Proskauer

SEC Proposes Significant Overhaul of Filer Status Framework

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On May 19, 2026, the Securities and Exchange Commission (SEC) proposed significant amendments to the public company reporting framework that would simplify the current filer status regime and substantially expand the availability of scaled disclosure accommodations. The current framework requires companies to annually reevaluate their filer status (large accelerated filer, accelerated filer, non-accelerated filer) and reporting status (smaller reporting company, emerging growth company), which impacts filing deadlines and disclosure requirements under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). If adopted, the new rules would:

- Collapse the current multi-tier filer structure into a simplified, two-tier system consisting of large accelerated filers (LAFs) and non-accelerated filers (NAFs).
- Increase the large accelerated filer public float threshold from $700 million to $2 billion.
- Significantly increase the seasoning requirement for large accelerated filer status so that issuers would not become large accelerated filers until they have been public reporting companies for at least 60 calendar months.
- Extend many of the accommodations currently reserved for emerging growth companies (EGCs) and smaller reporting companies (SRCs) to a substantially larger set of issuers, regardless of revenue.
- Provide additional accommodations to small issuers known as "small non-accelerated filers" (small NAFs).

The proposed filer status reforms were accompanied by a proposal that would significantly change the current registered offering landscape by revising numerous SEC rules to expand issuer flexibility in registered offerings, streamline shelf registration and communication rules, and reduce friction in accessing the public markets (discussed in our article "SEC Proposes Transformative Offering Reform: Significant Implications for Operating Companies, Registered Closed-End Funds, BDCs, and Other Products"). Like the proposed offering reform changes, the filer status overhaul is part of the SEC's ongoing "Make IPOs Great Again" agenda designed to incentivize small and mid-sized companies to go and stay public. The SEC's press release announcing the two sets of proposed amendments and accompanying releases and Fact Sheets are available here. The proposed changes would apply to public operating companies and business development companies (BDCs). Asset-backed issuers and some foreign private issuers (FPIs) would not be included in the new definitions, although qualifying FPIs could choose to take advantage of the disclosure accommodations provided to NAFs by filing on forms used by U.S. domestic companies.

Simplification of Filer Status System

The current filer and reporting status framework includes five categories of issuer: large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies, and emerging growth companies. An issuer's membership in any of the five existing categories affects filing deadlines, disclosure obligations, auditor attestation requirements, and more. Issuers are required to annually reevaluate their status under the current regime by measuring their public float as of the last business day of the most recently completed second fiscal quarter and annual revenue.

The SEC believes that the current system has become too complex as a result of incremental amendments over time, and so the proposed amendments would streamline the existing system by reducing the number of filing and reporting categories to two categories: LAFs and NAFs. Issuers with a public float of at least $2 billion that also have been public reporting companies for at least 60 consecutive calendar months would be LAFs. All other issuers would be NAFs.

By eliminating the accelerated filer category entirely, issuers that under the current framework are accelerated filers but not LAFs would become NAFs under the amended rules and would therefore become eligible for substantially broader accommodations.

Revised Large Accelerated Filer Standards

The proposed amendments would also increase the thresholds for becoming a LAF, thereby extending the time for which issuers can avail themselves of the filing accommodations available to NAFs. Under the proposed amendments, the SEC proposes to:

- Increase the public float threshold for LAFs from $700 million to $2 billion. The SEC stated that the existing threshold has not kept pace with inflation, market growth, and the increasing costs of being a public company. The new public float threshold would be calculated using an issuer's average closing stock price over the last 10 trading days of the issuer's second quarter. Moreover, as proposed the $2 billion threshold would need to be satisfied for two consecutive years in order for an issuer to become a LAF.
- Significantly raise the seasoning threshold for LAF status, so that an issuer would need to have been subject to the reporting requirements of the Exchange Act for 60 consecutive months in order to be a LAF. As a result, regardless of revenue and public float, an issuer will not qualify as a LAF until at least five years after its IPO. The current framework requires issuers to have been subject to the reporting requirements of the Exchange Act for at least 12 months before qualifying as a LAF.

Expansion of Scaled Disclosure Accommodations

Under the current framework, SRCs and EGCs are granted a variety of meaningful accommodations to reduce the costs and burdens of being a public company. The proposed amendments would expand those accommodations to all NAFs, including:

- Reduced executive compensation disclosure;
- Reduced financial statements requirements for annual reports (two years instead of three);
- Exemption from the requirements to hold "say-on-pay" and "say-on-frequency" votes;
- Extended compliance runway for new or revised GAAP accounting standards; and
- Exemption from the auditor attestation on management's internal controls over financial reporting required under Section 404(b) of the Sarbanes-Oxley Act.

In its proposing release, the SEC estimated that the amendments would result in 1,721 additional issuers being newly qualified NAFs, meaning that approximately 80.7 percent of all issuers would be eligible for the scaled disclosure accommodations currently reserved for SRCs and EGCs.

New Sub-Category of Small Issuer

The proposed rules would establish a sub-category of NAFs known as "small non-accelerated filers," which would be issuers with total assets of $35 million or less as of the end of their two most recent second fiscal quarters. Small NAFs would be granted the following additional filing deadline accommodations:

- An additional thirty days to file annual reports on Form 10-K.
- An additional five days to file quarterly reports on Form 10-Q.

The public comment period will remain open until July 20, 2026. If adopted, the proposed rules will have significant implications for public companies and companies considering going public. For many issuers, the proposed rules could substantially reduce public company compliance costs through increased access to scaled disclosures, elimination of auditor attestation requirements, reduced executive compensation disclosure requirements, lengthened LAF runway for newly public issuers, and more.

The full text of the proposed rule is available here.

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