September 22, 2025

The Semi-Annual Reporting Debate

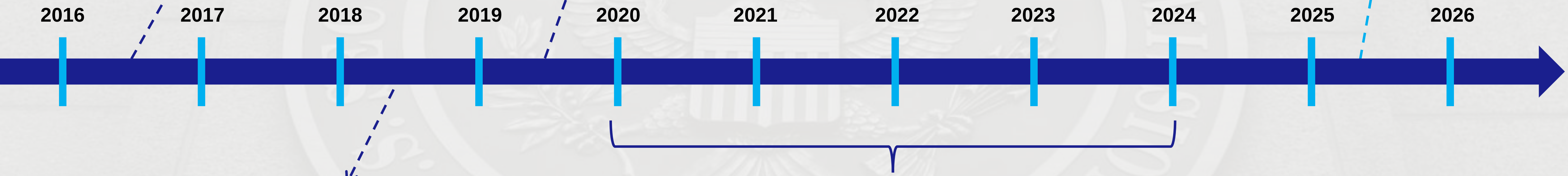
- What Boards, Execs & Communications Leaders Need to Know

A High Level Summary of Key Events Since 2016…

Apr 2016: *Reg S-K Concept Release invites broad disclosure feedback that includes cadence concepts*

Mar-Sep 2019: *Dozens of high-profile comment letters urge caution or targeted tweaks rather than ending 10-Qs, no rule proposed*

Sep 2025: *Proposal revived in public statements, SEC signals it is studying options, quarterly 10-Qs still required at present*



Aug-Sep 2018: *Presidential ask to study six-month reporting followed by SEC Request for Comment on quarterly reporting and earnings releases*

2020-2024: *SEC modernizes other Reg S-K items, does not alter reporting frequency*

A Review of Past Efforts to Change Policy (cont.)

SEC Groundwork (2016-2017)

- **Apr 13, 2016:** SEC publishes a broad Regulation S-K Concept Release asking the public for input on modernizing disclosure, including questions tied to reporting frequency and investor time horizons
- **Apr 22, 2016:** Concept Release appears in the Federal Register, kicking off formal public feedback on disclosure modernization topics that later feed into the frequency debate

Push to Reconsider (2018)

- **Aug 17, 2018:** President Trump publicly asks the SEC to study moving from quarterly to six-month reporting, triggering wide coverage and comment
- **Dec 18, 2018:** SEC issues a dedicated Request for Comment on earnings releases and quarterly reports (Release Nos. 33-10588, 34-84842), explicitly asking whether some firms should have flexibility on frequency and whether 10-Q content duplicates earnings releases

Comment Phase (2019)

- **Mar 2019:** Major market participants file letters: *ABA Business Law Section* urges caution & emphasizes investor protection attributes of quarterly reporting. *SIFMA* highlights value of auditor involvement and reliability of quarterly reports, arguing governance fixes beat reducing frequency. *Grant Thornton* & others propose improvements, but don't coalesce around ending 10-Qs
- **2019:** SEC's public docket collects meetings and submissions through September 2019, then goes quiet with no proposal to change frequency issued
- **Bottom line for 2019:** The comment process closes without the SEC proposing a rule to end or relax quarterly 10-Q requirements

Why the 2018-2019 effort did not convert?...

- Investor protection concerns about timely disclosure and the risk of delayed bad-news reporting carried weight in comments and analysis
- Mixed evidence from the UK and EU undercut claims that ending quarterly mandates would boost long-term investment, while many issuers continued frequent updates voluntarily
- The SEC focused on other disclosure priorities, and the frequency project fell off the active rulemaking track until the 2025 revival

A Review of Past Efforts to Change Policy (cont.)

Outcome Under Routine Agendas (2020-2024)

- The SEC proceeds with other Reg S-K modernization items unrelated to changing filing frequency, including human capital and MD&A updates, but leaves quarterly cadence untouched
- Semiannual Regulatory Agendas in this period do not advance a rulemaking to eliminate Form 10-Q or reduce reporting frequency
- Comparative evidence from the UK and EU, which scrapped mandatory quarterly updates in 2013–2014, is widely cited in the debate and shows many issuers kept frequent updates anyway, with limited effects on long-term investment behavior

Revival & Current Status (2025)

- **Sep 15, 2025:** President Trump renews the call to allow semiannual reporting, arguing it would cut costs and short-termism, and says SEC approval would be required
- **Sept 16-19:** Coverage reports the SEC is prioritizing review of the idea and exploring pathways, with market commentary split on transparency tradeoffs CFO
- **Sep 19 2025:** Reuters reports remarks by SEC Chairman Paul Atkins indicating openness to letting markets influence reporting cadence and to considering changes through the SEC process
- **As of today:** No adopted SEC rule has changed the 10-Q requirement, so U.S. public companies still must file quarterly 10-Qs while the Commission considers next steps

A Review Of the Policy Requirements

Can the President Make the Change?

- No, not directly. The president cannot unilaterally change how often public companies report earnings.
- The requirement to file quarterly 10-Qs comes from SEC rules, not from presidential orders or laws passed by Congress.
- The SEC is an independent federal agency. Its rules are set through a formal process called rulemaking, which includes drafting, public comment, and a vote by the commissioners.

What the President *Can* Do

- *Publicly Call for Change:* The president can encourage the SEC to study the issue or propose rule changes (as President Trump did in 2018 and again in 2025).
- *Appoint Leadership:* The president nominates the SEC chair and commissioners, which can shift the Commission's priorities and make a change more likely if the majority supports it.
- *Support Legislation:* The president could back a bill in Congress directing the SEC to change reporting frequency, though Congress has not passed such a law to date.

The Nuance

- Even if the president and SEC chair favor semiannual reporting, it still requires a formal rulemaking process with public input and a majority vote of the five commissioners.
- Stakeholders (investors, auditors, companies) often push back, and their feedback matters – this is partly why the 2018 effort stalled.
- Courts can review SEC rule changes if challenged, so the SEC must show that any new rule is supported by evidence and consistent with investor protection.

Strategic Communications Perspectives from ICR

The question of whether U.S. public companies should report earnings every three months or every six months has re-emerged this week following a post on Truth Social by President Trump.

> *"Subject to SEC Approval, Companies and Corporations should no longer be forced to "Report" on a quarterly basis (Quarterly Reporting!), but rather to Report on a "Six (6) Month Basis." This will save money, and allow managers to focus on properly running their companies. Did you ever hear the statement that, "China has a 50 to 100 year view on management of a company, whereas we run our companies on a quarterly basis???" Not good!!!" - @realDonaldTrump*

The discussion over moving to a twice annual system is not a new one, as it was raised during Trump's first presidential term as well.

Quarterly reporting has been the norm since the 1970s, but we wanted to take today's comments by President Trump as an opportunity to discuss various considerations teams should consider in the ongoing discussion on whether 90 days remains optimal for today's markets.

For corporate executives and boards, the priority should not be to take a view on whether quarterly or semiannual reporting is better, but to anticipate the implications of a potential change and ensure the organization is prepared to adapt. The conversation itself is worth preparing for.

UNDERSTANDING THE PROCESS AND TIMELINE

A shift from quarterly to semiannual reporting would require formal rulemaking by the SEC. This would involve several steps: the drafting and publication of a proposed rule, a public comment period, consideration of feedback, and ultimately a final rule. Once adopted, the SEC would likely include an implementation or transition period to give companies sufficient time to adjust their reporting processes, internal controls, and investor communications calendars.

Historically, regulatory changes of this magnitude take time from initial proposal to effective date. Companies would then need to plan internally for how and when to adopt the new requirements, which could extend the timeline further. Understanding this sequencing is critical so that management teams can anticipate when to mobilize resources and when to communicate with investors about upcoming changes.

Strategic Communications Perspectives from ICR (cont.)

IMPLICATIONS FOR MANAGEMENT TEAMS

A move to semiannual reporting would significantly reshape the rhythm of investor communications. Companies would have longer intervals between formal reports, requiring a thoughtful approach to keeping investors engaged and informed. Executives would need to determine whether to offer voluntary quarterly updates, such as trading statements, key performance indicators, or shareholder letters, to ensure analysts and investors can continue to model the business accurately.

The additional time between mandated reports could free up resources for more strategic communication, such as deeper investor days, thematic updates, and more 1x1 engagement with long-term shareholders. At the same time, fewer formal disclosures would raise the stakes for mid-cycle communication. Management teams would need to ensure they have a clear process and playbook for disclosing material events, guidance updates, or major transactions between reporting periods to maintain credibility and avoid market surprises. Further, companies would need to re-assess and amend their quiet periods for a change in reporting frequency.

Internally, finance, legal, and communications teams would need to revisit reporting calendars, workflows, and disclosure controls. The cadence of audit reviews, earnings preparation processes, and board reporting schedules would all need to be adjusted.

LESSONS FROM GLOBAL MARKETS

Looking abroad offers helpful perspective. Many markets, including the U.K. and EU, shifted to semiannual reporting years ago. When the EU eliminated mandatory quarterly reporting in 2014, many companies chose to continue providing quarterly trading updates voluntarily to maintain investor confidence. Australia and Canada follow a similar model, with semiannual financial statements supplemented by periodic updates.

These examples suggest that semiannual reporting can function effectively when paired with clear, consistent, and voluntary communication between periods. They also highlight the importance of maintaining comparability so that investors can track performance trends despite less frequent full financial reporting.

Strategic Communications Perspectives from ICR (cont.)

IMBALANCE BETWEEN SMALLER VS. LARGER COMPANIES?

Smaller companies may feel a hypothetical shift more acutely. Many rely on quarterly earnings to drive investor visibility and maintain analyst coverage. Fewer formal updates could reduce mindshare and make it harder to keep their story in front of investors unless supplemented by voluntary intra-period communications. At the same time, the cost savings from preparing fewer full reports could be meaningful for leaner teams with limited resources.

On the other hand, larger companies often have more robust IR infrastructures and established investor bases. They may have the flexibility to produce voluntary quarterly updates or host thematic calls to bridge the gap between semiannual reports. For them, a transition may represent less of a cost relief and more of a strategic opportunity to focus investor attention on longer-term themes.

CONSIDERATIONS FOR BOARDS

Boards play a critical role in guiding disclosure philosophy and investor engagement strategy. This could serve as a natural moment for directors to engage management in a forward-looking discussion. Key questions include:

- How would a longer reporting cycle affect investor engagement and analyst coverage? Should the company voluntarily provide quarterly updates to maintain transparency and confidence?
- How would internal workflows change? Would fewer reports free up capacity for more strategic investor engagement such as investor days or thematic briefings?
- How would the company manage material updates between reporting periods? Is there a clear, rehearsed playbook for mid-cycle announcements to avoid surprises?
- What can be learned from peers in markets where semiannual reporting is standard? How do they maintain investor confidence?
- If the SEC offers flexibility, should the company adopt the new cadence early or wait for broader market adoption? How might either choice affect valuation, investor sentiment, and competitive positioning?

Strategic Communications Perspectives from ICR (cont.)

By framing the discussion around these questions, boards can help management prepare for multiple scenarios and avoid being caught off guard if the rules change.

TREATING DISCLOSURE CADENCE AS A STRATEGIC DECISION

Whether or not the SEC even engages in discussion following President Trump's comments, this is an opportune time for companies to revisit disclosure philosophy, investor communications cadence, and governance processes. Treating reporting frequency as a strategic decision, rather than merely a compliance obligation, can strengthen investor alignment and reinforce credibility with the market.

Boards may also consider incorporating this topic into their annual governance cycle. Reviewing disclosure controls, shareholder engagement strategy, and crisis communication readiness on a recurring basis ensures the company remains prepared for evolving expectations, regardless of whether reporting remains quarterly, becomes semiannual, or shifts in some other way in the future.

GOVERNANCE, INVESTOR, AND PROXY ADVISORY CONSIDERATIONS

- **Board Oversight:** Beyond disclosure cadence, boards must ensure timely risk monitoring and accountability between mandated reports. Semiannual reporting would **heighten the importance of interim oversight and clear playbooks for material event disclosure**.
- **Institutional Investors:** Large asset managers rely on timely, standardized reporting to support stewardship and investment decisions. While they share concerns about short-termism, **maintaining transparency remains central to their perspective**.
- **Proxy Advisors:** Proxy advisory firms would likely assess **any reduction in reporting frequency through the lens of shareholder rights and access to information**. Without standardized voluntary updates, they may caution that less frequent reporting undermines comparability and governance assessments.
- **Takeaway**: The semiannual reporting debate is not only about regulatory mechanics or communications strategy, but also about preserving investor confidence and governance standards.

Strategic Communications Perspectives from ICR (cont.)

CONCLUDING THOUGHTS

This discussion is not new. It has surfaced periodically over decades, but its re-emergence puts it back at the center of the strategic communications conversation. There are credible arguments on both sides, from concerns about short-termism to the need for timely transparency. Our goal is not to advocate for one outcome over another, but as always, to help and empower management teams and boards to think strategically on an ever-evolving regulatory, investment and global communications landscape.

- The ICR Team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