July 2, 2026

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Semiannual Reporting (File No. S7-2026-15)

Dear Ms. Countryman,

This letter is submitted by Financial Executives International's ("FEI") Committee on Corporate Reporting ("CCR") in response to the Securities and Exchange Commission's ("SEC" or "Commission") proposed amendments to permit optional semiannual reporting by public companies.

FEI is a leading international organization comprised of members who hold positions as Chief Financial Officers, Chief Accounting Officers, Controllers, Treasurers, and Tax Executives at companies in every major industry. CCR is FEI's technical committee of approximately 50 Chief Accounting Officers ("CAOs") and Corporate Controllers from Fortune 100 and other large public companies, representing more than $19 trillion in market capitalization. CCR reviews and responds to pronouncements, proposed rules and regulations, pending legislation, and other documents issued by domestic and international regulators and organizations such as the SEC, PCAOB, FASB, and IASB.

The enclosed views and recommendations set forth within this letter were developed in accordance with CCR's governance procedures. This process includes a survey of the CCR membership and multiple iterative reviews by a drafting committee comprised of member company CAOs, Controllers and their direct reports. As noted, CCR is comprised of the largest public companies across a diverse array of industries – each with unique regulatory challenges and varying priorities. The perspectives incorporated in this letter reflect areas of consensus across committee members and may not align with the specific views of every individual entity or industry group.

Executive Summary

CCR commends the Commission for its continued commitment to reducing the regulatory burden of operating as a public company. CCR is supportive of the Commission's proposal to introduce an optional semiannual reporting regime. The proposal for optional semiannual reporting is a meaningful step in the Commission's broader effort to ensure that public company reporting requirements are calibrated to elicit disclosure of material information and are commensurate with the benefit they provide to investors and the capital markets. We believe providing issuers with the optionality to elect semiannual reporting allows the market, including peers, industry participants and investors, to determine the appropriate reporting cadence based on individual company facts and circumstances. As Commissioner Uyeda noted, the Commission's framework should allow market participants to select the optimal reporting period for their business, with investors and market intermediaries signaling whether such period aligns with their expectations.[1]

In this letter, CCR offers its support for the Commission's proposal. As the Commission acknowledges in its proposal, certain factors affecting companies' semiannual reporting election remain under consideration – including those requiring updates to existing standards and those that will be shaped by market practice. Their resolution will ultimately influence the pace and extent to which companies elect semiannual reporting. The positions and recommendations set forth in this letter are grounded in a shared commitment to materiality as the foundation for public company reporting and are addressed in detail below.

Furthermore, CCR has considered Commissioner Peirce's question regarding whether the Commission should reduce the reporting burden of Form 10-Q rather than, or in addition to, adjusting its cadence.[2] CCR supports both objectives and encourages the Commission to explore reductions to the disclosure obligations of Form 10-Q in connection with this rulemaking by leveraging its ongoing Regulation S-K reform initiative. CCR recommends that any such simplification of Form 10-Q should apply equally to Form 10-S filers so that they benefit from the same streamlined disclosure framework. CCR's recommendations for streamlining Form 10-Q are set forth in CCR's April 13, 2026 comment letter[3] ("Reg S-K Letter") on Regulation S-K reform[4] and are incorporated by reference. CCR believes that adopting these recommendations would meaningfully reduce the quarterly reporting burden for companies that retain a Form 10-Q filing cadence**.** While these initiatives overlap in their goal of reducing interim reporting burdens, they also represent separate regulatory tracks. As such, CCR would not want consideration of Form 10-Q simplification to delay the Commission's advancement of optional semiannual reporting, which represents the more transformative regulatory change.

We respectfully submit these views for the Commission's consideration and welcome the opportunity to provide additional context through a live discussion.

Materiality as the Foundation for Reform

The Commission's proposal reflects a recognition that the appropriate reporting cadence should be determined by market participants based on individual company facts and circumstances – a principle that aligns directly with CCR's view that public company reporting requirements should be calibrated to elicit material information rather than compel disclosure of immaterial information.

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[1] Commissioner Uyeda, Statement on Proposing Semiannual Reporting (May 5, 2026), available at: https://www.sec.gov/newsroom/speeches-statements/uyeda-statement-proposing-semiannual-reporting-050526

[2] Commissioner Peirce, Quarterly Questions: Statement on the Proposed Amendments to Allow Semiannual Reporting (May 5, 2026), available at: SEC.gov | Quarterly Questions: Statement on the Proposed Amendments to Allow Semiannual Reporting

[3] CCR Comment Letter on Regulation S-K Reform (April 13, 2026), available at https://www.sec.gov/comments/cll-15/cll15-750007-2316754.pdf

[4] SEC.gov | Statement on Reforming Regulation S-K, available at https://www.sec.gov/newsroom/speeches-statements/atkins-statement-reforming-regulation-s-k-011326

Under the proposed framework, companies electing to report semiannually would retain the ability, and remain subject to the obligation, to communicate material information frequently through means other than a Form 10-Q filing under the U.S. disclosure regime. This includes Form 8-K reporting with voluntary earnings releases and material events, press releases and investor presentations. CCR views the existing Form 8-K trigger events for material events as an important backstop grounded in materiality, one that allows investors to maintain confidence in the integrity and timely transparency of the capital markets, even under a semiannual reporting cadence.

While companies are still evaluating the proposal and have not made a definitive decision, in a survey of CCR members, 58% indicated they would most likely elect semiannual reporting, while 42% indicated they would most likely continue filing quarterly.[5] Importantly, these survey results are separate and distinct from the broad committee support for the option to report semiannually. Among respondents who indicated a preference for semiannual reporting, all indicated they would continue issuing voluntary quarterly earnings releases. This feedback reflects the reality that the market infrastructure supporting CCR member companies' investor relations programs – including analyst coverage, institutional investor expectations and capital markets activity – operates on a quarterly cadence that is unlikely to change in the near term. CCR member companies are committed to engaging proactively with their investor base as they evaluate the semiannual reporting election and will continue to consider investor expectations and market signals in determining the reporting cadence that best serves their individual circumstances.

CCR's support for this proposal is grounded in a broader commitment to materiality as the north star for public company disclosure. The Commission has articulated this principle consistently, and Chair Atkins' recent statements reflect a renewed commitment to this objective. While the concept of materiality exists in today's regulatory frameworks and in U.S. GAAP, a meaningful distinction exists between what is material at a given point in time and what represents a material change from information previously reported in a company's most recent annual report. It is the latter that CCR believes should govern the scope of interim disclosure obligations. Furthermore, while the materiality principle exists, management's ability to exercise judgment on materiality is often impeded by friction arising from a combination of regulatory, auditing and operational considerations.

Realizing the full benefit of optional semiannual reporting and of a streamlined Form 10-Q requires a concerted effort across the broader regulatory ecosystem – including the Commission, the PCAOB, standard-setters and external auditors – to affirm management's ability to exercise materiality judgments without friction. CCR encourages the Commission to reinforce its existing materiality principles, grounded in reasoned judgment, to support their application in practice.

CCR's Recommendations

[5] These survey results reflect preliminary CCR member views at a single point in time, prior to a thorough assessment of the proposal's implications, are subject to change, and may not be indicative of actual adoption decisions or the timeline over which companies may elect semiannual reporting.

CCR's engagement with its membership and review of the Commission's proposal have led to three specific recommendations that CCR believes are essential to the practical adoption of the semiannual election. Each reflects CCR's view that materiality should serve as the foundation for public company reporting. CCR's specific recommendations, discussed in further detail below, are as follows:

- **Earnings Releases:** CCR recommends the Commission preserve the current framework under Item 2.02 of Form 8-K and does not support requiring semiannual filers to file quarterly earnings releases in Q1 and Q3 periods.
- **Auditor Involvement in Earnings Releases:** CCR recommends the development of an optional mechanism under the PCAOB auditing standards for companies to obtain assurance on financial information without preparing financial statements with footnotes that conform to U.S. GAAP and Article 10 of Regulation S-X (the "Applicable Reporting Framework"). CCR does not support requiring companies to obtain an auditor review of the financial information included in quarterly earnings releases issued in Q1 and Q3 by semiannual filers.
- **Comfort Letters:** CCR recommends the Commission coordinate with the PCAOB to revise Auditing Standard ("AS") 6101 to extend the negative assurance window for semiannual filers, and recommends the Commission extend the period-end alignment approach in revised Rule 3-01 to Rule 3-05.

Each recommendation is addressed in detail below, including the rationale for CCR's position and its significance for companies in evaluating the semiannual election.

<u>Earnings Releases</u>

CCR members who may elect semiannual reporting have indicated they will continue issuing quarterly earnings releases, though actual elections and practice may evolve. The continuation of voluntary quarterly earnings releases, which also serves as an important mechanism through which companies manage their Regulation FD obligations, makes the Commission's treatment of those releases under Form 8-K a particularly important consideration for semiannual filers. CCR members are committed to remaining responsive to their investor base and recognize that the content and scope of voluntary quarterly earnings releases may develop over time in a manner that continues to serve investor needs as market practice adapts to a semiannual reporting cadence.

As currently drafted, the Commission's proposal does not require changes to the current framework under Item 2.02 of Form 8-K, though it has requested comment on whether semiannual filers should be required to file, rather than furnish, their quarterly earnings releases. CCR **does not support** such a requirement and recommends the Commission preserve the current framework under Item 2.02 of Form 8-K. A requirement to file rather than furnish earnings releases could discourage companies from providing the voluntary quarterly information that investors rely on and interfere with the quality and utility of the quarterly information. A key consideration for CCR is the compliance burden that would arise from the application of additional Item 10(e) requirements of Regulation S-K to filed documents. These additional requirements are more prescriptive in their treatment of non-GAAP financial measures, including prohibitions on certain measures. Certain CCR member companies include adjusted liquidity measures, adjusted free cash flow and other non-GAAP guidance metrics in their furnished earnings releases that would require significant modification, or would be prohibited, if those releases were filed. Furthermore, shifting from a furnished to a mandatory filed framework would introduce heightened statutory liability and would result in the automatic incorporation by reference of these disclosures into registration statements. This combined burden could disrupt the voluntary disclosure framework that exists today.

Auditor Involvement in Earnings Releases

To maintain the rigor of financial reporting and robust internal controls over financial reporting that exist today, companies and their audit committees may seek to have their auditors review the financial information underlying the voluntary quarterly earnings releases.

Under the current framework, independent public accountants must review Form 10-Q financial statements conforming to the Applicable Reporting Framework prior to filing, with such reviews conducted in accordance with PCAOB auditing standards. Knowledge that this review is occurring provides audit committees, investors and creditors with additional confidence in quarterly earnings releases. If a company elects semiannual reporting, it would not prepare interim financial statements conforming to the Applicable Reporting Framework in Q1 and Q3, and auditors would therefore be constrained from performing a standard interim review. Consequently, audit committees and market participants would lose the assurance provided by a review, as auditors would be unable to perform one on the standalone, voluntary financial information underlying the quarterly earnings release. CCR understands that while companies electing semiannual reporting could prepare financial statements conforming to the Applicable Reporting Framework each quarter without filing a 10-Q and obtaining a review, this would undermine the efficiencies of electing semiannual reporting and may not be cost-effective.

Although agreed-upon procedures ("AUP") exist under the current PCAOB standards as an alternative, AUP provide no assurance and may not be considered an adequate substitute by audit committees. CCR members are in the early stages of evaluating these considerations and recognize that audit committee approval will be an important factor in determining whether and how companies proceed with a semiannual reporting election. Furthermore, AUP can be more onerous than an interim review as each procedure performed needs to be included in a detailed report. As a result, the related fees tend to be relatively high, which may undermine any potential cost savings of electing to report semiannually. Additionally, AUP require each registrant to define its own specific procedures, which may create inconsistency in practice across companies.

While CCR supports the availability of an optional review mechanism, CCR does not support requiring companies to obtain an auditor review of financial information included in quarterly earnings releases in Q1 and Q3 by semiannual filers. A mandatory review requirement would undermine the voluntary nature of the quarterly earnings release and may discourage some companies from providing quarterly information to investors or delay the release of quarterly earnings information for others. CCR supports the development of an **optional** mechanism for companies to obtain a review of financial information without preparing financial statements that fully conform to the Applicable Reporting Framework.

CCR encourages the SEC and PCAOB to continue their active dialogue on this issue and to amend or develop a standard as promptly as practicable, given the importance of audit committee support in electing semiannual reporting.

Comfort Letters

CCR supports the Commission's proposed amendments to Regulation S-X to address the staleness of financial statements in registration statements filed by semiannual filers. The shift from a days-based assessment to a period-end alignment approach is a pragmatic solution to the regulatory staleness concern.

However, addressing regulatory staleness does not resolve the separate and equally significant constraint arising from PCAOB auditing standards governing comfort letters in underwritten securities offerings. Comfort letters are essential to bring-down procedures in registered and certain unregistered offerings and provide underwriters with negative assurance on financial statement items. CCR acknowledges that where 135 days or more have elapsed from the end of the most recent period for which the accountants have performed an audit or review, auditors may still perform procedures and report findings under AS 6101. However, underwriters in the U.S. typically require negative assurance, rather than just a procedures and findings report, to proceed with registered and certain unregistered offerings on standard terms. Without aligning the PCAOB's auditing standards to the Commission's proposed updates, semiannual filers will be constrained in their ability to access the capital markets on standard terms for a significant portion of the year, regardless of whether a procedures and findings report remains a technical alternative available under PCAOB AS 6101. Absent a coordinated resolution to this constraint, the semiannual election may not be a viable option for active U.S. capital markets participants, which could limit the practical impact of the Commission's proposal and impair the efficient capital formation the Commission seeks to facilitate.

CCR recognizes that ensuring negative assurance remains available to semiannual filers will require coordination among the Commission, PCAOB and auditing firms to ensure there is an appropriate balance between the scope of procedures required and the cost of obtaining such assurance. The goal should be to maintain meaningful investor protection without imposing a burden that would effectively negate the cost savings of a semiannual election and compel companies to continue filing Form 10-Q.

CCR is aware that foreign private issuers ("FPIs") who are not subject to quarterly reporting requirements have, in certain cases, addressed this constraint by preparing unaudited interim financial statements specifically for inclusion in a registration statement to bring the elapsed period since the most recently audited or reviewed financial statements to less than 135 days. However, this approach would not represent a reasonable alternative for CCR member companies. Preparing interim financial statements outside the normal filing cadence solely to facilitate a capital markets transaction would impose the very burden that the semiannual election is designed to eliminate. CCR member companies are large accelerated filers that regularly and frequently access the U.S. registered debt and equity markets, making the comfort letter constraint a significant consideration in the practical adoption of the semiannual election.

CCR therefore recommends the Commission coordinate with the PCAOB to revise its auditing standards and extend the negative assurance window for semiannual filers, harmonizing it with the Commission's proposed staleness framework. Without such a revision, the comfort letter constraint will function as a substantial barrier to the semiannual election for companies active in the capital markets. Absent a revision to AS 6101, semiannual filers would face a difficult choice of either limiting their access to the capital markets or preparing interim financial statements outside of their elected cadence to facilitate a transaction. Either of these would unnecessarily prolong capital-raising timelines, creating a significant disincentive for frequent market participants to adopt the semiannual reporting cadence.

CCR further notes that the proposed Rule 3-01 amendments do not address the acquired business financial statement requirements governed by Rule 3-05 in mergers and acquisitions. The period-end alignment approach to staleness under proposed amendments to Rule 3-01 applies to the registrant's own financial statements but does not govern the age requirements for pre-acquisition financial statements of acquired businesses filed on Form 8-K under Rule 3-05, which operates under a separate staleness framework that the proposal does not amend. A semiannual filer completing an acquisition could therefore find itself subject to inconsistent staleness standards – one for its own financial statements and another for the acquired business's financial statements. CCR recommends the Commission extend the period-end alignment approach in revised Rule 3-01 to Rule 3-05 to ensure consistency and avoid this mismatch when acquiring another business.

Capital Markets Considerations

Although the following considerations fall outside the Commission's immediate regulatory authority, CCR has included them in this letter as they represent practical capital markets and contractual implications that companies are actively evaluating as they assess the semiannual reporting election. CCR members expect to navigate these dynamics and engage with relevant stakeholders on an individual company basis.

- **Trading Windows and Corporate Share Repurchases**: CCR members expect to navigate trading window management and corporate repurchase timing individually under existing insider trading compliance frameworks and issuer buyback programs.
- **Debt Covenants**: CCR members expect to navigate existing covenant obligations through direct engagement with lending institutions.
- **Credit Rating Agencies:** CCR members expect to engage directly with rating agencies to ensure a semiannual reporting election is not misconstrued as a reduction in transparency or an indicator of credit risk.

<u>Trading Windows and Corporate Share Repurchases</u>

Company insider trading policies impose fixed blackout periods around the close of each fiscal quarter and the subsequent earnings release date. These policies are designed to reduce the risk that insiders, and the issuer itself when executing stock repurchase programs, trade while in possession of material non-public information ("MNPI"), consistent with Rule 10b-5 under the Securities Exchange Act of 1934 ("Exchange Act").

CCR member companies generally intend to include all material financial information in their voluntary quarterly earnings releases to support opening trading windows and resuming any open market share repurchases following publication of those releases. As such, neither the frequency nor duration of trading windows, nor the timing of corporate buyback activity would be expected to change meaningfully for those companies under a semiannual reporting cadence, assuming they continue to issue quarterly earnings releases that serve as the basis for opening the window and clearing corporate buyback activity. Some companies currently open trading windows and resume open-market repurchases only following the filing of a Form 10-Q, which may occur on a later date than the earnings release. Certain of those companies are still evaluating the implications of a semiannual election for their insider trading policies and corporate buyback programs, including the appropriate timing for opening the trading window and initiating repurchases in the absence of a quarterly filing. In either case, CCR believes the underlying principle is consistent and companies open their trading windows after all material information has been made publicly available, whether through a voluntary earnings release, a quarterly filing, or both.

Ultimately, CCR believes that managing these trading windows and corporate repurchase programs and determining the exact timing and scope of sufficient public disclosure represent practical, company-specific governance considerations that semiannual filers expect to navigate individually under existing insider trading compliance frameworks and capital management policies.

Debt Covenants

Covenant obligations in indentures, credit agreements and other contractual arrangements generally require quarterly financial statements accompanied by management certification, without reference to whether those statements are filed with the Commission or accompanied by auditor-provided assurance.

CCR members are in the process of assessing the implications of a semiannual reporting election on their existing debt covenant obligations. To the extent lenders continue to require quarterly financial statements, the primary concern would be the imposition of requirements beyond what would be customary under the current quarterly reporting regime, such as a requirement that quarterly financial statements be included in a Form 10-Q filing or that auditors are engaged. CCR members are also evaluating whether a change in reporting cadence could result in increases to the cost of debt directly attributable to the semiannual election.

Where covenant delivery requirements are limited to face financial statements accompanied by a management certification – consistent with current practice for many CCR member companies – the primary cost savings associated with a semiannual election would not be materially eroded. However, where covenants require delivery of financial statements equivalent in scope to a Form

10-Q, or require auditor involvement, the burden of compliance and the associated cost savings would need to be carefully evaluated.

CCR notes that the impact of debt covenant obligations on the voluntary adoption of semiannual reporting represents a market dynamic that falls outside of the Commission's immediate regulatory authority. Accordingly, CCR members expect to navigate these contractual implications through direct engagement with lending institutions on an individual company basis.

Credit Rating Agencies

In CCR's experience, credit rating agencies typically require quarterly financial information from rated companies as part of their ongoing ratings process, regardless of a company's SEC reporting cadence. CCR is mindful of two risks that warrant consideration in connection with this dynamic.

First, where a company's quarterly financial information is not filed with the Commission, rating agencies may have concerns about the reliability and completeness of the information provided. Second, CCR is concerned that rating agencies may view a company's election of semiannual reporting as a signal of reduced transparency, potentially affecting credit ratings or outlooks independent of actual financial performance. This risk is particularly relevant in the early years of the semiannual reporting framework, before rating agencies and the broader market have developed established practices for evaluating semiannual filers.

CCR does not believe the frequency of SEC reporting should be a determinative factor in credit assessments. Accordingly, CCR members expect to engage directly with rating agencies on an individual company basis to ensure that a semiannual reporting election is not misconstrued as a reduction in transparency or an indicator of credit risk.

Streamlined Form 10-Q

CCR supports both optional semiannual reporting and a complementary reduction in the disclosure obligations of Form 10-Q. CCR believes that a robust simplification of Form 10-Q requirements could encourage certain companies to retain a quarterly filing cadence for investor relations, capital markets, or contractual reasons while still achieving meaningful burden reduction. Importantly, CCR recommends that any simplification of Form 10-Q disclosure requirements **apply equally to Form 10-S filers**, so that they benefit from the same streamlined disclosure framework. CCR's recommendations for simplifying Form 10-Q are addressed in the Reg S-K Letter and are incorporated herein by reference. CCR views these as complementary initiatives that can be progressed on separate timelines, prioritizing the finalization of the semiannual option as the more transformative regulatory change.

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CCR reiterates its support for the Commission’s proposal to introduce an optional semiannual reporting regime and appreciates the Commission's consideration of our comments. We stand ready to support the Commission in its rulemaking efforts and welcome the opportunity to discuss the contents of this letter through a live discussion.

Sincerely,

Committee on Corporate Reporting

Committee on Corporate Reporting (FEI)