period of time between the release of financial information with significantly less agreement among EMEA (58%) and APAC (61%) – likely reflecting those investors’ respondents’ experience and comfort with semiannual reporting in jurisdictions in those regions. But Americas ~~SA investors~~ respondents are far less favorably disposed toward a change to semiannual reporting ~~to the SEC~~.

Exhibit 57: ~~Investors~~ Expect More 8-K Disclosures with Semiannual Reporting

If quarterly reporting is abandoned – or the nature and form of information provided is reduced – there will be longer periods of time that investors will not have heard from company management. Investors will likely have to rely more on significant event disclosures on Form 8-K or other means of communication and alternative data. With that as context, provide your views on the following questions.

Reduced reporting frequency will increase the need for significant event disclosures (on Form 8-K) with the SEC.

n = 1,554

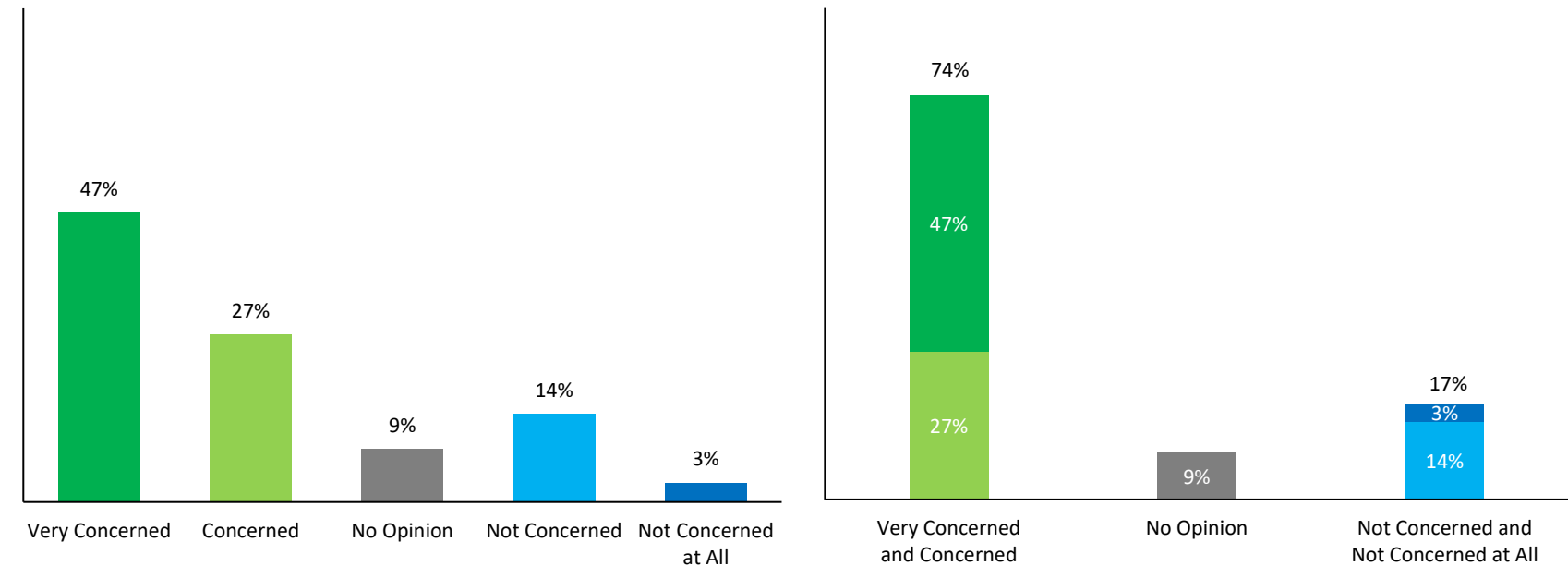


Domestic issuers are required to disclose certain material events within 4 business days on Form 8-K to the SEC, subject to various conditions. As shown in **Exhibit 57**, ~~investors~~ respondents strongly support maintaining this system of continuous disclosure, with more than 80% ~~of~~ respondents expecting that semiannual reporting will result in more Form 8-K issuances in the absence of the 1Q and 3Q Form 10-Q quarterly reports that serve as clearinghouses for material events around those points in time.

Exhibit 58: High Concern About Timeliness of Disclosure, Particularly Bad News

How concerned are you that important information, particularly negative information, will be released in a less timely manner?

n = 1,561



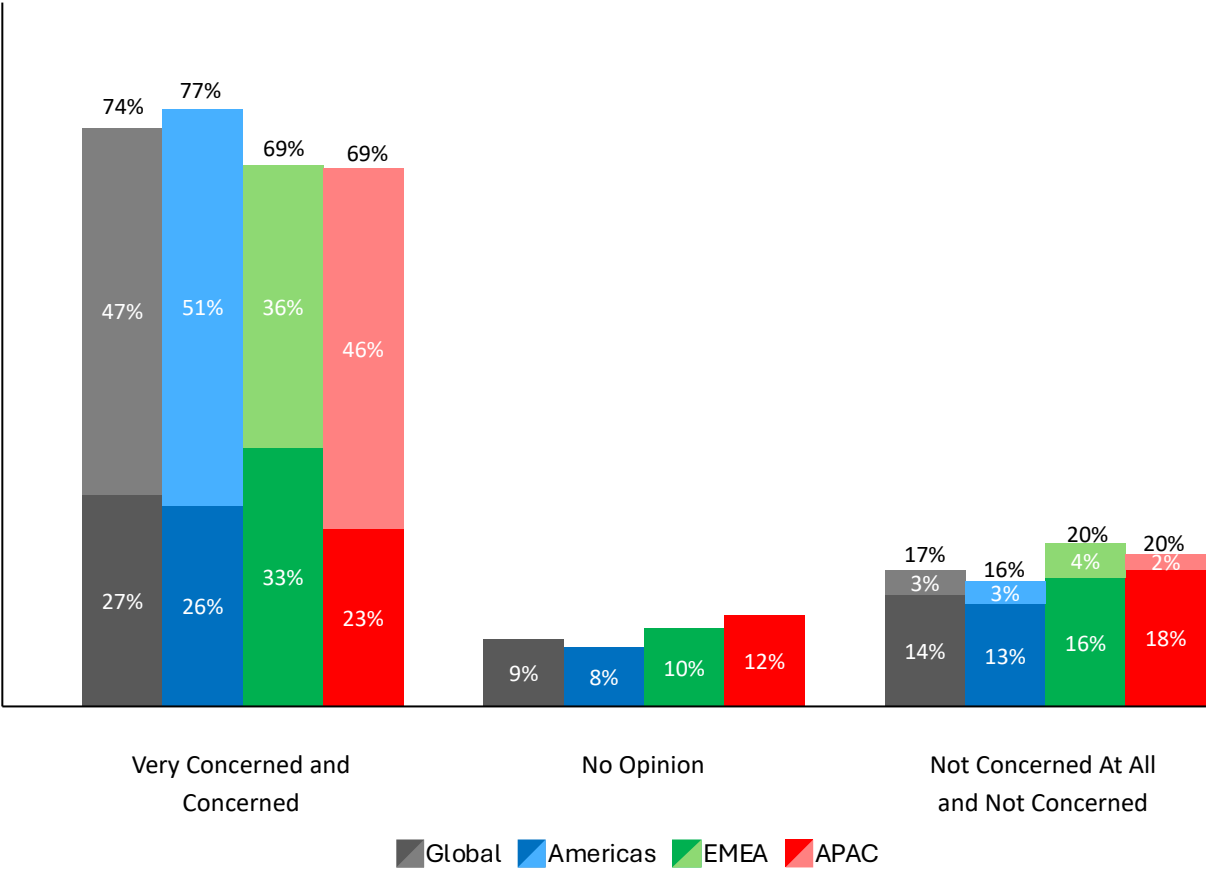
A voluntary reporting regime will rely heavily on investors trusting that public company management will release not only good news – but also bad news – to investors in a timely manner. While issuers and their proxies are may not be concerned about this issue, our survey suggests a level of investor concern about this issue. As **Exhibit 58** highlights, nearly 75% of respondents are concerned or very concerned about delays in the disclosure of bad news, which could will adversely affect the price discovery function of capital markets.

The regional results differed materially from the global results for this question, so we present the regional results in the next exhibit.

Exhibit 59: High Concern About Timeliness of Disclosure, Particularly Bad News (Regional)

How concerned are you that important information, particularly negative information, will be released in a less timely manner?

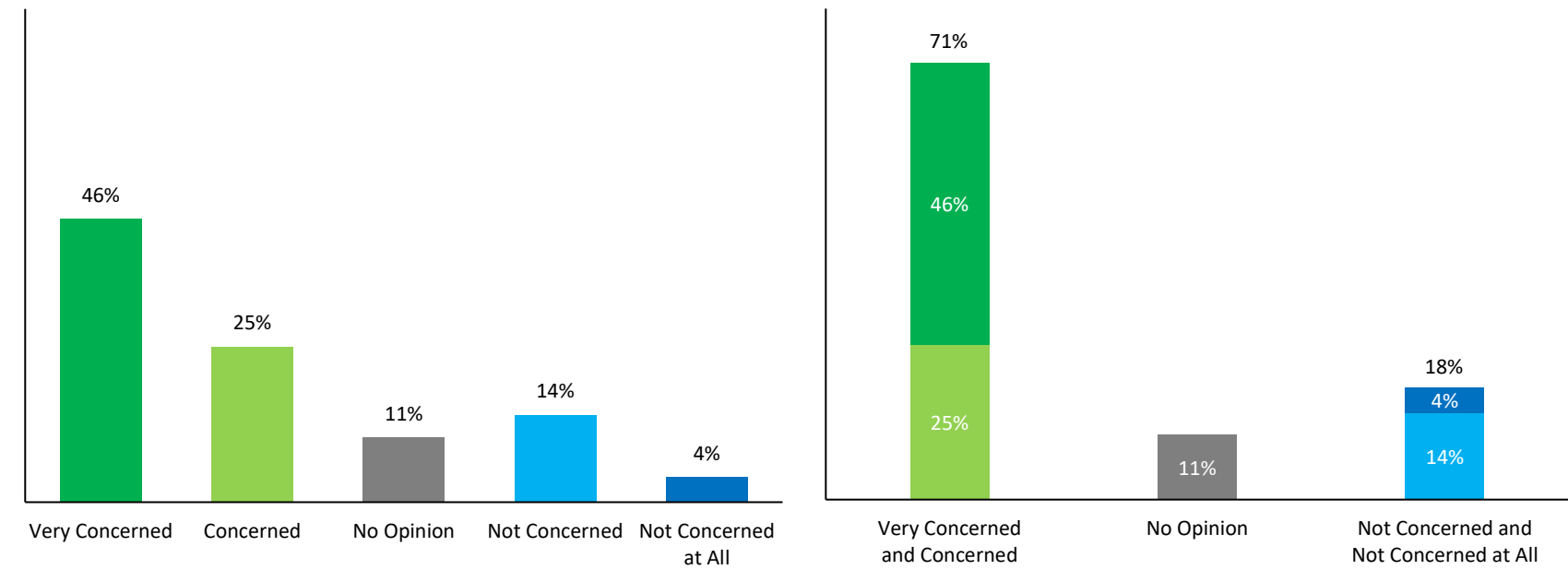
n = 1,561



Americas respondents (77%), as shown in Exhibit 59, were significantly more concerned about this issue than EMEA or APAC respondents (69%).

Exhibit 60: High Concern About Selective Disclosure with Less Frequent Reporting

How concerned are you that reducing the frequency of reporting will increase unevenness or unfairness in the disclosure of information to investors and disadvantage certain investors?
n = 1,558

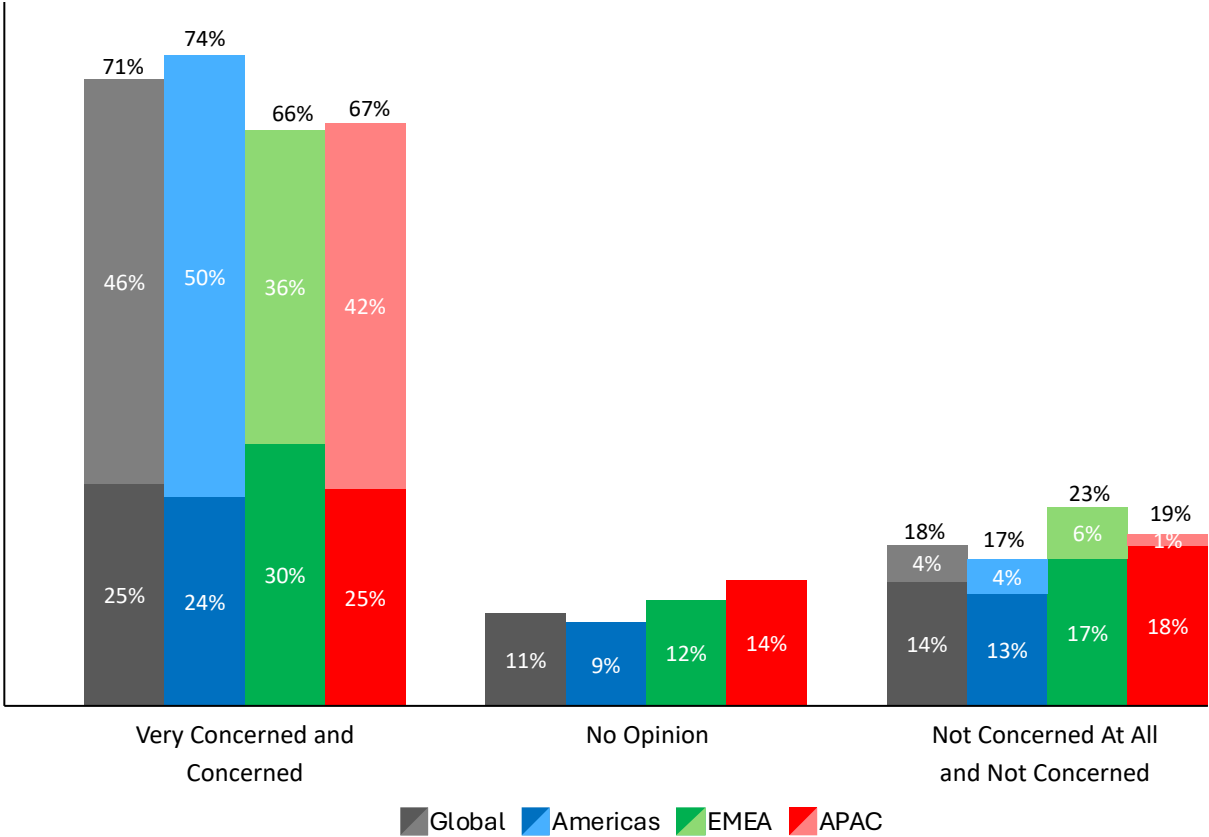


A common belief expressed by many commenters throughout the survey was that reduced reporting frequency would benefit larger investment firms with better connections to management and sell side analysts. **Exhibit 60** shows that ~~over~~ 71% of respondents share this concern. Some commenters provided feedback that informal, private information sharing networks are common in semiannual reporting jurisdictions and pose challenges to foreign and smaller investors – a feature that they do not want the US to import.

The regional results differed materially from the global results for this question, so we present the regional results in the next exhibit.

Exhibit 61: High Concern About Selective Disclosure with Less Frequent Reporting (Regional)

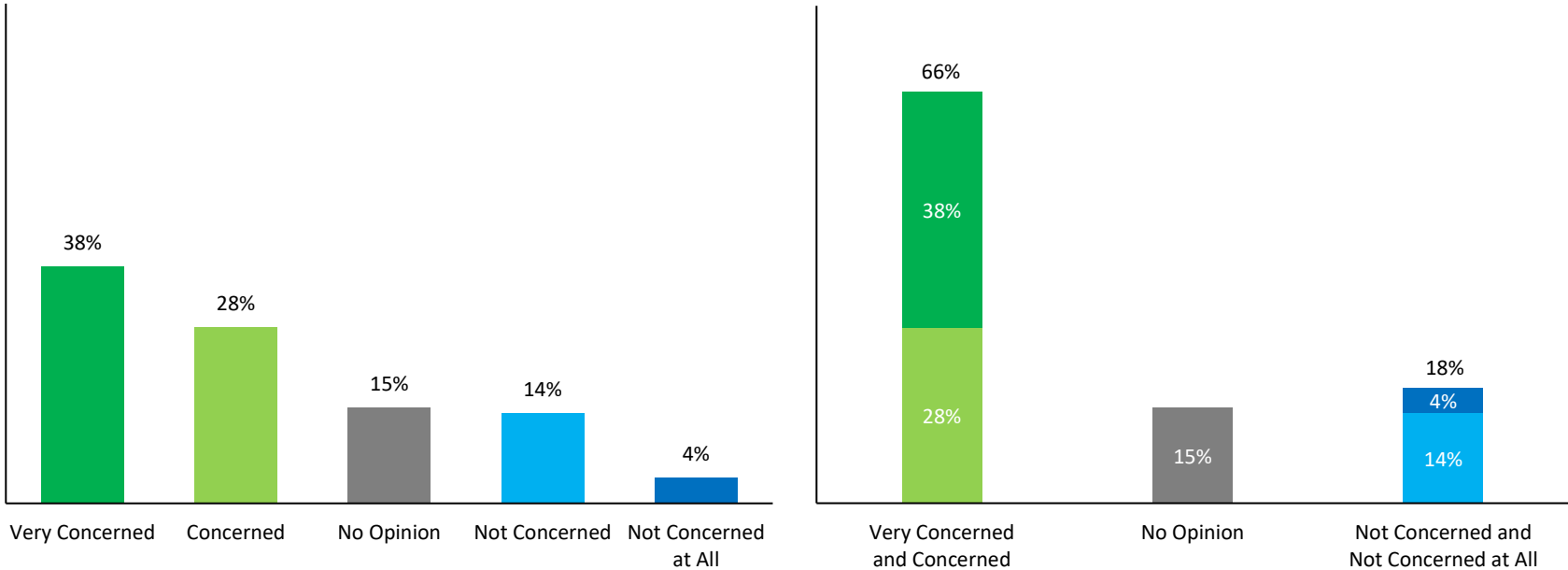
How concerned are you that reducing the frequency of reporting will increase unevenness or unfairness in the disclosure of information to investors and disadvantage certain investors?
n = 1,558



Americas respondents (74%), as shown in **Exhibit 61**, were significantly more concerned about the unevenness of disclosures than EMEA and APAC (67%) respondents.

Exhibit 62: High Concern About Insider Trading with Less Frequent Reporting

How concerned are you that longer reporting periods will afford management greater ability to take advantage of insider information with respect to their own purchases and sales of stock?
n = 1,555



Among the ~~most~~ **more** significant concerns with respect to moving to semiannual reporting – as shown in **Exhibit 62** and expressed in respondent comments earlier in the survey before we posed this question – is that lengthening the reporting period provides insiders with a longer period of time to act on information that the public does not have. Some commenters provided feedback that the SEC may have to revisit its rules on insider trading activity to accommodate the longer reporting periods. Additionally, it is clear that companies will need to make sure they tailor their insider trading blackout periods to their reporting frequency.

3. THEMES AND OBSERVATIONS FROM COMMENTS ON POTENTIAL IMPLICATIONS OF REDUCTION IN REPORTING FREQUENCY

We received 64 comments from respondents in the comments section related to this series of questions regarding the potential implications of reduction in reporting frequency.

We highlight major themes in the comments using representative comments. The text beside each bullet point is a separate comment and commenter. For all comments received from respondents, see **Appendix B**.

Small vs. Large Investors

- *If the market moves to semiannual reporting, **investors like me with regular access to management teams will absolutely gain further advantage over investors who don't.** There **will also be more fraud** because more time will lapse between the reality checks that financial reporting provides.*
- *It **creates asymmetry of information** if you are a **small investor**.*
- *It is likely **more of an issue for small firms** because big firms will still attend conferences and talk about businesses, for small firms, investors will have even less access to needed information. at the same time however, quarterly reporting is likely a bigger burden to small firms due to their limited resources.*
- ***Sell-side investment banks and their clients will have an information advantage through access to company management teams.** There should never be private conferences that are not also webcast at a minimum.*
- ***Things to be concerned about for sure,** but less frequent reporting makes the job of a research analyst more valuable. It could **hurt other classes of investors** but smaller investors already operate in the dark, so it won't be much of a change for them. A small unsophisticated investor would not be able to replicate the level of work and due diligence that research analysts do in a quarterly report lung or semi annual reporting world. The small guy is not going to be much worse off because he does not get the 10-Q. **The sophisticated investors may be worse off because they don't have the 10-Q, but it makes the research they do more valuable.** Surveys, trips to see the company and their competitors, tracking macro KPIs etc*

Works Fine in Other Jurisdictions

- *I would **check with UK investors to understand their experience** and if companies report less.*
- *Both Australia and the UK only require semiannual reporting so I am not sure why you are asking these questions.*
- *It works well in other countries. **Why should the US be different?***
- *Just look at other countries with longer reporting frequencies than in the US. Works just fine!*

Non-GAAP financial measures

- *Re Non-GAAP financial measures, a company is free to provide information whenever it deems appropriate, even if this is Non-GAAP.*
- *Non-GAAP measures should be presented only in conjunction with reconciliations to GAAP results. With increasing adoption of AI-enabled channel checks and management access through sell-side & industrial conferences, institutional investors can still be well informed to make investment decisions, even with management disclose publicly available information less frequently. However, retail investors in theory will be more negatively given the information asymmetry. Yet most of them speculate and may not even read 10Qs/Ks. Certain disclosures should be mandate regardless frequency such as insider dealing.*
- *I am always skeptical of non-GAAP figures but in many cases it's very useful for analyzing and understanding a company, for example some companies provide FCF, EBITDA (pre-IFRS leases), volume figures, etc. Those are very very helpful. Forcing them to only provide vanilla figures would greatly reduce the quality of disclosure. Unless they are allowed to provide these in their earnings presentations and releases anyways. All of the points provided here under information asymmetry is very real and I would guess happens very frequently in places that do not require quarterly reporting.*

Insider Trading and Insider Information

- *Insider trading should be policed independently of this*
- *Even a country like Australia that has low levels of corruption and rule based order has succumbed to wide spread insider information by its investment community because of semiannual reporting. The temptation is too great and over time the practice has become normalised. This is why I choose to invest overseas, as I can not compete with these insiders, and quarterly reporting greatly increases my comfort in investing in US companies in particular.*
- *Management can already effectively take advantage of "insider information" with quarterly reporting. That concern is probably overblown, though longer reporting windows will only serve to make this phenomenon more prevalent.*
- *I would hope that the managements of the companies in which we invest would NOT take advantage of inside information. We believe in company's management to have morality when it come to insider trading.*
- *Any important information that might cause market price to move must be disseminated immediately, except if dissemination might cause significant harm to the company. In this case, companies insiders should be strictly prohibited to trade with the stock.*

Form 8-K Current Events Disclosures

- *Companies should still be required to release significant material information on 8K's. The frequency of reporting should not change the penalties of insider trading and reporting requirements for management purchases and sales should not change.*
- *I take issue with the framing that companies will communicate less frequently if quarterly reporting is no longer required. The use of "will" implies a certainty that is not inevitable. Eliminating a quarterly filing mandate does not prevent firms from providing frequent updates*

through press releases or other voluntary disclosures that meet materiality and Reg FD requirements. In fact, **market incentives may encourage continued—or even increased—communication, as prolonged silence can reduce investor attention, signal weaker governance, and negatively affect valuation and liquidity.** The question may benefit from framing this outcome as one possible scenario—namely that some companies may report less frequently or go for extended periods without communication—rather than as a certain result. Cool, that's good.

- Your 'information asymmetry' questions are biased as written. **The requirements to notify investors of meaningful events (8-Ks) does not change in the event of only requiring 10-S filings vs 10-Qs. The quarterly filing requirements forces mgmt teams to create earnings to hit targets, incentivizing short-term behavior."**

Supporters of Semiannual Reporting

- **A shorter reporting frequency will allow analysts to do more insightful work** rather than spending a huge amount of time with maintenance research needed to adhere to compliance rules
- **Companies WANT to communicate with investors.** Unfortunately, the current system of quarterly reporting makes it more difficult for them to do that. **Because of quarterly reporting, management teams have a very narrow window within which they can attend conferences, do roadshows, host events, etc., because so many weeks out of the quarter are eaten up by the "quiet period" and the earnings season itself.** In my mind, a move to semiannual reporting would actually make it easier for them to talk to investors and with greater emphasis on the strategy and fundamentals of the business, rather than talking about quarterly cadence, quarterly guidance, etc., all of which are meaningless over the long-term.
- I believe **longer reporting periods will reduce stock volatility, promote longer-term stock ownership, reward true due diligence in research, and aid in reasonable price discovery.**
- Less frequency of reporting will **allow management to manage the business more and allow more flexibility as well as more TIME WITH INVESTORS!!!** Less "quiet periods." Every 2 months or less management teams say they can't speak with investors because they are about to close a quarter or file a filing. Approximately 50% of EACH QUARTER is deemed quiet and can't communicate. That's crazy!!! So management could actually manage their business better AND speak w investors more.
- Making it easier to be a public company will increase the total amount of information

G. LONG-TERMISM AND REPORTING FREQUENCY

1. SUMMARY

A major argument for ending quarterly reporting, featured in President Trump's Truth and in the Long-Term Stock Exchange's petition to the SEC discussed in the Background section, is that doing so would foster "long-termism" among companies, investors, or both. Long-termism, as we noted earlier, seems to have as many definitions as it does proponents.

We concluded this survey by asking respondents 6 questions to define long-termism and whether respondents believe reducing reporting frequency may positively affect long-termism.

Exhibit 63 summarizes the results of these six questions described below. There were no significant differences by region.

Definition and Measurement of Long-Termism

- [Respondents investors](#) tend to use holding period (52%) over companies increasing research and development costs (35%) to measure long-termism.
- The most common ~~(49%)~~, but not majority, view of the definition of long-term was 3-5 years (49%) followed by a term of 6-10 years (37%). More than ~~78~~6% of [respondents investors](#) believe long-term is period between 3-10 years, with most between 3-5 years, suggesting a definition of long-term around 5 years.

Views Regarding Whether Extending Reporting Period Increases Long-Termism

- Only 41% of [respondents investors](#) believe less frequent reporting (moving from quarterly to semiannual reporting) would increase long-termism.
- Counter-intuitively, a smaller number of [respondents investors](#), only 35%, believe an even longer reporting period (moving from quarterly to annual reporting) would increase long-termism. The ~~difference in~~ percentages of respondents ~~that~~ moved from the agree to strongly disagree category reflect a strong level of disagreement. ~~It was~~ We expected that those supporting long-termism would be more supportive of shift in reporting period by more than 90 days.

~~***Views Regarding Whether Extending Reporting Period Increases Long-Termism***~~

- There was no consensus (33% disagree, 35% neither agree or disagree, and 32% agree) that companies and investors in semiannual reporting jurisdictions(e.g., Europe) are more long-term oriented than those in quarterly reporting jurisdictions.

~~***Views Regarding Whether Extending Reporting Period Increases Long-Termism***~~

- 85% of respondents – amongst the highest percentage in the survey – agree that aligning management compensation structures with long-term goals has a greater impact in achieving a long-term perspective than changing from quarterly to semiannual reporting.

The bottom line is that [respondents investors](#) do not broadly agree that reducing reporting frequency will increase long-termism – which many respondents define as a holding period of approximately 5 years – or that jurisdictions with semiannual reporting are more long-term oriented. There was, however, clear consensus that linking management compensation to long-term goals would have a greater impact on long-termism than a change from quarterly to semiannual reporting.

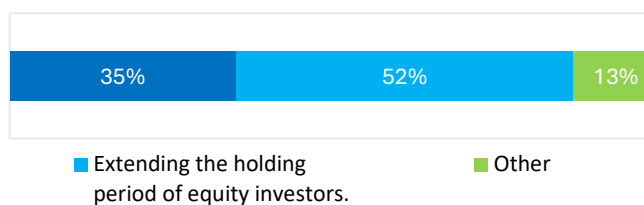
Exhibit 63: No Clear Consensus on Definition of Long-Termism, But Investors View Management Incentives as Much Greater Driver Than Reporting Frequency

Investors Tend to Use Holding Period as Measure of Long-Termism

How would you define or measure an increase in long-termism?

(Exhibit 64) n = 1,471

■ Companies increasing capex and R&D

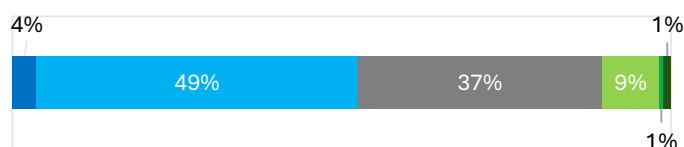


Long-term is Around 5 Years For Most Investors

How long is long-term under your definition of long-termism?

(Exhibit 65) n = 1,494.

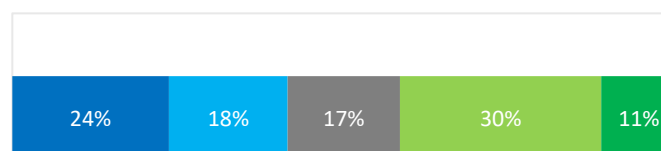
■ 0-2 years ■ 3-5 years ■ 6-10 years ■ 11-20 years ■ 21-30 years ■ 30+ years



Majority Does Not Agree Semiannual Reporting Would Drive Long-termism

Less frequent reporting by companies would increase long-termism...Moving from quarterly to semiannual.

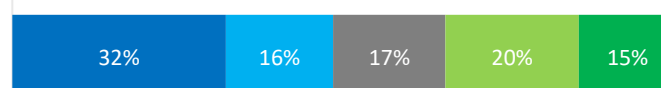
(Exhibit 66) n = 1,497.



Even Lower Agreement That Annual Reporting Would Drive Long-termism

Less frequent reporting by companies would increase long-termism...Moving from quarterly to annual.

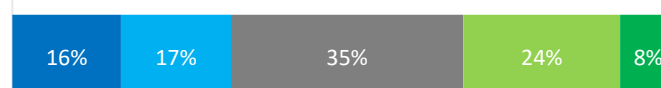
(Exhibit 67) n = 1,484.



No Consensus on Whether Semiannual Jurisdictions Are More Long-Term Oriented

In my experience, companies and investors in jurisdictions with semiannual reporting (e.g., Europe) are more long-term oriented than those in quarterly reporting jurisdictions.

(Exhibit 68) n = 1,489.



Strong Agreement That Management Incentives Greater Driver of Long-Termism

Aligning management compensation structures with long-term goals has a greater impact in achieving a long-term perspective than changing from quarterly to semiannual reporting.

(Exhibit 69) n = 1,502.



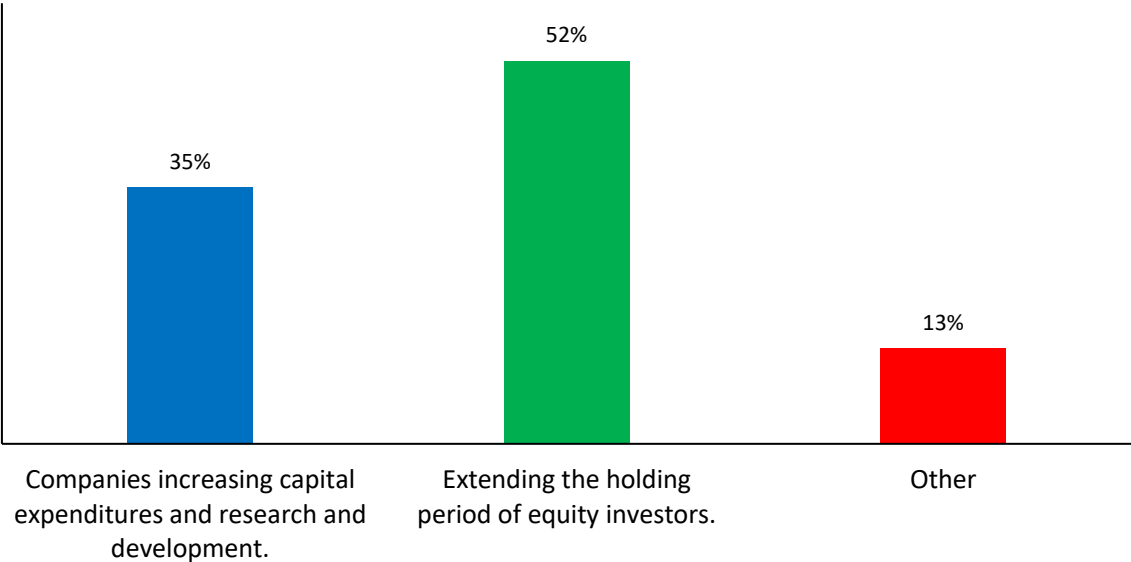
■ Strongly Disagree ■ Somewhat Disagree ■ Neither Disagree nor Agree ■ Somewhat Agree ■ Strongly Agree

2. CHARTS OF SURVEY QUESTIONS AND RESULTS

Exhibit 64: Investors Tend to Use Holding Period as Measure of Long-Termism

How would you define or measure an increase in long-termism?

n = 1,471

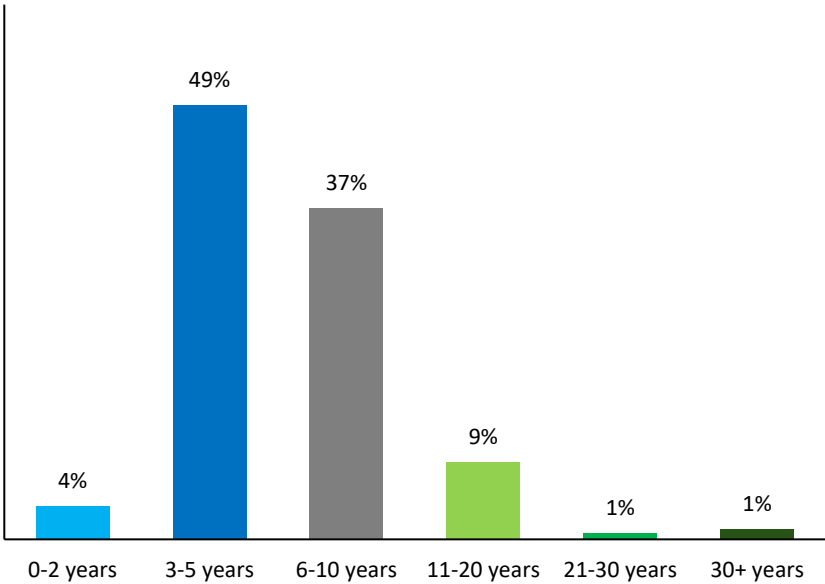


As **Exhibit 64** highlights, a slight majority (52%) seek to define or measure an increase in long-termism as extending the holding period of equity investors, with a significant minority (35%) indicating it reflects an increase in capital expenditures and research and development. The “Other” option (13%) allowed respondents to write in their own answer.

The most common “Other” response were variants of a subjective concept best described as management making decisions with more emphasis on a multi-year plan rather than focusing on the effects of their decisions on the next quarter or two. Some respondents who wrote this explicitly said long-termism is a “perspective, ~~not~~ rather than a metric” that was challenging to be precise about (i.e., you know it when you see it.) The second most common “Other” response was “both” (i.e., companies increasing capital expenditures and R&D *and* extending the holding period of equity investors).

Exhibit 65: Long Term is Around 5 Years for Most Investors

How long is long term under your definition of long-termism?
n = 1,494



As shown in **Exhibit 65**, by far the most common responses were that long-termism is a perspective that would be measured at about 3-5 years (49%) or 6-10 years (37%). Based on these results, it appears that most respondents would agree that a horizon of around 5 years would qualify as long term.

Regional results do not differ materially from the global results, so we present only the global results.

Exhibit 66: Majority Does Not Agree Semiannual Reporting Would Drive Long-termism

Less frequent reporting by companies would increase long-termism...Moving from quarterly to semiannual.
n = 1,497

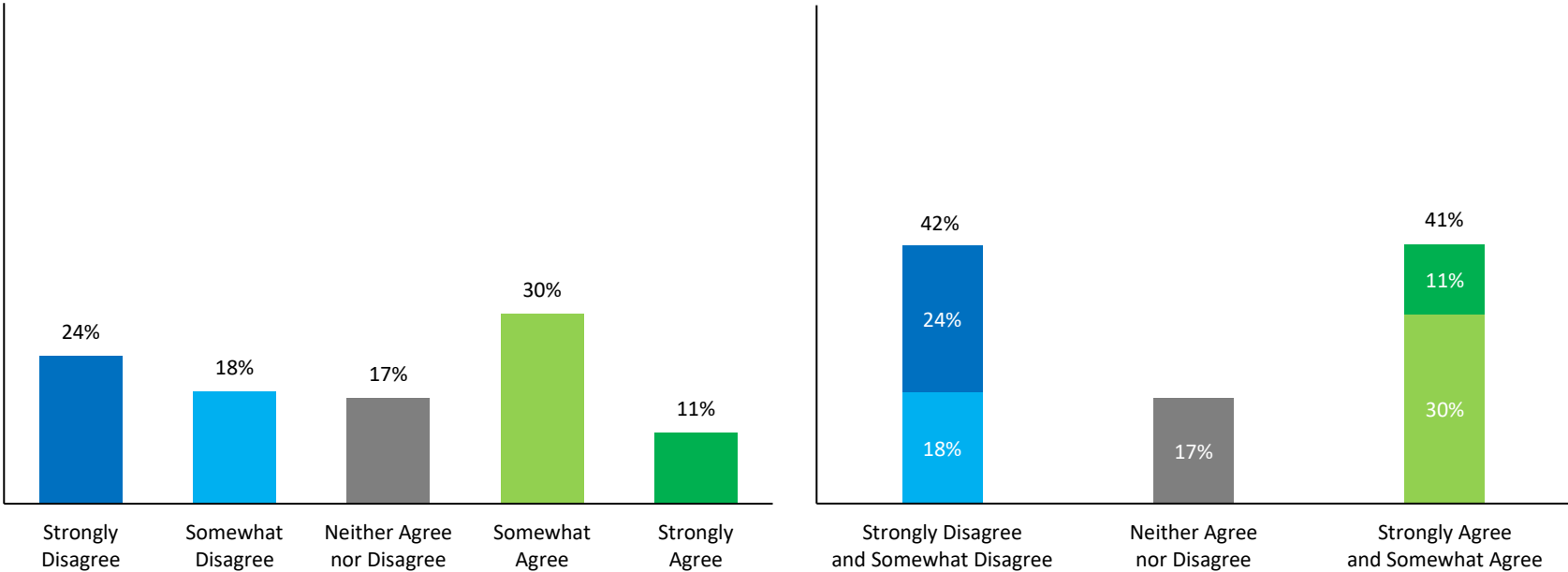


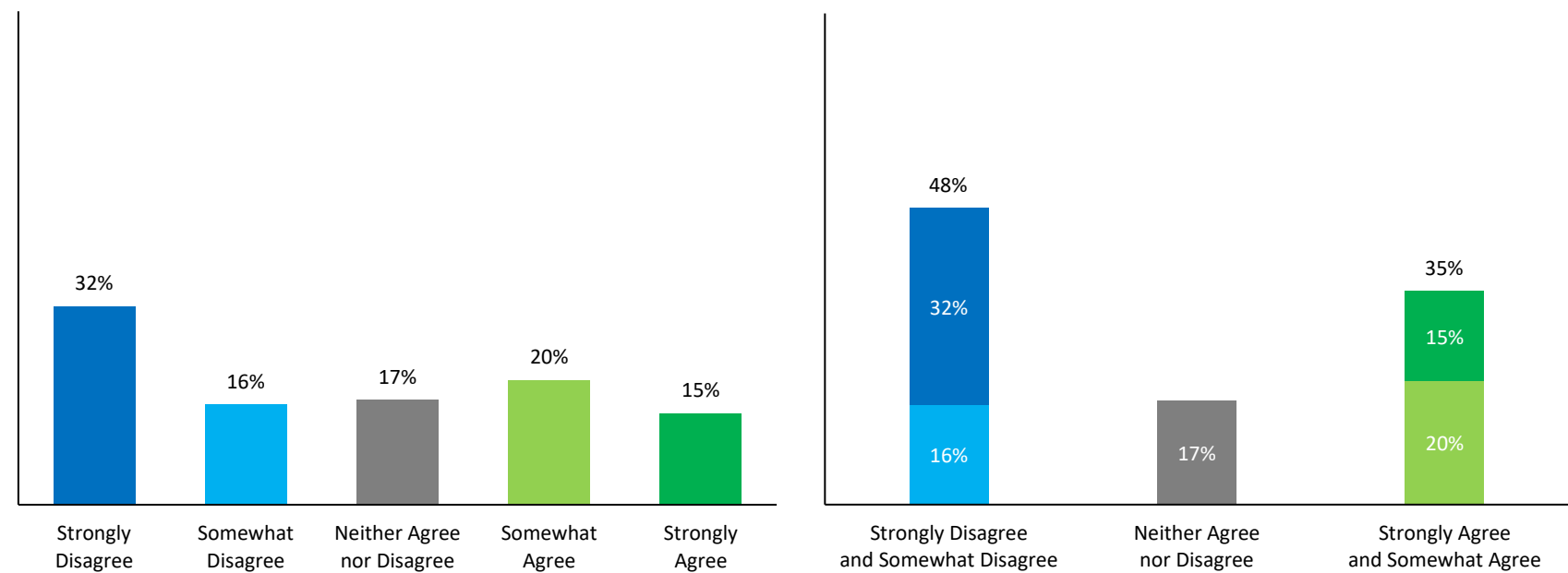
Exhibit 66 shows that equal numbers of respondents agreed and disagreed that less frequent reporting would increase long-termism, but there was a much higher (more than 2x higher) level of strongly disagree (24%) than strongly agree (11%). This is generally less disagreement than what we observed in our 2019 survey, where 59% disagreed that “reducing reporting frequency will significantly promote a long-term investment view” (with the caveat that the question is not identical across surveys which may impact comparability).⁵¹

⁵¹ Chart 23 in [Quarterly Reporting Survey 2019](#).

Exhibit 67: Even Lower Agreement that Annual Reporting Would Drive Long-Termism

Less frequent reporting by companies would increase long-termism...Moving from quarterly to annual.

n = 1,484

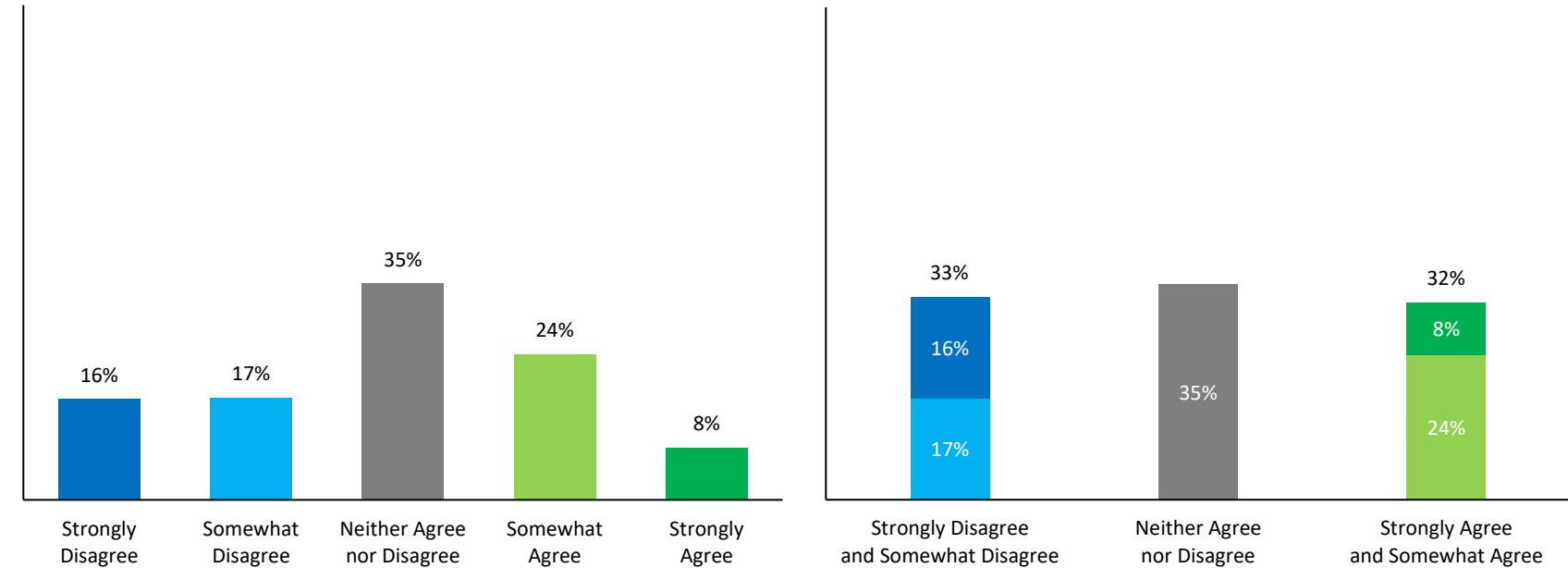


Interestingly, as shown above in **Exhibit 67**, a substantially fewer number of [investors respondents](#) (35% above as compared to 41% in **Exhibit 66**) agree that an even longer reporting period (annual) would increase long-termism. One would have expected that an even longer-term change from quarterly to annually would be perceived more positively by those who strongly support long-termism; a shift from quarterly to semiannual reporting is a shift of only 90 days.

Exhibit 68: No Consensus on Whether Semiannual Jurisdictions Are More Long-Term Oriented

In my experience, companies and investors in jurisdictions with semiannual reporting (e.g., Europe) are more long-term oriented than those in quarterly reporting jurisdictions.

n = 1,497



As **Exhibit 68** highlights, [respondents](#) ~~investors~~ were evenly split on whether companies and investors in semiannual reporting jurisdictions, such as Europe or Australia, are more long-term oriented than those in quarterly reporting jurisdictions, with nearly equal numbers of respondents disagreeing, neither agreeing nor disagreeing, and agreeing. Some commenters provided feedback that different perspectives on long-termism by country have more to do with different countries’ business cultures than required reporting frequencies.

Exhibit 69: Strong Agreement That Management Incentives Greater Driver of Long-termism

Aligning management compensation structures with long-term goals has a greater impact in achieving a long-term perspective than changing from quarterly to semiannual reporting.
n = 1,502

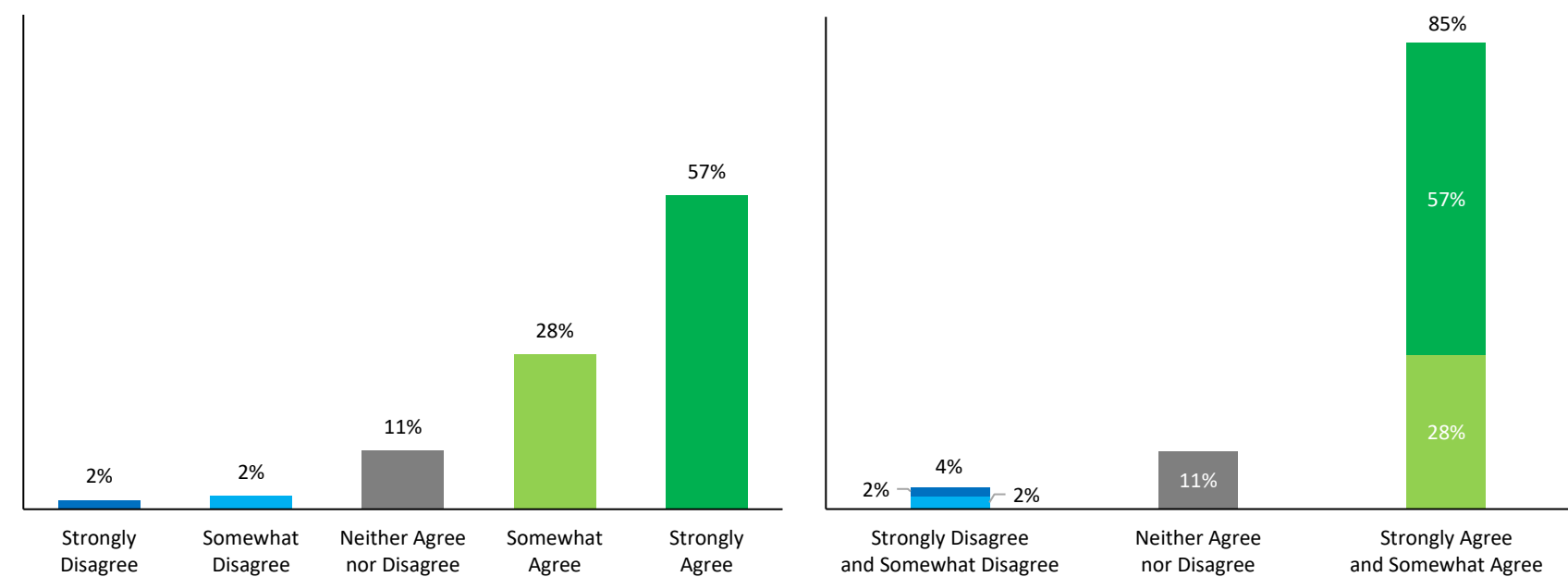


Exhibit 69, the final survey question, elicited the highest level of support of all the survey questions. Over 85% of respondents agree that tying executive compensation to the achievement of longer-term goals would have a greater impact on long-termism than reducing reporting frequency. This could take many forms including longer vesting periods, longer performance measurement periods, and/or larger and longer equity lock-up periods for executives.

3. THEMES AND OBSERVATIONS FROM COMMENTS ON LONG-TERMISM AND REPORTING FREQUENCY

We received 65 comments from respondents in the comment section on long-termism and reporting frequency.

The most common comment themes, in order of frequency, were:

- frequency of reporting is not a driver of long-termism,
- management incentives are a greater driver of management's investment decision-making rather than frequency of reporting,
- factors affecting investors' holding periods and whether they bear any relationship to the frequency of financial reporting, and
- from those who support a change to semiannual reporting as it may foster long-termism.

We highlight each of these common themes below with representative comments. The text beside each bullet point is a separate comment and commenter. For all comments received from respondents, see **Appendix B**.

Frequency of Reporting is Not a Driver of Long-termism

- ***Long-termism derives solely from the attitudes of management and directors. It is not determined by frequency of reporting. Legendary investor Warren Buffett, who is widely believed to have the world's best management and investment track record, has always thought in terms of decades despite the requirement for quarterly reporting.***
- ***A 3 month reporting difference is meaningless for encouraging longer term management decisions. It may save some time from executives, but that is what they are paid to do, report and manage the company for investors!***
- ***Private equity has always been considered a long-term asset class and the reporting cadence is still quarterly. The switch to long-termism isn't based on reporting frequency, it is based on the mindset of company management and investors.***
- ***If companies moved to semi annual or annual disclosure, this would not change investor or analyst behavior, it would just increase volatility as investors would have less to base decisions on and would rely more on rumors, management meetings, industry conferences, etc. to base decisions on near term industry trends. This would be a negative for US equity markets.***
- ***I really don't think there is a strong relationship between long-termism and reporting frequency. That's just not a good way to think about things in my opinion.***

Management Incentives

- ***Believe that 'long-termism' (from an issuer's perspective) is more heavily influenced by incentive compensation packages provided to management & leadership. Tying compensation too closely to achieving certain easily gameable financial metrics, share price, or 'growth' can have bigger impact on near term decisions that can have negative impacts longer term. Think poor M&A or capital allocation decisions, potentially misleading restructuring activity, questionable depreciation/revenue recognition assumptions, loss estimates etc. Quarterly reporting cadence increases the investor's ability to identify these biases early, and therefore***

***make more informed decisions.** This in turn should hold management more accountable to investors.*

- *Company C suites are heavily incentivized to boost EPS during the period in which the C suite personnel are in place with their option incentives. This boost can come from one or all of increased leverage, underinvestment to reduce the negative effect of depreciation and amortization on visible EPS, and a hire and fire attitude to the workforce/a reluctance to spend on training. Share option plans are set by the remuneration committee, but these are staffed by the same people who work in the C suite elsewhere = something of a conflict. **There is essentially no relationship between reporting frequency and managing a company for the long-term but there IS a relationship between the quality of the earnings produced and a stewardship approach to the shareholders' capital.** I do not see how the SEC can effect this improvement in US capitalism unless the audit process is made more rigorous and non GAAP reporting essentially relegated, so that the higher quality GAAP earnings are emphasized. Since audit is lengthy and expensive moving to a less burdensome semiannual frequency may help to make GAAP reporting the default.*
- ***If you have the right governance and management, you can achieve long-term results regardless of quarterly reporting.***

Investors' Holding Periods and Whether They are Related to the Frequency of Financial Reporting

- ***Investors need information to invest in companies. Holding period depends on strategy, style, and clients.***
- *Every investor is different with different objectives and life events and **reducing information frequency isn't going to reduce those difference just make investing riskier** for them.*
- *In my opinion, **reporting frequency is not likely correlated with holding period.** Short-term traders as just that, short-term. A 'bad' quarter is not going to cause an investor to sell, only a short-term trader, in my opinion.*
- ***Investor's investment horizon will differ from a company's investment horizon in new projects. This will not change even if the frequency of financial statements disclosures is reduced. In fact, it will prevent long-term investors ability to track a company at regular intervals. The real pressure comes from interactions and justifications deviating from quarterly estimates, which then puts pressure on managements to optimize for near-term EPS. Investors should be able to see each quarter what the financials show, but there need not be a requirement for managements to show up every quarter and justify the numbers.** Although they should face investors at least once a year, beyond the Annual General Meeting to enable assessment of business outlook and management.*

Support For a Change to Semiannual Reporting Because It May Foster Long-termism

- *I believe **moving to semiannual reporting would help companies/execs focus on the long-term, not just by having them focus on 6 months instead of 3, but also because quarterly reporting can eat up so much of their time and mental energy.***
- *I think **all the cost of reporting quarterly is not value added and having a longer interval could possibly reduce short-termism more than increasing long-termism.***



- *Perhaps you should distinguish long-termism from speculative activity. I think that it is difficult to say whether a semiannual reporting mandate would increase investor holding periods, but I think that it could decrease speculative activity around earnings releases, simply because there will be fewer of them.*

V. CONCLUSION AND RECOMMENDATIONS FOR POLICYMAKERS

Complete, accurate, timely, and comparable financial information is the lifeblood of capital markets and investing. A consistent reporting framework strengthens investor confidence, ~~and~~ supports both market development, ~~and~~ a competitive ~~lowers the~~ cost of capital.

Our latest survey, as analyzed in **Section IV (Survey Discussion and Analysis)**, demonstrates that many CFA Institute members' views remain largely consistent with the long-held positions reflected in our prior work and advocacy, including many of the same themes raised in 1955 and 1992, as discussed in **Section II (Background)**

Importantly, the rise of technology and artificial intelligence heightens — rather than diminishes — the importance of disclosures and quarterly reporting. ~~Investors are increasingly puzzled by t~~The SEC's stated desire to reduce disclosures broadly and reporting frequency specifically at precisely the moment when advances in technology are making the preparation, dissemination, and analysis of information faster and less costly than ever before is puzzling.

Below we provide policymakers with recommendations arising from our survey, as well as areas where further study and evaluation are necessary before any decision regarding reporting frequency should be made.

RECOMMENDATIONS BASED ON CFA INSTITUTE ~~INVESTOR~~ SURVEY

The results of our ~~global investor~~ survey suggest **five principal recommendations for policymakers and regulators** considering whether quarterly or semiannual reporting is more appropriate for public companies.

1. **Maintain Quarterly Reporting in Quarterly Reporting Jurisdictions** – ~~The~~ Greater than a majority of ~~investors globally~~ respondents support quarterly reporting (62%, **Exhibit 6**). The SEC and securities regulators in other quarterly reporting jurisdictions should maintain quarterly reporting requirements.
Investors Respondents consistently told us that companies with securities listed on regulated markets should provide financial statements and other material disclosures at least quarterly so that investors can make informed judgments regarding capital allocation.
2. **Recognize that Many Investors Across Jurisdictions, Even Those in Semiannual Reporting Jurisdictions, Support Quarterly Reporting and Share Views on the Consequences of Reduced Reporting Frequency** – Regulators should recognize that many respondents ~~investors~~ globally support quarterly reporting and express remarkably consistent views regarding the consequences of reducing reporting frequency.

We were struck by how few survey questions produced meaningful regional differences. In responses to ~~Of~~ the 46 questions posed ~~to investors~~, only 11 generated more than minor regional variations, and even then, the most differences generally reflected varying degrees of agreement rather than fundamentally different views.

Our analysis in **Section III (Framing the Debate: Quarterly vs. Semiannual Reporting)** also demonstrates that the world's largest capital markets require quarterly reporting despite the common narrative that semiannual reporting is the prevailing standard outside the US. It is

more common in smaller capital markets (**Exhibit 3**). Importantly, our survey results indicate that even investors respondents located in semiannual reporting jurisdictions support quarterly reporting.

These findings contain important implications for policymakers globally, not just in quarterly reporting jurisdictions. Investors continue to place substantial value on timely, structured, and comparable quarterly information, including reviewed interim financial statements and formal structured filings such as the Form 10-Q.

3. **Recognize investors' Significant Concerns with Semiannual Reporting and that it Does Not Increase Long-termism** – Our survey results indicate show that investors respondents have significant concerns with broader implications of reducing reporting frequency and do not believe semiannual reporting would meaningfully promote long-termism to compensate for the increased risks.

Exhibit 43 highlights that investors respondents expect to receive less information if semiannual reporting is adopted.

- Just a minority of investors respondents (32%) believe that companies will continue to report quarterly. A larger plurality of investors respondents (44%) believe that companies will not, and close to a quarter (23%) are unsure as to what companies will choose to do.
- Few investors respondents believe (21%) that companies would voluntarily file a Form 10-Q.
- A majority (57%) believe quarterly earnings releases in a semiannual reporting system will have less or significantly less information than earnings releases today.

Investors Respondents indicated (52%) that if semiannual reporting were mandated in the United States – despite it not being the investors preferred reporting frequency – it should be implemented through a new reporting form, such as a Form 10-S with investors respondents (50%) indicating that the new form should include more extensive information requirements to make up for the reduction of information in the off quarters (**Exhibit 12**).

Exhibit 47 illustrates investors' concerns about a range of consequences from reduced reporting frequency, with significant numbers a majority of respondents ~~(60-80%)~~ expressing concerns including:

- Six months is too long a time between reporting in current market conditions;
- A mistaken belief exists that the costs of quarterly reporting exceed its benefits to investors;
- There is the potential for an increase in the ~~equity risk premium and~~ cost of capital along with greater stock volatility and wider bid-ask spreads;
- Comparability between companies and industries will become more difficult;
- There ~~will~~ may be a change in the continuity of quarterly dividends;
- A greater reliance on voluntary, less structured disclosures and more current events disclosures, which are subject to management disincentives to disclose information;
- There will be a greater use of non-GAAP measures in a less structured reporting environment, particularly if earnings releases become more heavily relied upon in the absence of formal quarterly interim financial statements.

- An unevenness and unfairness in access to information across investors; and
- Insider trading ~~may will~~ increase because of the longer periods of time that insiders have information that investors do not.

Our survey results (**Exhibit 63**) also ~~indicate~~ suggest that, amongst ~~respondents~~ investors, there is no clear consensus that a move to semiannual reporting will increase long-termism – which many respondents define as increasing the holding period of equity investors to approximately 5 years – or that jurisdictions with semiannual reporting are more long-term oriented.

Counterintuitively, even fewer ~~investors~~ respondents believe that moving to annual reporting – an even longer reporting period – will increase long-termism ~~than moving to a semiannual reporting period~~. There was, however, clear consensus that linking management compensation to long-term goals would have a greater impact on long-termism than a change from quarterly to semiannual reporting (**Exhibit 69**).

4. **Limit Flexibility in Reporting Frequency to Avoid Comparability Challenges** – Anticipating that the SEC may consider introducing greater flexibility into reporting requirements, we ~~asked~~ surveyed members ~~investors~~ on whether:

- Semiannual reporting periods should be introduced for certain types of companies (e.g., smaller reporting companies, non-accelerated filers, or emerging growth companies). (**Exhibit 7**)
- Companies should be given the flexibility to elect their desired reporting frequency (e.g., quarterly, semiannual, or annually). (**Exhibit 10**)
- Companies should be permitted to change their reporting frequency (i.e., move from quarterly to semiannual and vice versa). (**Exhibit 11**)

Approximately 70% of respondents opposed granting companies flexibility to elect or change their desired reporting frequency with 62% of respondents opposing the scaling of quarterly reporting requirements.

An overwhelming majority of respondents (84~~2~~%) also agreed that allowing companies to report on different schedules would impair comparability across companies and industries (**Exhibit 50**)

Respondent comments consistently emphasized that comparability is fundamental to investment analysis and that flexible reporting systems could create confusion, reduce transparency, and potentially incentivize companies to alter reporting practices opportunistically.

5. **If Voluntary Quarterly Reporting is Allowed: Establish Formal Structured Reporting Requirements (Require Form 10-Q. Earnings Release is a Complement to, Not a Substitute for a Form 10-Q)** – If the SEC mandates semiannual reporting, there was strong (71% strongly agreeing, 82% agreeing overall) support for allowing companies to report on a quarterly basis voluntarily (**Exhibit 9**).

That said, as we note in ~~the a~~ preceding recommendation, only 32% of ~~investors~~ respondents believe companies will continue to report voluntarily with few ~~investors~~ (21%) believing that companies will voluntarily file a Form 10-Q and a majority (57%) indicating earnings releases under voluntary quarterly reporting regime will have less or significant less information than earnings releases today. Before making a change to voluntary quarterly reporting the SEC ~~needs~~

~~to have an~~ should make a reasonable estimate of how many companies will avail themselves of voluntary quarterly reporting – as an appropriate cost-benefit analysis depends upon this information.

For ~~voluntarily~~ voluntary quarterly reporting, most ~~respondents~~ investors (66%) believe that a formal filing such as a Form 10-Q should still be required and that it should not be optional (56%), with most (74%) believing the Form 10-Q should not be abandoned. There was much higher support (634%) for “filing” ~~an~~ over “furnishing” (343%) an earnings release, while there was virtually no support (119%) for not providing such earnings releases to the SEC (**Exhibit 35**).

Because the 2018-2019 SEC consultation proposal focused on earnings releases versus Form 10-Q filings we provided respondents with background information on the differences in timing, form and content, auditor involvement with, and management liability and certifications associated with each. We asked thirteen questions to elicit ~~investor~~ respondents’ views on the differences in these documents to discern which they preferred. Specifically, we queried and obtained feedback on:

- the differences and quality of their respective content and along with whether investors had a preference for a formal structured report such as a Form 10-Q as compared to an earnings release.
- the relative usefulness and importance of each document and the importance of each document relative to the timing of its release.
- the importance of auditor involvement with each document and the importance of management certifications of Form 10-Qs, which is not a feature of earnings releases.

The responses are included in **Exhibit 18**. ~~Investors~~ Respondents believe generally value the requirement to file a Form 10-Q with an auditor’s review. ~~results in:~~

- ~~more complete financial information;~~
- ~~greater comparability;~~
- ~~more structured disclosures;~~
- ~~stronger legal accountability; and~~
- ~~more reliable information for investment decision making.~~

Many respondents’ comments also emphasized that the existence of the Form 10-Q itself helps discipline the content and quality of earnings releases.

Broadly, ~~investors~~ respondents supported retaining the Form 10-Q and believe the earnings release and Form 10-Qs are both useful, but they have distinct purposes that make them complements, not substitutes.

BEFORE A CHANGE IN REPORTING FREQUENCY: FURTHER STUDY AND EVALUATION BY SEC IS ESSENTIAL

In **Section III (Framing the Debate: Quarterly vs. Semiannual Reporting)** we highlight unsupported narratives in favor of moving away from mandatory quarterly to mandatory semiannual reporting as well as essential considerations missing from the debate on this issue.

We believe the SEC requires substantially more analysis, investor input, and empirical research before reaching a conclusion about the superiority of semiannual reporting.

COMMON NARRATIVES – As it relates to the common narratives supporting semiannual over quarterly reporting, we believe the SEC has more work to do to support such a change as we note below:

1. **Other Jurisdictions Use of Semiannual Reporting** – Semiannual reporting jurisdictions are much smaller than those that require quarterly reporting and materially smaller than the US capital markets (**Exhibit 3**). Moreover, as noted above in the recommendations, our survey results suggest that many respondents globally – including those in semiannual jurisdictions – have very similar views regarding the frequency, form and implications of a switch from quarterly to semiannual reporting. Broadly, respondents they support quarterly reporting and do not view semiannual reporting jurisdictions as superior.

Before fundamentally altering the reporting frequency and framework of the world’s largest capital market, the SEC should carefully evaluate if the experience of semiannual reporting has been positive for those jurisdictions that adopted it (e.g., the UK and EU experience over the last 10-15 years) and if semiannual reporting is fit for purpose in the world’s largest capital market.

There was greater support for quarterly reporting globally among respondents outside the US than we anticipated. The SEC needs to should-consider the implications that eliminating quarterly reporting in the US might have on other jurisdictions, i.e., could it spark a de-regulatory “race to the bottom.”

2. **The Cost of Quarterly Reporting and the Impact on the Number of Public Companies** – ~~Our survey results indicate that investors~~ Survey respondents generally believe the benefits of quarterly reporting exceed its costs and that ~~investors are willing to bear those costs because they believe~~ transparency may lowers the cost of capital, reduces ~~stock~~ volatility and improves market functioning.

The SEC therefore needs to demonstrate not only the potential savings from eliminating quarterly reporting, but also that those savings outweigh the potential costs to investors associated with reduced transparency; higher uncertainty; and the problems and costs to investors resulting from more challenging security analysis stemming from a lack of comparability.

Similarly, the SEC has not demonstrated that quarterly reporting meaningfully explains the decline in the number of public companies in the United States. Our analysis at **Exhibit 4** suggests that the number of public companies has risen and fallen during periods when quarterly reporting requirements remained unchanged and that similar declines have occurred in jurisdictions that have adopted semiannual reporting. In fact, the UK and EU have lost key listings to the US.

Broader structural factors — including the rise of private capital markets — may play a much larger role than the frequency of reporting. This is a multi-faceted issue which, based on the evidence in multiple jurisdictions, is far more complex than can be solved by reducing disclosures.

We therefore believe the SEC should undertake a broader and more comprehensive study of public and private market structures rather than treating disclosure reduction as a singular solution.

3. **The Impact on Long-termism** – Neither CFA Institute Research Foundation research nor our ~~investor~~ survey ~~supports the conclusion~~ suggest that moving to semiannual reporting would meaningfully increase long-termism. Similarly, there is not persuasive empirical evidence showing that companies and investors in semiannual reporting jurisdictions are more long-term oriented than those in quarterly reporting jurisdictions.

Instead, investors survey respondents overwhelmingly identified long-term management incentives and compensation structures as more influential drivers of long-term corporate behavior than changes in reporting frequency.

The importance of management incentives and compensation is why many investors care so significantly about executive compensation – another area of disclosure reform being pursued by the SEC.

MISSING CONSIDERATIONS – As it relates to essential considerations missing from this semiannual versus quarterly reporting debate, our survey provides important insights regarding investor perspectives on these missing, and mostly investor impact oriented, considerations.

1. **Election of Voluntary Quarterly Reporting by Public Companies** – One of the more surprising findings from our survey was that ~~fewer investors than expected~~ a minority of respondents believe companies would voluntarily continue quarterly reporting if mandatory quarterly reporting were eliminated. ~~We found that:~~
 - ~~Many investors believe companies would stop reporting quarterly.~~
 - ~~Few investors believe that companies will voluntarily file a Form 10-Q.~~
 - ~~A majority believe earnings releases, under a voluntary quarterly reporting regime, will have less or significantly less information than provided today.~~

~~Overall, we found that investors believe the loss of information to the market will be greater than we expected.~~

The SEC should undertake ~~its their~~ own analysis into this issue, such as by examining the track record of voluntary reporting in the UK and EU over the last 10-15 years and surveying companies and their counsel on whether they intend to report voluntarily on a quarterly basis. Estimating how voluntary reporting will evolve is crucial to understanding the costs vs. benefits of a change in requirements (i.e., if most issuers voluntarily report quarterly, the cost savings of a change in requirements would be rather low).

2. **Technology and Artificial Intelligence** – The SEC should evaluate the impact of advances in technology and artificial intelligence on both the provision of quarterly information by issuers and the consumption of information by investors. To date, we have not seen evidence of such evaluation. AI may dramatically reduce the costs of preparing quarterly financial information, rendering one of the key reasons for switching to semiannual reporting moot.
3. **The Implications of Change from an Investor Perspective** – Much of the public debate surrounding semiannual reporting has focused on issuer burdens while giving comparatively little attention to investor impacts. As we note under the recommendations above, our survey was specifically designed to surface these investor concerns, including, but not limited to:
 - the loss of timely, structured, and comparable information;

- greater reliance on earnings releases and periodic current events reporting subject to differing management incentives;
- failure of regulators to understand that as owners of the company they are willing to pay for quarterly reporting as the benefits exceed the costs;
- reduced comparability across companies and industries;
- increased informational asymmetry and insider trading concerns;
- greater reliance on less structured disclosures;
- potential impacts on ~~volatility, bid-ask spread and~~ the cost of capital;
- potential impact on quarterly dividends;
- risks associated with non-GAAP reporting;
- the loss of auditor review of quarterly interim financial statements;
- the loss of management certifications associated with quarterly reporting. ~~;~~ and

These issues require substantially deeper evaluation to assess the costs and benefits to the overall capital markets of a reduction in required reporting frequency.

CONCLUDING THOUGHTS

The SEC owes its primary constituency — investors — a careful, evidence-based analysis of this issue. The U.S. capital markets are the deepest, most liquid, and widely viewed as most transparent in the world. ~~Investors consistently~~ In responses to questions and in comments, respondents emphasized throughout our survey that quarterly reporting has been an important contributor to that success. More work is necessary for the SEC to fully understand investor perspectives and assess the practical implications of reducing reporting frequency.

It is also important to remember the broader relevance of quarterly reporting during periods of economic stress. While US equity indices are at all-time highs at the time this report is going to press, risks always emerge and expectations change. During the early stages of the COVID-19 pandemic, frequent reporting from companies was essential. First quarter 2020 reports provided critical information not only to investors, but also to policymakers and the broader economy as markets attempted to assess the scale and implications of an unprecedented global shock. The second- and third-quarter reports were equally important in helping investors and policymakers understand evolving liquidity conditions, operational disruptions, and the interconnected nature of the global economy.

A move to semiannual reporting ~~would~~ could reduce the availability of precisely this type of timely information during future periods of market stress.

For these reasons, those surveyed investors overwhelmingly supported ed maintaining quarterly reporting requirements and we urge regulators to proceed cautiously, thoughtfully, and based upon robust evidence before considering any fundamental changes to the reporting framework.

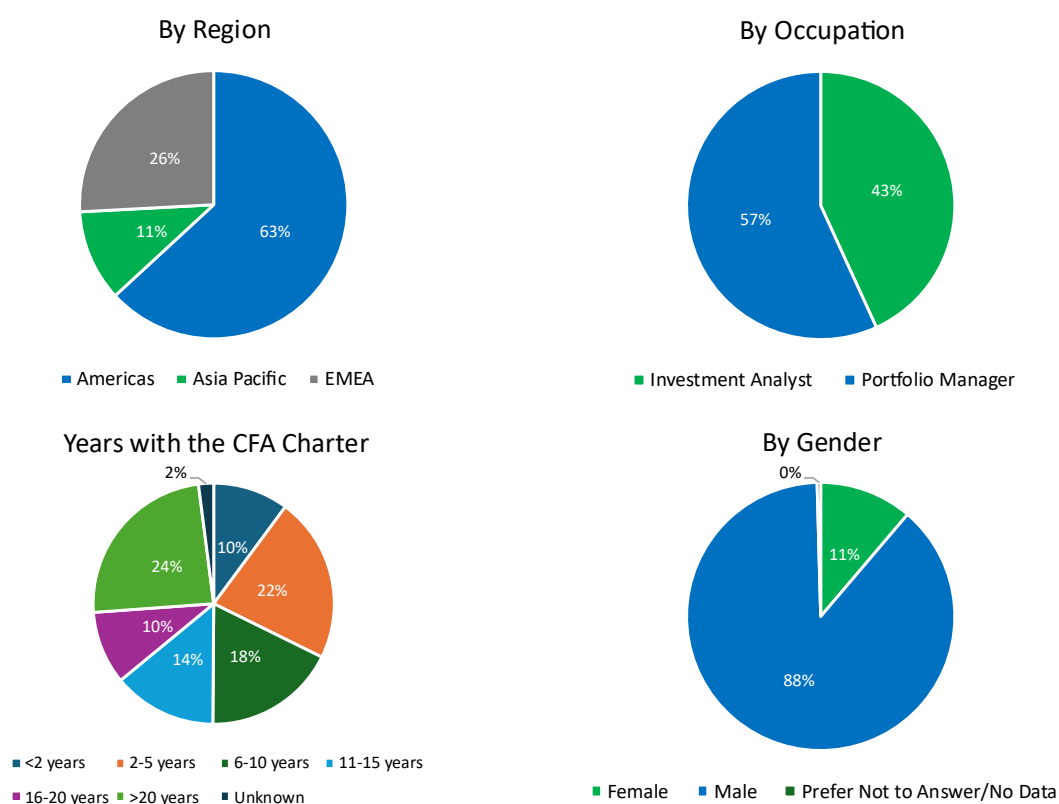
APPENDIX A: SURVEY QUESTIONNAIRE AND RESPONDENT DEMOGRAPHICS

We invited a random sample of 48,220 CFA® Charterholders globally employed as either investment analysts or portfolio managers to participate in an electronic survey from January 15 to January 30, 2026. The full survey questionnaire can be found here: [Link to survey questionnaire](#).

We invited Charterholders employed as investment analysts and portfolio managers to participate in the survey as they are directly engaged in the use of the periodic reports and interim financial statements. We included Charterholders globally because investors in jurisdictions outside the United States invest in US listed companies. Additionally, perspectives from investors domiciled in semiannual reporting jurisdictions are useful as they may have more firsthand experience with both quarterly and semiannual reporting companies. The results in the body of this report highlight where material differences emerge by region.

Demographic information on respondents⁵² by their occupation, years with the CFA Charter, region, and gender are shown in **Exhibit 70**. Note that approximately 75% of respondents in the Americas ~~customer~~ region are located in the US.

Exhibit 70: Survey Demographics



⁵² The charts were developed based upon the number (n=2,537~~9~~) of respondents to the first question (results of which are shown in **Exhibit 6**) of the survey.

SAMPLE SIZE AND MARGIN OF ERROR

The number of respondents for the first seven questions was approximately 2,530, a survey response rate of 5.2%. Approximately 1,500 individuals answered every survey question, for a complete response rate of 3.1%. The number of responses declined, in a graduated manner throughout the survey, as expected, because of its breadth and depth of questions. We include the number of respondents to each question in the exhibit presenting the response results.

We sent only one reminder to complete this survey because our response to this survey was outstanding – and particularly remarkable given the length of the survey.

A sample of this size (2,019, taking the average ~~the~~ sample size throughout the survey) has an overall margin of error of approximately $\pm 2.2\%$ ($\pm 1.9\%$ for initial questions and $\pm 2.5\%$ for latter questions) at a 95% confidence level for the entire population of CFA Charterholders who are portfolio managers or analysts, assuming a simple random sample. These estimates do not address possible nonresponse or other nonsampling error. This means that if the survey was repeated 100 times with different samples from the same population, 95 out of 100 samples would yield a result within plus or minus 2% of each statistic reported in this study. For example, if an answer is offered by 50% of respondents, the results would range between a high of 52% and a low of 48% for 95 out of 100 other samples from the same population. The survey respondent demographics were found to be representative of the wider population of interest; therefore, the data were not weighted.

SURVEY SPONSOR AND COLLECTION PROVIDER

The survey sponsor was CFA Institute; the data collection provider was Market Intelligence and Business Analytics at CFA Institute. Special thanks to Preethika Kannan for programming the survey, distributing it to members, and organizing the results and to Tyler Finley for data visualization and auditing.

APPENDIX B: COMMENTS RECEIVED FROM SURVEY RESPONDENTS

In the body of this report, we provided representative comments by the major themes we observed emerging from the comments. The link below contains the 1,282 comments we received from respondents arranged by survey section.

[Link to comments received from survey respondents](#)

APPENDIX C: OVERVIEW OF US REPORTING REQUIREMENTS AND PRACTICES

To inform our work on this survey, we reviewed the following for US listed companies :

- periodic reporting requirements (annual, quarterly and specific events reporting);
- the required reporting deadlines (annual and quarterly) by filer status;
- voluntary reporting practices;
- special reporting statuses affording disclosure accommodations; and
- accommodations afforded to foreign private issuers.

PERIODIC REPORTING REQUIREMENTS FOR COMPANIES LISTED ON US EXCHANGES

Companies with securities listed on a US exchange (e.g., New York Stock Exchange, NASDAQ) are required to keep investors informed of material and financial developments by complying with the disclosure requirements of the SEC. **Exhibit 71** highlights the SEC’s major periodic reporting requirements for domestic listed companies.⁵³

Exhibit 71: Periodic Reporting Requirements in the US: Major Components

Frequency	Annual (including Q4)	Quarterly (Q1, Q2, Q3)	At Specified Events
Form	Annual Report on Form 10-K	Quarterly Report on Form 10-Q	Current Report on Form 8-K
Highlights	• Form and content prescribed by SEC • Description of business • Risk factors • Management discussion and analysis including liquidity • Annual financial statements and notes, audited by independent accounting firm • Governance information including compensation are required but often incorporated by reference via proxy • Criminal and civil liability for certifying CEO and CFO	• Form and content prescribed by SEC • Management discussion and analysis including liquidity • Interim financial statements and notes, reviewed by independent accounting firm • Criminal and civil liability for certifying CEO and CFO	• List of specified events that trigger disclosure include acquisitions, departures of executives, material agreements, cybersecurity incidents, results of operations (see earnings releases below), etc. • Form and content requirements vary by type of specified event • Certain 8-Ks are deemed “furnished” rather than “filed” with the SEC, such as earnings release and investor presentations, which have lower legal liability

Source: Instructions to SEC Forms all of which can be found at the Commission’s [Forms Index](#)

Requirements for annual and at-specified-events reporting on Form 8-K have been in place since the 1930s, not long after the passage of the Exchange Act in 1934 that created the SEC and mandated periodic reporting for issuers of securities.⁵⁴ Quarterly reporting has been required by the SEC since the

⁵³ Other types of SEC registrants beyond corporate operating entities – such as investment funds and asset backed issuers – are beyond the scope of this discussion and survey. Foreign private issuers, subject to a different set of rules, are discussed later.

⁵⁴ [Second Annual Report of the SEC, Fiscal year ended June 30, 1936.](#)

SEC adopted Form 10-Q in 1970, which replaced Form 9-K from the mid-1950s that provided for semiannual reporting.⁵⁵

The timing of required disclosures, and some of the content, is driven by an issuer's filer status which varies with the issuer's free float (i.e., market capitalization less the value of closely held and non-traded shares) as shown in **Exhibit 72**. The current report on Form 8-K deadline is 4 business days for all listed companies.⁵⁶ The required disclosure deadlines were last materially changed in the mid-2000s, when the SEC adopted rules to improve disclosure timeliness as mandated by the Sarbanes-Oxley Act of 2002.

Exhibit 72: Required Disclosure Deadlines by Filer Status

Filer Status	Qualification Thresholds	10-K Deadline After Fiscal Year End (Calendar Days)	10-Q Deadline After Fiscal Quarter End (Calendar Days)
Large Accelerated Filer	Free float $\geq$ \$700M	60	40
Accelerated Filer	Free float \$75M - \$699M	75	40
Non-Accelerated Filer	Free float < \$75M	90	45

Source: [SEC Financial Reporting Manual](#)

VOLUNTARY REPORTING PRACTICES FOR US LISTED COMPANIES

The required disclosures are often complemented by voluntary disclosures that issuers furnish with the SEC on Form 8-K, publish on their own website, discuss at presentations and events, or communicate through other means like social media.

Exhibit 73 shows the major components of voluntary disclosures that complement the required annual, quarterly, and at-specified-events disclosures. These voluntary disclosures are typically made *before* the required disclosure deadlines and thus tend to be more “market moving” because they are what investors see first.

⁵⁵ SEC Release No. 34-9004 (Oct. 28, 1970)

⁵⁶ See Instructions to Form 8-K, CURRENT REPORT Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934.

Exhibit 73: Voluntary Reporting Practices in the US: Major Components

Frequency	Annual (and Q4)	Quarterly (Q1, Q2, Q3)	Continuous
Voluntary Communications	- Earnings Release - Earnings call and presentation	- Earnings Release - Earnings call and presentation	Press releases, announcements, social media posts, etc.
Highlights	- No prescribed form and content, varies by company. - Mix of information that is required in the 10-K and 10-Q, and other information - Guidance from management - Common to see non-GAAP measures, more operational and statistical figures - Management commentary and projections, “color” on the results, guidance, and trends - Usually (but not always) posted before the 10-K and 10-Q, can be weeks ahead for some companies in the case of 10-K.		Many company communications (product launches, customer wins, marketing campaigns, media interviews of the CEO, etc.) do not need to be furnished as current reports on Form 8-K because they do not relate to any of the SEC’s list of specified events.

Source: Authors’ analysis.

Investors use both voluntary and required disclosures by companies in their research and decision-making because, while there are overlaps, both sets of disclosures contain information unique to that form of disclosure. For example, it’s common for earnings releases to omit notes to the financial statements that are reported in the Form 10-Q, but to include non-GAAP financial and other operational measures that may not be in the Form 10-Q.

Earnings releases and other company announcements have been common practice for decades, while earnings calls and presentations arose in the 1990s and began as meetings hosted by sell side analysts. After Regulation FD took effect which required the public dissemination of any disclosure of material non-public information, earnings calls became public performances by issuers’ management and investor relations teams. Earnings calls are frequently hosted shortly after the publication of the earnings release.

Given the well-established voluntary disclosure practices in the US, there are often calls to scale the disclosure requirements back, particularly for smaller entities, and let the market be the deciding mechanism of what gets disclosed.

SCALING OF DISCLOSURE REQUIREMENTS IN THE US

Besides the scaling of Form 10-K and Form 10-Q filing deadlines for smaller issuers (see **Exhibit 72**), there are also other disclosure and corporate governance accommodations provided to smaller issuers that meet either the Smaller Reporting Company (SRC) or Emerging Growth Company (EGC) criteria, as shown in **Exhibit 74**. There has been increased interest in expanding the scope of these reporting statuses by the SEC. The scope of the Smaller Reporting Company status was last expanded in [2018](#) [2020](#).

Exhibit 74: Special Reporting Statuses with Disclosure Accommodations in the US (Highlights)

Reporting Status	Qualification Thresholds	Disclosure Accommodations Highlights
Smaller Reporting Company	(1) Free float < \$250M OR (2) Free float < \$700M AND annual revenue < \$100M	• 2 years of audited income statement, statement of cash flows, statement of owners' equity presentation requirements rather than 3 • 2 years of MD&A rather than 3 • No CD&A in proxy, only 3 named executive officers in compensation disclosure, shorter compensation tables • Companies that are also non-accelerated filers are exempt from auditor attestation of internal controls
Emerging Growth Company	Annual gross revenue < ~\$1.235B (indexed to inflation); status lasts until issuer becomes a large accelerated filer, 5 years post-IPO, or revenue exceeds the threshold.	• Same as Smaller Reporting Company • All emerging growth companies exempt from auditor attestation of internal controls • Can adopt new accounting standards at private company effective dates rather than public company effective dates

Source: [SEC Filer Status and Reporting Status \(sec.gov\)](#)

While not a scaling of disclosure per se, another important set of accommodations is provided to foreign companies listed on US exchanges that meet the criteria for Foreign Private Issuer.⁵⁷ In some respects, foreign private issuers get to follow an entirely different disclosure rulebook than domestic issuers, as shown in **Exhibit 75**. This is not a niche matter, as foreign private issuers account for a fifth of US aggregate exchange market capitalization and include well-known companies such as Toyota, Taiwan Semiconductor Manufacturing Company, Alibaba, and Novo Nordisk.

⁵⁷ Any foreign issuer (other than a foreign government) can qualify if 50% or less of its outstanding voting securities are held of record directly or indirectly by U.S. residents; or if more than 50% of its outstanding voting securities are held by U.S. residents, and it has none of the following contacts with the United States: (1) a majority of its executive officers or directors are U.S. citizens or residents; (2) more than 50% of its assets are located in the United States; or (3) its business is administered principally in the United States.

Exhibit 75: Disclosure and Governance Accommodations of Foreign Private Issuers (Highlights)

Area	Domestic Issuer	Foreign Private Issuer
Annual report	10-K (60/75/90 days deadline)	20-F (120 days)
Quarterly report	10-Q required	Not required.
Current report	8-K (4 business days)	6-K (no fixed deadline, depends on home country rules)
Proxy rules	Regulation 14A, Say on pay, Compensation CD&A, detailed executive compensation disclosures	Exempt
Section 16 filings	Required	Exempt
Reg FD	Applies	<u>Exempt</u> (Home-country practices allowed).
Accounting standards	U.S. GAAP	U.S. GAAP, IFRS as issued by the IASB, or home country GAAP with reconciliation to U.S. GAAP.
Governance rules	Sarbanes-Oxley Act and exchange rules driven, including board member independence and competence, independence and appropriateness of consultants, etc.	Home-country practices allowed

Source: SEC Concept Release on Foreign Private Issuer Eligibility, Release Nos. 33-11376; 34-103176; File No. S7-2025-01

The Commission provided these accommodations and exemptions to attract foreign listings, based on its understanding that most foreign private issuers would be subject to disclosure and other regulatory requirements in their home country jurisdictions. The degree of accommodation for a foreign private issuer relative to domestic issuers depends on how stringent the foreign issuer's home country's rules are compared to those in the US.