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Securities Alert

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SEC proposes sweeping reforms to filer status and EGC accommodations

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The proposed reforms would significantly expand scaled disclosure accommodations and reduce compliance obligations for many US public companies.

What's the impact?

- The amendments would raise the large accelerated filer threshold from $700 million to $2 billion.
- The proposed changes would extend many EGC and Smaller Reporting Company accommodations to most non-accelerated filers and establish a mandatory five-year IPO on-ramp for newly public companies.

On May 19, 2026, the SEC proposed significant amendments to the public company filer status framework that would expand scaled disclosure accommodations and reduce compliance obligations for a substantial majority of US public companies.

If adopted, the amendments would raise the large accelerated filer (LAF) threshold from $700 million to $2 billion, extend many Emerging Growth Company (EGC) and Smaller Reporting

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Company scaled disclosure accommodations, and establish a mandatory five-year IPO on-ramp for newly public companies regardless of size or revenue.

The proposal represents one of the most significant potential changes to the SEC reporting framework since enactment of the JOBS Act. This alert summarizes the proposed framework and highlights key considerations for public companies, boards, audit committees, underwriters, and other capital markets participants.

Key proposed changes

The amendments would:

- Raise the public float threshold for LAF status from $700 million to $2 billion;
- Allow companies to remain reporting companies for at least 60 months before becoming subject to the additional burdens arising from LAF status;
- Extend scaled disclosure accommodations currently available to EGCs and Smaller Reporting Companies to most non-accelerated filers (NAFs);
- Exempt all NAFs from the auditor attestation requirement under Section 404(b) of the Sarbanes-Oxley Act; and
- Create a new "small non-accelerated filer" sub-category (SNAFs) with extended Form 10-K and Form 10-Q filing deadlines.

According to the SEC's Fact Sheet, if the amendments were in effect today, approximately 19.2% of reporting companies would qualify as LAFs, 80.8% would qualify as NAFs, and 17.9% would qualify as SNAFs. The current categories of Accelerated Filer and Smaller Reporting Company would be eliminated.

Simplified filer status framework

The amendments would substantially simplify the current filer status regime by effectively dividing issuers into two primary categories:

- **Large Accelerated Filers** — companies with at least $2 billion in public float for two consecutive years and at least 60 months as a reporting company. The SEC reporting deadlines for LAFs would remain 60 days after fiscal year end for 10-Ks and 40 days after fiscal quarter end for 10-Qs; and
- **Non-Accelerated Filers** — all other issuers. The SEC reporting deadlines for NAFs would remain 90 days after fiscal year end for 10-Ks and 45 days after fiscal quarter end for 10-Qs.

Importantly, newly public companies would remain non-accelerated filers for at least five years after an IPO regardless of public float or revenue levels.

The proposal would also significantly expand the availability of JOBS Act style "IPO on-ramp" accommodations.

Expanded scaled disclosure accommodations

NAFs would gain access to many accommodations currently available only to EGCs and Smaller Reporting Companies, including:

- scaled executive compensation disclosure;
- reduced financial statement requirements;
- relief from certain disclosure obligations; and
- exemption from certain audit related requirements.

The proposal would be particularly meaningful for companies transitioning out of EGC status and facing increased compliance costs and reporting obligations.

SOX 404(b) auditor attestation relief

Under the amendments, all NAFs (including SNAFs) would be exempt from the auditor attestation requirement under SOX Section 404(b). Management, however, would remain responsible for evaluating and reporting on internal control over financial reporting under SOX Section 404(a).

The change would reduce audit and compliance costs for many public companies, particularly issuers with public float between $700 million and $2 billion that currently qualify as LAFs.

Small non-accelerated filers

The amendments also would establish a new SNAF sub-category for the smallest reporting companies.

SNAFs would receive:

- an additional 30 days to file Form 10-K annual reports (from 90 to 120 days after fiscal year end); and
- an additional five days to file Form 10-Q quarterly reports (from 45 to 50 days after fiscal quarter end).

According to the SEC, the proposal is intended to reduce compliance burdens for smaller issuers with limited internal resources and give seasoned companies and mid-sized public companies an incentive to remain public.

Foreign private issuers

As proposed, the LAF and NAF definitions would not apply to foreign private issuers that elect to comply with the rules and use the forms designated for foreign private issuers. Foreign private issuers with a public float of $75 million or more as of the last business day of the issuer's most recently completed second fiscal quarter would be required to comply with the auditor attestation requirements under SOX Section 404(b) unless they qualify as an EGC.

Practical considerations

If adopted, the amendments could materially affect compliance planning, disclosure practices, audit costs, and IPO strategy for a significant portion of the public company market.

Public companies, boards, audit committees, sponsors, underwriters, and securities counsel should begin evaluating how the amendments could affect:

- filer status classification;
- SOX 404(b) compliance obligations;
- disclosure practices;
- IPO planning considerations; and
- ongoing reporting and governance costs.

The amendments remain subject to public comment and may change before adoption. Until any final rules become effective, companies should continue complying with the current filer status framework.

The SEC's press release and related materials are available at SEC Proposed Filer Status Reforms.

Comments on the proposals are due within 60 days of publication in the Federal Register.

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