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## LEGAL UPDATE

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### **SEC Proposes New Rule and Form Amendments to Enhance Emerging Growth Company Accommodations and Simplify Filer Status for Reporting Companies**

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On May 19, 2026, the Securities and Exchange Commission (the “SEC” or “Commission”) proposed a [new rule and form amendments](#) that would restructure and streamline filer status categories into two main categories: large accelerated filers and non-accelerated filers. The proposed new rule would also raise the threshold and seasoning requirements for large accelerated filer status and extend accommodations and scaled disclosures to all non-accelerated filers. The SEC stated that it is proposing the new rule and form amendments to incentivize companies to stay public.

Under the proposed new rule, the public float threshold for determining large accelerated filer status would be raised from \$700 million to \$2 billion, which would be calculated based on the average stock price over the last ten trading days of the second fiscal quarter rather than based on the closing price at the end of that quarter as currently calculated. The public float threshold would need to be satisfied for two consecutive years. Further, the amount of time a company must have been subject to Securities Exchange Act of 1934 (“Exchange Act”) reporting requirements before qualifying as a large accelerated filer would be raised from twelve calendar months to at least sixty consecutive calendar months of reporting.

The proposed new rule would also eliminate the categories of accelerated filer and smaller reporting company filer. All companies that aren’t large accelerated filers would become non-accelerated filers and would not be required to receive an auditor’s attestation on the company’s internal control over financial reporting. All non-accelerated filers would have the same disclosure scaling and other accommodations currently available to smaller reporting companies and emerging growth companies such as:

- Omit risk factors from period reports;
  - No say-on-pay or say-when-on-pay votes;
  - No pay-versus-performance disclosure;
  - Scaled executive compensation disclosures;
- and



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- Fewer years of audited financial statements (with reduced presentation requirements).

Under the proposed new rule, a new sub-category of “small non-accelerated filer” would be created for companies with total assets of \$35 million or less for the two most recent years. These companies would also have an additional thirty days to file a Form 10-K and additional five days to file a Form 10-Q.

Most accommodations available under the new classification of non-accelerated filers are redundant for emerging growth companies, however certain emerging growth company specific accommodations such as FOIA protection for draft registration statements and PCAOB standard exemptions remain available.

According to the Commission, if the proposed new rule was adopted today, the number of current public companies classified as large accelerated filers would be reduced from 35.4% to 19.2%, 80.8% of current public companies would be non-accelerated filers, and 17.9% of current public companies would be small non-accelerated filers.

The comment period on this proposed new rule is open until sixty days after its publication in the Federal Register.

## Takeaways

Should this proposed rule take effect, many companies that currently are not afforded the accommodations provided to smaller reporting companies and emerging growth companies to scale their existing disclosures could potentially incur significant public company cost saving under the new classification of non-accelerated filer.

Public companies should determine their filing status under the proposed new rule in order to understand what new benefits may be available should it become final.

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