

SEC PROPOSES TO SIMPLIFY FILER STATUS AND EXTEND DISCLOSURE AND REPORTING ACCOMMODATIONS

MAY 2026

SUMMARY

The SEC proposed amendments to simplify the filer status framework, extend scaled disclosure and reporting accommodations to all non-accelerated filers (NAFs), and extend the filing deadlines for certain small NAFs. Under the amendments, only registrants with public floats of \$2 billion or more (measured as of the end of the second fiscal quarter) for two consecutive fiscal years would be considered large accelerated filers (LAFs) and required to obtain an audit of internal controls over financial reporting (ICFR). Companies that do not meet the definition of an LAF would be exempt from the ICFR audit requirements and allowed to use certain scaled disclosure and reporting accommodations currently available only to smaller reporting companies (SRCs) and emerging growth companies (EGCs). Additionally, newly public companies would be NAFs for at least sixty consecutive calendar months. The amendments:

- ▶ Change the definition of an LAF by:
 - Increasing the public float threshold from \$700 million to \$2 billion.
 - Calculating the public float threshold using a ten-day average stock price instead of the stock price as of the end of the second fiscal quarter.
 - Requiring a registrant to be subject to the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 (“Exchange Act”) for at least 60 consecutive calendar months, rather than twelve months.
- ▶ Define an NAF as a registrant that does not meet the definition of an LAF,¹ and eliminate the accelerated filer (AF) and SRC definitions.
- ▶ Extend most of the scaled disclosure and reporting accommodations currently available to SRCs and EGCs to all NAFs.

The proposal is intended to reduce regulatory complexity and compliance costs for most registrants.

BACKGROUND

The SEC last amended the filer status definitions in 2020 to promote capital formation and reduce compliance burdens for smaller issuers. Those amendments revised the AF and LAF definitions to exclude registrants eligible to apply the requirements for SRCs under the revenue test. The amendments also added a revenue test to the transition thresholds for AF and LAF status.

¹ As proposed, asset-back issuers and foreign private issuers that file on foreign forms would be excluded from the LAF and NAF amendments.

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While these changes resulted in more registrants qualifying as NAFs, they also increased the complexity of determining filer and reporting statuses. Under the current rules, a registrant's eligibility as an SRC, NAF, AF, LAF, EGC or foreign private issuer (FPI) can significantly affect its reporting obligations. Moreover, each status category has distinct criteria and dollar thresholds, some of which are assessed at fiscal year-end, while others are evaluated at the end of the second fiscal quarter or other specified dates.

If adopted, the proposed amendments would significantly simplify and streamline the determination of filer and reporting statuses.

KEY FEATURES OF THE PROPOSAL

Large Accelerated Filer Definition

Under the proposed rules, only registrants with public float determinations of at least \$2 billion for two consecutive fiscal years and at least sixty months of Exchange Act reporting history would qualify as LAFs. LAFs would continue to be subject to existing reporting deadlines and full (non-scaled) disclosure requirements, including the requirement to obtain an auditor's attestation on ICFR. The proposed amendments to the definition of a LAF:

- ▶ Increase the public float threshold from \$700 million to \$2 billion.
- ▶ Extend the required reporting history under Sections 13(a) or 15(d) of the Exchange Act from 12 months to 60 consecutive calendar months.

The proposed rules would modify how public float is measured and how registrants transition into and out of LAF status. Rather than measuring public float based on the stock price as of the last day of the second fiscal quarter, registrants would use their average stock price over the last ten trading days of that quarter. Consistent with current rules, public float would continue to be calculated based on the aggregate worldwide number of publicly traded voting and non-voting common equity held by non-affiliates as of the last day of the second fiscal quarter.

The proposal also introduces a two-year requirement for changes in filer status. Registrants would qualify as LAFs only if their public float determinations exceed \$2 billion for two consecutive years, and they would exit LAF status (and into NAF status) only if their public float determinations are less than \$2 billion for two consecutive years. By contrast, current rules allow registrants to transition annually among LAF, AF, and NAF statuses using different thresholds.

The proposed changes to the measure of public float and transition period are intended to reduce the impact of short-term stock price volatility and provide registrants with more time to prepare for changes in filer status.

Reporting Accommodations for Non-Accelerated Filers

Under the proposed rules, a registrant would qualify as an NAF if it does not meet the definition of an LAF. Accordingly, a registrant would be an NAF for the first five years after its initial public offering (IPO) and thereafter unless its public float determination is \$2 billion or more for two consecutive fiscal years. NAFs would be exempt from obtaining an auditor's attestation on ICFR.²

In addition, the proposed amendments extend certain disclosure and reporting accommodations under Regulations S-X ("S-X") and S-K ("S-K") that are currently only available to SRCs and EGCs to all NAFs, including:

- ▶ The ability to prepare financial statements in accordance with S-X Article 8, which contains less prescriptive disclosure requirements, including the presentation of two, rather than three, years of audited financial statements.
 - Investment companies, business development companies (BDCs), and face-amount certificate companies would not be permitted to rely on S-X Article 8. However, BDCs and face-amount certificate companies would have similar accommodations under the proposed amendments to S-X Rule 3-19.
- ▶ Less stringent age requirements related to financial statements included in registration statements.
- ▶ Scaled executive compensation disclosures.
- ▶ Omission of certain other disclosures (e.g., qualitative and quantitative disclosures about market risk).

² However, management's report on ICFR would still be required, when applicable.

The amendments would also:

- ▶ Codify the current guidance applicable to SRCs related to financial information of significant equity method investees (EMIs) into S-X Article 8.
- ▶ Remove S-K Item 404(d), which contains more rigorous reporting requirements applicable to SRCs.
- ▶ Require disclosure of unresolved staff comments on Forms 10-K or 20-F, a requirement that does not currently apply to NAFs.

NAFs may voluntarily comply with any non-scaled disclosure and reporting requirements.

Newly Public Companies

Under the proposed rules, newly public companies would qualify as NAFs for the first 60 consecutive calendar months following their IPO. By contrast, under the current rules, newly public companies may qualify as AFs or LAFs as early as their second annual report on Form 10-K. In addition, newly public companies would be permitted to elect to adopt new or revised accounting standards using the effective dates applicable to nonpublic entities for up to five years after their IPO. Currently, this election is available only to EGCs. Consistent with existing rules, any election to opt out of deferred compliance with new accounting standards would be irrevocable. As a result, the proposed amendments would extend the benefits previously only available to EGCs to all newly public companies for a period of five years after their IPO.

Small Non-Accelerated Filers

The proposed rules would establish a new subcategory of NAFs, small non-accelerated filers (SNFs). An NAF would qualify as an SNF if it has no more than \$35 million of total assets as of the end of its two most recent second fiscal quarters. SNFs would have:

- ▶ Thirty additional days to file Form 10-K, extending the annual report deadline from 90 to 120 days after fiscal year-end.
- ▶ Five additional days to file Form 10-Q, extending the quarterly report deadline from 45 to 50 days after fiscal quarter-end.

SNF status would be determined annually, as of the last day of the registrant's fiscal year. Once a registrant qualifies as an SNF, it would remain an SNF until its total assets as of the end of its two most recent second fiscal quarters are more than \$35 million.

A company conducting its IPO would determine its SNF status in its initial registration statement using total assets as of the end of its two most recent fiscal years, rather than as of the end of its two most recent second fiscal quarters.

Proposed Implementation and Transition Period

Under the proposal, existing registrants would initially determine their LAF or NAF status using the new criteria as of the end of their fiscal year immediately prior to the effective date of the rules. The assessment would be completed any time between the effective date of the rule and one day before the end of its fiscal year. For example, if the proposed rule were effective on February 3, 2027, a calendar year-end registrant would determine its filer status as of December 31, 2026 using:

- ▶ Its public float as of June 30, 2026 and 2025.
- ▶ Its total assets as of June 30, 2026 and 2025.
- ▶ The number of years the registrant has been subject to the requirements of Section 13(a) or 15(d) of the Exchange Act.

This assessment would be completed any time between February 3, 2027 and December 30, 2027. Registrants could reflect a change in filer status when the assessment is complete. Using the same scenario, a registrant that no longer qualifies as an LAF could assess their filer status as early as February 3, 2027 and comply with the scaled disclosures applicable to NAFs in its next filing. A registrant that does not complete its assessment within the required timeframe would be an LAF if it were an LAF under prior rules, or NAF if it were not an LAF under prior rules (however, such registrant would not be deemed to be a SNF, even if it otherwise met the requirements).

Other Filers

Asset-back issuers and certain FPIs are excluded from the proposed amendments to LAF and NAF status.

Foreign Private Issuers

FPIs that elect to comply with the rules and forms applicable to FPIs would be excluded from the proposed LAF and NAF definitions. Accordingly, FPIs that file on Forms 20-F or 40-F would not be eligible to use the scaled disclosure requirements available to NAFs. Further, the proposed rules would revise Form 20-F such that FPIs would continue to be required to obtain an auditor's attestation on ICFR if the company does not qualify as an EGC and has public float of at least \$75 million. Under the amended Form 20-F, FPIs would measure public float under existing rules, and the proposed amendments applicable to LAFs and NAFs would not apply.

The proposing release indicates that the amendments were not extended to FPIs that file on foreign forms, as the SEC is evaluating the definition of an FPI in connection with its 2025 concept release on FPI eligibility.³

Business Development Companies

Under the proposal, BDCs and face-amount certificate companies that are NAFs would not be eligible to use the scaled disclosures requirements in S-X Article 8. However, proposed S-X Rule 3-19 would allow these companies to:

- ▶ Present two, rather than three, years of audited statements of operations and cash flows.
- ▶ Adopt new or revised accounting standards using the effective dates applicable to nonpublic entities for a period of five years following their IPO.

Additionally, SNFs would have more time to file periodic reports.

OTHER AMENDMENTS

The proposal also includes other technical amendments including removing duplicative disclosure requirements, such as:

- ▶ S-X 4-08(h), which required certain income tax disclosures that are now required in accordance Accounting Standards Update (ASU) No. 2023-09, *Improvements to Income Tax Disclosures*.⁴
- ▶ S-X disclosures that would overlap with the disclosures proposed in ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, which would become effective upon the SEC's adoption of the amendments.

REQUEST FOR COMMENT

Comments on the proposal are due July 20, 2026.

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Link to the [SEC's proposal](#) and related [fact sheet](#)

Link to [submit public comment](#)

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³ For more information on this concept release, see Section 3.1 of BDO's, [2025 Reporting Insights](#).

⁴ For more information on these disclosures, see BDO's publication, [New Income Tax Disclosures](#).