John A. Zecca
Executive Vice President
Global Chief Legal, Risk &
Regulatory Officer
1100 New York Avenue NW
Washington, DC 20005

April 13, 2026

Ms. Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. CLL-15, Statement on Reforming Regulation S-K

Dear Ms. Countryman:

Nasdaq, Inc. ("Nasdaq") appreciates the opportunity to comment on the Securities and Exchange Commission's ("Commission") and Chairman Paul S. Atkins's calls for a comprehensive review of Regulation S-K ("Reg. S-K").[1] Nasdaq operates regulated entities in the United States, Canada, the Nordics and Baltics, including The Nasdaq Stock Market, which is home to more than 3,500 listed companies with a market value of over $9.1 trillion that drive the global economy and provide investment opportunities for Main Street investors.[2] Our subsidiaries are self-regulatory organizations mandated to protect investors and the public interest. We are also an Exchange Act registrant and public company (Nasdaq: NDAQ) subject to the same regulations as other public companies including Reg. S-K. As a result, we bring a unique perspective to these issues.

Reg. S-K is an important component of the public company disclosure framework, and its review is a natural extension of the Commission's focus on supporting the attractiveness of the public company model. Nasdaq shares the Commission's goal and has a long track record of leadership and sustained advocacy for public companies, including notably our March 2025 policy white paper, *Advancing the U.S. Public Markets: Unlocking Capital Formation for a Stronger American Economy* (the "Nasdaq White Paper"). We commend the Commission for undertaking this significant endeavor and for its efforts to reform the disclosure framework in a manner that meaningfully and thoughtfully reduces the disclosure burdens that weigh on public companies,

---

1 See Paul S. Atkins, Jan. 13, 2026, Statement on Reforming Regulation S-K, available at https://www.sec.gov/newsroom/speeches-statements/atkins-statement-reforming-regulation-s-k-011326.

2 Number of listed companies listed on the Nasdaq stock market is as of December 31, 2025.

while also maintaining and enhancing the robust investor protections that are a hallmark of the U.S. capital markets.

To inform this comment letter, we actively solicited feedback and held discussions with numerous companies who expressed interest in reforming Reg. S-K. The discussion participants included companies of various industries, sizes, and stages of development. This company feedback is reflected without attribution.

Executive Summary

Across industries, company size, and company maturity, our listed companies consistently reported that Reg. S-K has expanded without a corresponding increase in decision-useful information for investors. They described the existing regime as eliciting significant amounts of disclosure that is boilerplate and not decision-useful, disclosure that is driven by fear of litigation or Commission comment, rather than its value to investors, and disclosure that is increasingly procedural and checklist-driven rather than grounded in materiality. Companies pointed to the growth in the length of the executive compensation section of the proxy statement by dozens of pages in the past decades as emblematic of the overall increase in disclosure requirements.[3] Companies also repeatedly identified numerous components of Reg. S-K that require duplicative or overlapping disclosure. The consequence of these low-utility, duplicative, and overlapping disclosure requirements is increased compliance costs with no or very low incremental value to investors.

This comment letter recommends approximately 40 distinct reform proposals related to Reg. S-K and other rules integral to the public company disclosure framework. If adopted, we believe these reforms will significantly reduce the compliance burden associated with being a public company, along with corresponding increases to the quality and value of information investors receive.

Overview of Concerns with the Current Public Company Disclosure Framework

Over the decades since its initial adoption in 1977, Reg. S-K has been amended numerous times in response to evolving market practices and legislative mandates. At present, Reg. S-K represents an amalgamation of various disclosure rules (hereinafter referenced as "items"), many of which were adopted as a response to specific market crises or policy objectives of their era. While many items have been added to Reg. S-K, comparatively few items have been removed. As a result, public companies have been subjected to ever-expanding disclosure burdens, some of which, in retrospect, do little to protect investors, while others have outlived their usefulness.

Our conversations with public companies revealed a broadly held sentiment that the existing disclosure framework is overly burdensome, not optimized to provide decision-useful information to investors, and in need of revision. While it is difficult to quantify the costs precisely, we received estimates from companies that compliance with Reg. S-K requires thousands of

[3] For reference, the executive compensation section of Nasdaq, Inc.'s proxy statement has grown from 13 pages in 2005 to 28 pages in 2015 to 49 pages in 2025. The 276% increase from 2005 to 2025 was primarily due to increased disclosure requirements in Item 402 that were adopted in 2006, 2009, 2015, and 2022.

employee-hours and a total internal and external cost of millions of dollars per year.[4] These figures alone are formidable; however, smaller and newly public companies repeatedly emphasized that compliance costs are a greater proportion of their revenues than for larger companies due to ineffective scaling of the disclosure framework and because smaller and newly public companies incur higher relative compliance costs due to their inability to insource the compliance tasks, necessitating paying expensive outside consultants and advisors to produce the disclosure. The net effect is that Reg. S-K and the overall public company disclosure framework most burdens the companies that have the least resources relative to that burden. Accordingly, this is a theme we believe should inform the approach to revisions to Reg. S-K: **the disclosure framework should scale based on company size and all disclosure requirements should be proportional to the value they provide investors and should strictly avoid requiring duplicative disclosures that do not enhance investor decision-making**.

Universal Internet Access

Given that the bulk of Reg. S-K was adopted in 1982, the existing disclosure framework reflects an era where internet access and access to electronically filed disclosure were practically unavailable. Since then, the investing landscape has undergone changes that have fundamentally altered the ways in which both retail and institutional investors access, analyze, and act upon information. Initially, access to company data and market intelligence was limited, often restricted to physical filings, subscription-based financial terminals, or costly brokerage research, and investors relied on the telephone or instructions delivered to their broker in-person in order to execute transactions. Times have changed, and internet access and use are now virtually universal with 96% of U.S. adults reporting use of the internet in 2025, up from 52% in 2000, including a 90% usage rate among the lowest usage rate cohort—U.S. adults aged 65 and older—compared to just 14% from the same age cohort in 2000.[5] In 2024, 68% of investors preferred receiving disclosure in a method other than paper documents physically mailed to them, compared to just 51% in 2015.[6] The proliferation of internet access has enabled investors to access company disclosures in real time and has promoted the availability of affordable and often free investment analysis tools. Internet access has also enabled investors to execute transactions via internet-based software applications at the click of their mouse or a tap on their mobile phone. These advancements necessitate numerous reforms to Reg. S-K to align companies' disclosure efforts with investor needs. They have also rendered many legacy disclosure requirements less relevant, as investors no longer rely solely on regulatory filings for information. Accordingly, this is a theme that we believe should inform Reg. S-K: **rules should presume internet access and both permit, and rely upon, the use of the internet to simplify disclosure burdens**. Where information is widely accessible to investors online, such as on EDGAR or other widely accessible

---

4 While not a direct measure of the compliance burden of Reg. S-K specifically, data published by KPMG regarding Sarbanes-Oxley compliance costs indicated that in fiscal year 2024, the average company compliance cost, inclusive of audit costs, was $2.3 million with average hours of 15,581. KPMG, *The 2025 SOX survey*, available at: https://kpmg.com/kpmg-us/content/dam/kpmg/pdf/2025/the-2025-sox-survey.pdf.

5 Nov. 20, 2025, Pew Research Center, *Internet, Broadband Fact Sheet*, available at: https://www.pewresearch.org/internet/fact-sheet/internet-broadband/.

6 Dec. 2025, FINRA Investor Education Foundation, *Investors in the United States: A Report of the National Financial Capability Study*, available at: https://finrafoundation.org/sites/finrafoundation/files/2025-11/NFCS_Investor_Survey_Report_White_Paper.pdf.

data aggregator sources, the rules should reflect that availability and not insist on duplicative and inefficient re-disclosure.

Anchoring Disclosure Requirements in Materiality

The materiality standard supports both investor protection and the efficient functioning of capital markets.[7] It provides companies with the flexibility to exercise judgment, reducing the risk of information overload that can result from rote or overly prescriptive disclosure requirements. However, in practice, the vagueness of the materiality standard often provides companies with less guidance than necessary as to what is responsive to various disclosure requirements. This reveals a tension: on the one hand, the vagueness of the materiality standard enables companies to exercise discretion; on the other hand, companies are often left unsure whether their disclosure is sufficiently responsive to specific disclosure requirements and to investor needs. By disclosing too much, companies both risk overwhelming investors with unimportant information and bear the costs of the incremental disclosure; by disclosing too little, companies feel vulnerable to Commission comment letters and potential litigation regarding the adequacy of their disclosure. Out of caution, companies typically err on the side of over-disclosure, perceiving its downsides as less costly than the consequences of receiving a Commission comment letter or shareholder lawsuit.

We discussed this vagueness-prescriptiveness tension with companies and the result was illuminating. Companies broadly supported orienting disclosure requirements around the materiality standard, recognizing its value in providing companies with disclosure discretion commensurate with the information's importance to investors. At the same time, companies overwhelmingly agreed that certain minimal statements or examples within the rules, such as clarifying what principles or conceptual types of information could be considered material, were helpful to reduce uncertainty regarding whether disclosures would be adequate. These discussions point to another theme that should guide any Reg. S-K reform: **any rule, instructions, or guidance with respect to materiality should be limited to a focused, concise list of key material concepts, rather than expansive laundry lists or examples that could be interpreted as prescriptive or subject to shifting policy trends**. A disclosure framework centered on this approach—focused materiality—strikes the correct balance between allowing companies to make judgment calls about materiality while providing a sufficient framework for companies to be comfortable that their disclosure is adequate.

Securities Litigation Risk

A prominent factor shaping company disclosure practices is the omnipresent risk of securities litigation. Public companies must remain vigilant against the threat of lawsuits alleging inadequate or misleading disclosures, which they often cited as the number one negative attribute of being a public company. Particularly given the current litigation environment where unsuccessful plaintiffs effectively bear no cost of losing and can litigate freely without any skin in the game, this litigation risk reinforces a conservative disclosure approach, prompting companies

[7] The materiality standard, as articulated by the Supreme Court and the Commission, is foundational to the public company disclosure framework and Reg. S-K. Under this standard, information is considered "material" if there is a substantial likelihood that a reasonable investor would view it as important in making an investment or voting decision. *See TSC Industries, Inc. v. Northway, Inc.* (1976); *Basic Inc. v. Levinson* (1988); and SEC Staff Accounting Bulletin No. 99 (Aug. 12, 1999); 17 C.F.R. § 230.405 (1982).

to include additional information and err on the side of over-disclosure. We believe that an approach based on focused materiality—instead of mandating a prescriptive list of items that must be included regardless of materiality—will help prevent "foot fault" litigation, where plaintiffs' law firms bring claims primarily seeking the reimbursement of legal fees. Additionally, in amending Reg. S-K, we encourage the Commission to include specific statements establishing expectations that explicitly confirm companies may continue to exercise judgment to include disclosure that provides important contextual information regarding their business if they believe it is helpful to investors, without the risk of Commission enforcement action or conceding materiality and the resultant increased litigation liability exposure.[8]

Proposals

For decades, we have advocated for disclosure requirements that are clear, concise, and anchored in materiality. As detailed in the Nasdaq White Paper, we have repeatedly highlighted how cumulative disclosure burdens, regulatory complexity, and one-size-fits-all requirements have contributed to fewer companies choosing to go public or remain public, to the detriment of investors and U.S. capital market competitiveness.

The proposals recommended below are animated by several themes that have emerged from our experience and interactions with our listed companies:

(1) Focused Materiality – Revising rules to provide focused guidance on the core material concepts and principles applicable to a rule and strictly avoiding embedding prescriptive lists;

(2) Right-Sizing Rules – Ensuring that disclosure requirements are proportional to the value they provide investors, particularly given the modernization of markets and information access; and

(3) Eliminating duplicative and potentially misleading disclosures that do not enhance investor decision-making.

Through these recommended proposals, we believe that reform of Reg. S-K can meaningfully reduce the disclosure compliance burden while maintaining robust investor protections and promoting efficient markets.

1. Semi-Annual Reporting

We support offering companies the option to report semiannually, rather than quarterly. Under the current quarterly reporting framework, smaller and emerging growth companies suffer a disproportionate compliance burden and must devote substantial scarce resources to preparing disclosures that often provide little incremental information. This effect is particularly strong with

[8] For this reason, in addition to the specific Reg. S-K reforms discussed in this comment letter, we also strongly urge Congress to rebalance the litigation environment and relieve public companies from the omnipresent risk of the expensive and often frivolous litigation environment by adopting a loser-pays system for securities class action claims whereby the losing party pays at least a portion of the winning party's legal and court fees. Such action would help preserve shareholder value by deterring frivolous lawsuits and promoting more responsible litigation, ultimately reducing the excessive legal costs and burdens associated with today's hyper-litigious environment, and benefitting the public company model overall.

10-Q filings, where research demonstrates that Form 10-Q filings tend not to elicit any immediate market reaction, whereas earnings press releases do—underscoring that the formal quarterly filing process has become unremarkable and redundant.[9] We encourage the Commission to follow-through on its wise commitment to permit companies to report semiannually, while preserving the option for companies to continue reporting quarterly if they determine that such frequent reporting benefits their investors. This approach, already the standard in the United Kingdom and available to foreign private issuers in U.S. markets, would allow companies to focus resources on building their businesses for the long-term rather than on repetitive compliance exercises or disproportionate focus on delivering quarterly results. Importantly, Regulation F-D already provides a flexible model for companies to disclose material developments outside of the required periodic reports, and additionally, the existing Form 8-K disclosure requirements will continue to ensure that investors receive timely information about material developments. Annual reporting on Form 10-K (including the proxy statement) would remain robust and comprehensive, preserving the transparency that is essential to investor protection. By providing this flexibility, the Commission can enhance the quality and materiality of periodic disclosure while reducing unnecessary burdens that discourage companies from accessing the U.S. public markets.

2. <u>General – Item 10</u>

Item 10 of Reg. S-K provides general rules applicable to the content of the non-financial statement portions of their filings. We propose amending Item 10 to insert a new subparagraph that includes a statement that explicitly confirms that companies may exercise judgment to omit or appropriately tailor disclosure that is not material to their business without the risk of enforcement action or increased liability exposure. This statement should also confirm that companies are not required to provide negative confirmatory disclosure where no material responsive information exists. Likewise, the statement should confirm that the disclosure elicited by Reg. S-K is designed to elicit material information but that mere disclosure itself does not imply or concede materiality.

This proposal aims to strengthen the emphasis on materiality within the disclosure framework, while also offering safeguards for companies seeking to contextualize their disclosures without unintentionally implying their materiality. Companies we spoke with frequently communicated the paradox of contextual disclosure being misinterpreted as material information; this proposal would mitigate that problem.

3. <u>Use of Non-GAAP Financial Measures in Commission Filings – Item 10(e)</u>

We propose permitting Item 10(e)(1)(i)(B) (reconciliations to GAAP financial measures) and Item 10(e)(1)(i)(C)-(D) (discussions regarding management's rationale for non-GAAP financial measures) to be filed as exhibits in periodic reports such as Forms 10-K and 10-Q and that these exhibits could be incorporated by reference—including via internet hyperlink—in intra-period filings unless subsequently revised, eliminating the need for repetitive disclosure. Additionally, we propose amending Regulation G ("Reg. G") to allow cross-reference or incorporation by reference—including via internet hyperlink—to periodic report reconciliations

[9] Mar. 2017, Badertscher, *et. al.*, *The Market Reaction to Bank Regulatory Reports*, available at: https://www.kellogg.northwestern.edu/~/media/Files/Departments/Accounting/BBE_3272017.pdf#:~:text=A%.

for non-GAAP measures, rather than requiring each reconciliation to directly accompany every Reg. G disclosure. This approach recognizes the efficiency and accessibility enabled by widespread internet usage and hyperlinks, supporting communication flexibility without compromising investor protections.

Company feedback consistently highlighted that the existing requirements under Item 10(e) are overly burdensome, often resulting in duplicative work and unnecessary complexity. Companies urge that Item 10(e) should more closely mirror the principles of Reg. G, offering greater flexibility in how reconciliations and explanatory discussions are provided.

The proposal to modify Reg. G is separately important as investor needs and communication preferences continue to evolve in modern markets where it is essential to enable flexible, multi-format, and multi-channel communication, including social media, without overly prescriptive and duplicative disclosure. Both Item 10(e) and Reg. G should not impose unnecessary or duplicative disclosure, but instead accommodate advances in technology and information access, supporting both effective investor engagement and streamlined compliance efforts.

4. <u>Smaller Reporting Companies – Item 10(f)(1)</u>

We propose amending Item 10(f)(1) to harmonize the definition of "Smaller Reporting Company" ("SRC") with the definition of "Emerging Growth Company" ("EGC") pursuant to 15 U.S.C. § 77b(a)(19) (Securities Act) and § 78c(a)(80) (Exchange Act) by specifically incorporating the revenue test definition used for EGCs into the SRC definition. Additionally, we propose that all the applicable Reg. S-K items be revised to provide SRCs the same Reg. S-K item-specific scaled disclosure relief that is available to EGCs.

Under this combined proposal, the scaled disclosure relief currently available to EGCs would be extended to a larger class of SRCs and provide significant disclosure relief to smaller and maturing companies. As a secondary benefit, the combined proposal would significantly simplify the reporting status definitions, reducing the current four categories: (1) non-SRC and non-EGC, (2) SRC and EGC, (3) SRC and non-EGC, (4) non-SRC and EGC—to just two: (1) SRC/EGC and (2) all other companies. This streamlined structure would remove unnecessary complexity, making compliance more straightforward for companies and reducing confusion for investors.[10]

Additionally, we propose scaling the filer status definitions and related filing deadlines to be consistent with this recommended harmonization of the reporting statuses.[11] Specifically, we propose revising the filer status definitions to create just two categories, one for SRC/EGCs and a

---

[10] This comment letter does not specifically address many of the instructions or subparts in Reg. S-K pertaining to these filer categories. Nonetheless, we believe that the disclosure requirements for EGCs and SRCs should be substantially fewer and clearly differentiated from those applicable to non-EGC/SRC companies.

[11] Although Exchange Act Rule 12b-2 is not technically part of Reg. S-K, it nonetheless is a critical component of the regulatory framework and directly impacts which companies must comply with certain Reg. S-K items. By revising Rule 12b-2 as proposed, the Commission can enable companies to focus resources on providing high-quality disclosures rather than expending effort on meeting accelerated deadlines. Simplifying the filer status regime will also enhance clarity for companies, making the reporting landscape more transparent and predictable.

separate category for all other companies. SRC/EGCs would be entitled to extended filing deadlines compared to the second category of all other filers, which is similar to the extended deadlines currently available to non-accelerated filers relative to large accelerated filers.

The proposal is designed to provide flexibility without restricting companies that prefer to maintain faster reporting schedules or whose investors expect more frequent disclosures. Companies with the capacity or incentive to file ahead of the required deadlines retain every ability to do so, ensuring that market dynamics and direct negotiations between companies and their shareholders can address specific demands for accelerated filings.

Except for the largest companies, companies consistently reported high burdens of disclosure compliance under the current disclosure framework, citing substantial external costs including legal and expert consultant fees and internal costs such as employee time. Additionally, company feedback consistently highlighted the significant compliance challenges created by compressed filing timelines, particularly in the first half of the fiscal year, when companies face overlapping deadlines for annual and quarterly reports, audit processes, and proxy materials. Broad support exists for a unified, less burdensome reporting schedule that allows management teams to prioritize substantive disclosure over procedural compliance and for expanding scaled disclosure relief, as many believe the existing requirements impose disproportionate burdens without corresponding investor benefits.

5. Risk Factors – Item 105

Companies describe risk factors as being primarily useful to mitigate litigation risk, even though they are not necessarily closely reviewed by investors. Accordingly, we propose a comprehensive reform of the risk factor section to clarify its purpose, streamline disclosures, and enhance litigation protection. Our first recommendation is to expressly state in Item 105 that risk factors are forward-looking statements *only*, thereby eliminating ambiguity and preventing backward-looking interpretations that have led to regulatory and legal confusion.[12] This clarification will help both companies and investors understand that the section is intended to address potential future risks, not historical events.

Additionally, we support Chairman Atkins' proposal for the creation of a Commission-maintained risk factor library containing risks with broad applicability, available for optional use by companies.[13] This alternative would allow companies to reference standardized, generic risks, freeing resources to focus on risks unique to their business and other more valuable disclosure. Companies that prefer to craft bespoke disclosures would retain full flexibility, ensuring the library serves as a tool rather than a mandate. While some well-resourced companies expressed reservations about a centralized library, companies generally supported the concept, provided that adoption is optional. Some smaller and newly public companies were particularly enthusiastic

---

12 See *In re Alphabet, Inc. Securities Litigation*, (9th Cir. 2021) (holding that plaintiffs pled plausible allegations that the defendant made materially misleading omissions by not updating its risk factors to disclose that previously disclosed hypothetical risks had materialized); *FindWhat Investor Group v. FindWhat.com*, (11th Cir. 2011) (holding that general cautionary language in risk factor disclosures does not cure the omission of known material adverse facts).

13 See Paul S. Atkins, Feb. 17, 2026, Remarks at the Texas A&M School of Law Corporate Law Symposium, available at https://www.sec.gov/newsroom/speeches-statements/atkins-02-17-2026-remarks-texas-am-school-law-corporate-law-symposium.

about this concept because they believed it would free compliance resources and allow them to focus on improving other more investor-relevant disclosure.

We also recommend revising Form 10-Q Item 1A to remove the requirement to discuss material changes to risk factors each quarter. Feedback from companies indicates that this mandate results in repetitive, minimally useful disclosures and increases compliance burdens without enhancing investor protection. By eliminating this requirement, companies can prioritize substantive, meaningful risk factor updates in their annual filing and devote greater attention to core business matters.

6. Cybersecurity – Item 106

In response to widespread company feedback and evolving cybersecurity risk management practices, we propose eliminating Item 106. Companies consistently reported frustration with the item, citing its tendency to elicit lengthy and boilerplate disclosure that adds little value to investors while increasing compliance burdens. Additionally, companies expressed confusion over the differentiated treatment of cybersecurity risks compared to other enterprise risks. Some companies noted that the mandate to provide granular process-level details, identify management personnel, and describe communication channels for incident evaluation potentially exposes company processes. This level of disclosure was viewed as at minimum, not decision-useful, and at worst, potentially undermining the effectiveness of internal safeguards. In addition, to the extent that cybersecurity risks are material, companies are already required to provide relevant disclosures pursuant to other items, such as the business section (Item 101), risk factors (Item 105), Management Discussion and Analysis (Item 303), among others.

In the alternative, we propose eliminating Item 106(b)(1)(i)-(iii) and 106(c)(2)(i)-(iii)'s most prescriptive requirements, including the disclosure of process-level details and management personnel, and consolidating the remaining cybersecurity risk disclosures with risk governance information in the proxy statement. We also propose revising the definitions of "cybersecurity incident" and "cybersecurity threat" to clarify that materiality is determined by a reasonably foreseeable and material business impact, providing companies with clearer guidance and reducing ambiguity.

This proposal reinstates the discussion of cybersecurity risk as a co-equal enterprise risk within the risk factor section. By consolidating cybersecurity disclosures and eliminating unnecessary granularity and duplication, the proposal also reestablishes the centrality of risk management as a board oversight function, reinforcing the board's role in guiding and supervising enterprise-wide risk governance. Meanwhile, this proposal also eliminates a significant source of boilerplate disclosure.[14]

[14] Additionally, we encourage the SEC to revise the requirements of Form 8-K Item 1.05 to report material cybersecurity incidents within four business days. Although outside the scope of our specific proposals regarding Reg. S-K items, companies noted that the four business day deadline for Form 8-K disclosure of a material cybersecurity incident can potentially compromise investigations and remediation efforts, as well as expose the company to increased litigation risk. Moreover, the Item 1.05 filing requirement arises at the exact time scarce management resources need to be dedicated to managing the cybersecurity incident.

7. Material Changes in Results of Operations of Interim Periods – Item 303(c)(2)

We propose eliminating, or making optional, the requirement to disclose both the narrative discussion of year-to-date ("YTD") changes—specifically, the second and third quarter "6-months ending" and "9-months ending" disclosures under Item 303(c)(2)(i)—and any accompanying YTD financial tables or tabular disclosure. Consistent with our approach to streamlining disclosure requirements, this proposal aims to reduce unnecessary repetition and focus company efforts on information that is genuinely material to investors.

Companies consistently report low to nonexistent investor interest in the YTD narrative and tabular disclosures elicited by Item 303(c)(2)(i). Many companies emphasized that this information is largely redundant as it can be reconstructed by investors from prior filings, is arbitrary in that for most companies it does not reflect meaningful seasonal business variations that are valuable for comparison, and is not how management assesses the performance of the company. Companies further noted that preparing these disclosures requires significant resources with little, if any, incremental value generated for investor decision-making.

Additionally, widely-accessible internet tools and financial platforms now allow investors to generate comparison information across user-specified periods at will, rendering the mandated YTD narratives and tables duplicative. Moreover, the existing requirement for narrative disclosure of material changes in results of operations for the current quarter already ensures that investors receive meaningful, period-over-period analysis. By eliminating or making these YTD requirements optional, the proposal would enable companies to focus their resources on more relevant, decision-useful disclosures, further aligning the disclosure framework with modern investor needs and technological capabilities.

8. Persons Covered in Executive Compensation Disclosure – Item 402(a)(3)(i)-(iv)

We propose amending Item 402(a)(3) to reduce the number of Named Executive Officers ("NEOs") required to be disclosed in the executive compensation disclosure. Under this proposal, all companies would be required to disclose compensation information solely for the Principal Executive Officer ("PEO") and Principal Financial Officer ("PFO"). In the alternative, the rule should be revised to require a company that qualifies as an SRC/EGC[15] to make disclosure only about the PEO's and PFO's executive compensation—2 executive officers total—and non-SRC/EGCs to disclose the PEO, PFO, and one additional NEO's executive compensation—3 executive officers total.[16]

To further streamline executive compensation disclosure, we propose eliminating or minimizing the required reporting surrounding departed NEOs by permitting companies to cross-reference via internet hyperlink to Form 8-K Item 5.02 disclosures and severance agreements as responsive to required departed NEO compensation disclosure. Footnotes would be used only for incrementally necessary information, such as subsequent developments affecting equity grants or other compensation. These changes would reduce complexity while ensuring investors receive all material information regarding executive departures.

---

[15] See our proposal titled "Smaller Reporting Companies – Item 10(f)(1)" regarding the consolidation of the SRC and EGC reporting statuses.

[16] In the infrequent cases of multiple individuals serving in the role of PEO or PFO, such as co-CEOs or co-CFOs, we propose that all such individuals' compensation be disclosed.

Feedback from companies indicated a strong consensus that investor interest is focused almost exclusively on the PEO and PFO. Companies report that disclosures for additional NEOs are not requested or valued by investors and that reducing the number of required NEO disclosures would significantly decrease compliance burdens. Companies consistently relayed that the existing disclosure requirements necessitate substantial internal resources and legal review. Moreover, companies pointed out that equity compensation for all Section 16 officers, including non-PEO/PFO executives, is already disclosed in real-time through Section 16(a) reports (*i.e.*, on Forms 4). This ensures that information about material equity awards and transactions is promptly available to the market and making further disclosure of this compensation component in the company's annual report unnecessary. Moreover, NEOs who are no longer employed by the company, by definition, do not have managerial control over the company and any disclosure requirements applicable to their compensation should reflect this.

This proposal aligns disclosure requirements with both compliance burden and investor usage, streamlining executive compensation reporting while preserving transparency for the roles that matter most to investors.

9. Summary Compensation Table – Item 402(c)

We propose amending Item 402(c) to require the addition of new columns in the Summary Compensation Table that disclose *realized pay* for each named executive officer, alongside the existing Grant Date Fair Value Compensation reported under FASB ASC Topic 718. *Realized pay* should reflect compensation actually received or economically locked in during the fiscal year, using observable cash flows and market prices.[17] This methodology would be consistent with U.S. Internal Revenue Service Form W-2 (hereinafter "W-2") income reporting and Form 4 economic outcomes, providing investors with a more accurate picture of executive remuneration.

The realized pay columns would include: (i) cash compensation paid during the fiscal year; (ii) time-based equity awards vested and settled, valued at the market price on the vesting date; (iii) performance-based equity awards vested and settled, valued at the market price on the vesting date, based on actual achievement; (iv) stock options exercised, valued at the spread between exercise price and market price at exercise; (v) pension and deferred compensation distributions received or irrevocably credited; and (vi) perquisites delivered in the fiscal year.[18] Realized pay would exclude compensation subject to continued vesting or performance conditions, ensuring reported amounts represent realized economic outcomes.

This proposal would impose only *de minimis* incremental disclosure since the values being relied upon for the proposed *realized pay* amounts would not require additional compliance processes for the significant majority of domestic companies (*i.e.*, companies already calculate W-2 realized pay amounts in the process of preparing and distributing W-2 statements to employees, and the preparation of Forms 4 record the economic value of exercised, settled, and/or vested equity awards). Moreover, as discussed in subsequent proposals, the *realized pay* methodology should be substituted for the complex CEO pay ratio and pay versus performance

---

[17] If the Commission deems the resulting table layout to be too column dense, we propose separating the *realized pay* columns into an additional standalone table that precedes the Summary Compensation Table.

[18] Additionally, Nasdaq's proposal 22 below recommends clarifying that executive security is not a perquisite and to increase the dollar threshold for perquisite disclosures in Item 402(c)(2)(ix)(A) from $10,000 to $50,000 and adjust annually for inflation going forward.

requirements of Item 402(u) and Item 402(v), respectively. Combined, this would result in a significant net compliance burden reduction.

To facilitate clear and meaningful disclosure, to the extent any information in the *realized pay* disclosures is deemed a non-GAAP financial measure, we further propose an exemption from Item 10(e) for *realized pay* disclosures. This exemption would allow companies to present *realized pay* as a non-GAAP measure without triggering the reconciliation and labeling requirements otherwise applicable to non-GAAP financial disclosures.

Company feedback consistently indicated that the current Summary Compensation Table methodology, based on grant date fair value, is often misleading and does not reflect compensation actually received by executives. However, companies and investors alike value the disclosure of target compensation for understanding incentive structures. By supplementing the Summary Compensation Table with realized pay columns, the Commission can address concerns about misleading disclosure while preserving the utility of target compensation information. This reform will enhance transparency and provide stakeholders with a clearer understanding of executive pay practices.

10. CEO Pay Ratio – Item 402(u)

Section 953(b) of the Dodd-Frank Act mandates disclosure of the ratio of CEO pay to that of the company's median employee; however, the statute does not prescribe a specific methodology, and the current implementing rules have proven to be both complex and burdensome relative to their value for investors. Company feedback overwhelmingly indicated that the current CEO pay ratio rules are unnecessarily complex, resource-intensive, and often yield misleading results. Companies report that the process of identifying a global median employee and reconciling disparate pay elements diverts substantial resources with little incremental benefit to investors. Many companies also note that annual fluctuations driven by nonrecurring CEO compensation events can create ratios that do not accurately reflect pay practices or trends. We believe our recommended reform proposals to Item 402(u) below would fulfill the legislative intent by providing clear, decision-useful disclosure, while reducing unnecessary compliance costs and mitigating the risk of misleading results.

First, we propose revising the median employee determination so that only U.S.-based employees are included in the sample population. This change would promote consistency with the primacy of U.S. concerns under federal securities laws and ensure that the ratio reflects a more meaningful comparison for most companies and investors. It would also mitigate the distortions introduced by differing global compensation structures and currency fluctuations.

Second, we propose amending the definition of "Compensation" in Item 402(u)(2)(i) to require use of *realized pay*, leveraging the methodology described in our proposal number 9 "Summary Compensation Table – Item 402(c)", for both the CEO and the median employee. Aligning the calculation with actual realized pay will provide a more accurate and understandable measure for investors, reducing confusion associated with the grant date fair value (FASB ASC Topic 718) methodology and other non-cash compensation components.

Third, to address the volatility caused by one-time compensation events, we propose allowing companies to report CEO compensation as a three-year simple average of *realized pay*. This smoothing mechanism would provide a more representative picture of ongoing pay practices

and reduce the impact of extraordinary awards, sign-on grants, or severance payments that could otherwise skew the ratio in a single year.

11. Pay versus Performance – Item 402(v)

Feedback from companies has been unequivocal: the current pay versus performance disclosure framework is overly complex, difficult for both companies and investors to interpret, and has generated little, if any, investor engagement. Companies noted that the 'Compensation Actually Paid' column and its baroque methodology impose significant compliance burdens for disclosure that is not representative of realized pay and even more skewed than the current Summary Compensation Table grant date fair value (FASB ASC Topic 718) methodology. Companies consistently report that investors have not requested this information and that the rules demand substantial time and resources from boards and compensation committees. In many cases, particularly for smaller and newly public companies, the existing disclosure requirements force companies to engage costly third-party consultants, incurring upfront fees of approximately $50,000 and ongoing annual expenses of approximately $20,000. The net result is a disclosure that provides minimal incremental value to investors relative to its high cost.

Importantly, the Dodd-Frank Act requires only that companies disclose the relationship between executive compensation actually paid and the financial performance of the company, considering changes in stock value, dividends, and distributions.[19] The current methodology far exceeds this statutory requirement, imposing an extremely complex framework that is costly to implement and maintain. Moreover, the resulting disclosure risks oversimplifying management's perspective on business performance and fails to deliver meaningful insights to investors. This proposal pares back the rule to near the minimum required by law, thereby enhancing clarity and reducing unnecessary compliance costs.

We propose a comprehensive streamlining of the pay versus performance requirement (Item 402(v)) to reduce complexity, focus disclosure on what is required by statute, and alleviate unnecessary compliance burdens. Specifically, we propose:

- eliminating the "Compensation Actually Paid" concept and methodology in Item 402(v)(2)(iii) for both the Principal Executive Officer (PEO) and the average of all other Named Executive Officers (NEOs), along with eliminating the corresponding columns (c) and (e);[20]
- eliminating average Summary Compensation Table total for non-PEO NEOs (column d), peer group total shareholder return (column g), and company selected measure (column i) from Item 402(v)(1) and related requirements in Item 402(v)(2);
- eliminating the requirement to disclose company performance relative to peer group TSR (column g) in Item 402(v)(2)(iv), as well as the requirements to show net income and an additional financial performance measure (column h) in Item 402(v)(2)(v) and (vi);
- eliminating the tabular list of three to seven financial performance measures most closely linked to compensation actually paid to NEOs from Item 402(v)(6); and

---

[19] Dodd-Frank Wall Street Reform and Consumer Protection Act § 953(a), codified as Exchange Act § 14(i).

[20] Conforming changes should also eliminate Item 402(v)(3).

- revising Item 402(v)(5)(i)-(iv) to only require comparisons between the PEO's Summary Compensation Table total PEO *realized pay*[21] and (1) the company's total shareholder return (TSR) and (2) net income.

Lastly, we propose the deletion of the clause "(graphically, narratively, or a combination of the two)" in Item 402(v)(5), which is generally interpreted as requiring a comparison graph for the required comparisons.

The combined effect of these proposals is to eliminate all columns from the current pay versus performance table except columns (a) – year, (b) – PEO's total *realized pay*, and (f) – company TSR, as well as to eliminate the comparisons and comparison graphs that are misleading or not decision-useful to investors, particularly in comparison to the compliance burden they impose on companies.

12. <u>Description of Business – Item 101(c)</u>

We propose revising the description of business in Item 101(c) to eliminate all itemized components except for Item 101(c)(1)(i)-(iii), thereby striking requirements for disclosure related to renegotiation or termination of contracts at the election of the government (Item 101(c)(10(iv)), seasonality (Item 101(c)(1)(v)), effects of compliance with government regulations including environmental regulations (Item 101(c)(2)(i)), and a description of registrant's human capital resources (Item 101(c)(2)(ii))—except for the number of employees, which we recommend moving to a new Item 101(c)(1)(iii)(C). This proposal directly implements company feedback, which consistently identified that many aspects of Item 101(c) had drifted away from a focused materiality principle and have become excessively prescriptive. By removing these specific, mandatory disclosures, the proposal aims to restore Item 101(c) to its core material components, thereby reducing boilerplate reporting and enabling companies to provide disclosures that are more relevant, concise, and decision-useful for investors.

<u>Additional Proposals</u>

In concert with the reform themes discussed in this comment letter, the additional proposals provided in the table below aim to reform various items to eliminate prescriptive lists that often generate boilerplate and non-decision useful information, right-size various items to reflect their actual value and make other modernization updates to reflect the broad availability of the internet and EDGAR. These additional proposals are collectively designed to significantly reduce unnecessary compliance burdens that are out of proportion to their relevance to investors.

[21] See our proposal number 9: "Summary Compensation Table – Item 402(c)" for details regarding the proposed calculation methodology for *realized pay*. This proposal would leverage this *realized pay* calculation for the 'pay' component of the 'pay versus performance' disclosure requirement.

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
13.	Item 103 – Legal Proceedings	Delete the following sentences from Item 103(a) "Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceedings and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities." Eliminate Item 103(c)(3)(iii) requirement to disclose proceedings related to environmental matters where the registrant reasonably believes that such proceeding will result in monetary sanctions of $300,000 or more. Alternatively, revise the $300,000 threshold to parallel the standard in FASB ASC Topic 450 which requires the contingency loss to be both probable and reasonably estimable. Under this alternative, the item should also include an overall materiality qualifier in recognition that a dollar threshold establishing a one-size-fits all approach that is not suitable for companies of all sizes.	This proposal will eliminate immaterial disclosures and the corresponding compliance burden that stem from the current prescriptive standard and low dollar threshold (in the case of Item 103(c)(3)(iii)). The alternative proposal would harmonize disclosure with the separately mandated FASB ASC Topic 450 (Contingencies) disclosure in the notes to financial statements.
14.	Item 201(a) – Market Information	Eliminate Item 201(a) market information.	This proposal recognizes that the same information is available to investors via widely accessible tools on the internet.
15.	Item 201(b) - Holders	Eliminate Item 201(b)(1) number of holders. Modify Item 201(b)(2) to exempt any stockholder who is less than 1% beneficial owner from being identified, including executives and directors.	The existing disclosure requirement of the number of record holders provides no practical information to investors, as most holders hold securities in street name.

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
			Additionally, this proposal right-sizes the requirement to not require disclosure of ownership positions that are not meaningful to the outcome of the shareholder vote.
16.	Item 201(c) – Dividends	Eliminate Item 201(c)(2) encouraged dividend information.	This proposal recognizes that historical information about dividends is widely available on the internet and the disclosure about future intent is merely "encouraged," creating a wide variety of practices. Companies must disclose when dividends are actually declared, providing investors with relevant information at that time.
17.	Item 201(e) – Stock Performance Graph	Eliminate Item 201(e) stock performance graph.	This proposal recognizes that better sources of information for informing investors about stock performance exist via widely accessible tools on the internet.
18.	Item 303(b)(3) – Critical Accounting Estimates	Eliminate Item 303(b)(3) disclosure regarding critical accounting estimates.	The existing requirement is duplicative of disclosure required in the notes to the financial statements, including FASB ASC Topic 275 (Risks and Uncertainties) required disclosure.
19.	Item 305(a) – Quantitative information about market risk	Make Item 305(a) disclosure optional for companies that determine they have hedging programs that are either (i) highly or fully effective hedges, and/or (ii) involve large notional balances with immaterial risk.	This proposal restores the materiality principle to the requirement, eliminates potentially misleading disclosure, and recognizes that the disclosure is duplicative of similar disclosure required by FASB ASC Topic 815 (Derivatives and Hedging) in the notes to financial statements.

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
20.	Item 401(c) – Identification of certain significant employees	Eliminate Item 401(c). In the alternative, eliminate requirement to disclose individualizing information and replace with general description of the employee(s) and their functions.	This proposal, and to a lesser extent the alternative proposal, eliminate immaterial disclosure given that management, and ultimately the board, are responsible for overseeing employees' activities, as well as managing key-man risk, while also mitigating various safety and competitiveness concerns.
21.	Item 402(b) – Compensation discussion & analysis	Replace enumerated lists of Item 402(b)(1)(i)-(vii) and 402(b)(2)(i)-(xv) with principles-based disclosure that is responsive to (1) the registrant's material compensation objectives, (2) the material elements of compensation, (3) the reason supporting each element and how it connects the element to the objective(s), and (4) a summary of how the company determines the amounts of each element (but not requiring a disclosure or description of the formula). Eliminate Instruction 2 to Item 402(b) requiring discussion of compensation actions taken after end of registrant's last fiscal year. In the alternative, permit cross reference via internet hyperlink to other sections of the annual report and or the insider transactions such as the registrant's Section 16(a) filings repository on EDGAR for information that has otherwise already been disclosed.	Although the existing requirement's enumerated lists are already qualified by materiality, companies generally perceive it as necessary to address these list items in order to avoid Commission comment letters or litigation. This proposal recenters the disclosure on materiality by eliminating extensive prescriptive lists that may not be valuable to investors.
22.	Item 402(c) – Re: perquisites and	Clarify in instruction 4 or other suitable location that executive security expense—broadly construed to include direct and	The existing disclosure requirements significantly discourage executive security by publicizing details and

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
	executive security[22]	indirect costs, including security assessments, ongoing personal and workplace security, security-mandated private travel, drivers, and related tax gross-ups, *etc*.—is not a perquisite.	treating such security expenses as perquisites. When discussed, all companies unanimously identified executive security as a business necessity, not a personal perk, which is often misleading, stigmatizing, and administratively burdensome to disclose.
23.	Item 402(c)(2)(ix)(A) – Perquisites and other personal benefits	Increase the dollar threshold for perquisites and other personal benefits disclosure in Item 402(c)(2)(ix)(A) from $10,000 to $50,000 and adjust annually for inflation going forward.	The existing $10,000 disclosure threshold is too low and results in disclosure of immaterial or insignificant payments, such as matching 401(k) contributions. Tracking such expenditures is burdensome for companies with little benefit to investors. Moreover, all dollar threshold amounts in Reg. S-K such as this amount should automatically be adjusted for inflation on an annual basis in order to keep the disclosure investor-relevant over time.
24.	Item 402(d), (f), and (g) – Other compensation tables	Eliminate the Item 402(d) grants of plan-based awards table, the Item 402(f) outstanding equity awards at fiscal year-end table, and Item 402(g) option exercises and stock vested table. Also consider requiring all Section 16(a) reports to include holdings lines for all classes of the registered security (and its derivatives) to make the review of an insider's equity position immediately identifiable	The existing requirements are duplicative of Section 16(a) (Form 4) disclosure that is available on EDGAR.

[22] The treatment of executive security as a prerequisite is based not in the rule itself, but rather on the rule's adopting release. See SEC Release No. 33-8732a at II.C.1.e.i.

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
		without reviewing multiple Section 16(a) reports.	
25.	Item 402(e) - Narrative disclosure to summary compensation table and grants of plan-based awards table.	Repurpose Item 402(e) as narrative description of material incremental information regarding the plan-based awards, outstanding equity awards, and option exercises that are not readily ascertainable from Section 16(a) (Form 4) disclosure.	The existing requirement is duplicative of Section 16(a) (Form 4) disclosure that is available freely on EDGAR.
26.	Item 402(j) – Potential payments upon termination or change in control	Reduce the scenarios requiring disclosure to only termination and change in control, eliminating both the death and disability scenarios. Replace requirement to calculate for each scenario with requirement to disclose narratively a description of the formulas (but not the amounts) that apply to each NEO in each of the remaining scenarios.	This proposal restores the materiality principle to the requirement. Additionally, the proposal is more useful to investors than current disclosure because it does not rely on arbitrary assumptions (such as year-end stock price), and in other cases (such as acquisitions), avoids eliciting misleading disclosure for scenarios that require assumptions which are often or inherently false.
27.	Item 402(s) – Narrative disclosure of the registrant's compensation policies and practices as they relate to the registrant's risk management	Eliminate the Item 402(s)(1)-(6) list and revise the paragraph to delete the last two sentences "The purpose of this paragraph…or employees discussed:" In the alternative, move requirement to new industry guide applicable to financial industry registrants (and any other industry deemed applicable by the Commission).	The existing requirement is broadly inapplicable to most companies, thereby inducing boilerplate disclosure that is not decision-useful for investors. This proposal restores the materiality principle to the requirement.
28.	Item 403 – Security ownership of certain beneficial owners and management	Exclude from identification and recording a row in the table any stockholder who is less than 1% beneficial owner. Consolidate all executive officers and directors into a single line	The existing requirement mandates immaterial disclosure and is typically duplicative of Section 16(a) (Form 4) disclosure that is freely available on EDGAR.

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
		unless any individual is a 1% or greater beneficial owner. Their holdings are already reflected in Section 16 reports. Consolidate rule text of Item 403(a) and (b) to reflect above changes.	
29.	Item 404 – Transactions with related persons, promoters and certain control persons	Increase the $120,000 threshold to at least $400,000 in 2025 dollars (adjusted annually for inflation automatically going forward). Apply the dollar threshold based on the related person(s)' interest in the transaction instead of the general "amount involved."	Companies universally acknowledged the value to investors of related party transaction disclosure; however, they noted the $120,000 threshold has not adjusted for inflation and results in immaterial disclosure. Moreover, all dollar threshold amounts in Reg. S-K such as this amount should automatically adjust for inflation on an annual basis, in order to keep the requirement relevant.
30.	Item 405 – Compliance with Section 16(a) of the Exchange Act	Eliminate Item 405.	The existing requirement is duplicative of Section 16(a) (Form 4) disclosure that is available freely on EDGAR and evidences Section 16(a) compliance and the timeliness of such filings.
31.	Item 406 – Code of ethics	Modify Item 406(a) to only require disclosing whether a company has a code of ethics. Eliminate requirement to file code of ethics as an exhibit under Item 406(c)(1). Eliminate Item 406(c)(3) requirement to provide paper copies of the code of ethics on request.	This proposal eliminates an inappropriate "name and shame" disclosure requirement. The proposal also eliminates a requirement duplicating disclosure for information that is already required to be on the company's website under Item 406(c)(2).

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
32.	Item 408(b) – Insider trading policy disclosure	Modify Item 408(b)(1) to only require disclosing whether a company has an insider trading policy. Eliminate Item 408(b)(2) requirement to file insider trading policy as an exhibit. Insert a requirement to post policy on website – thus conforming Item 408(b) to treatment of Code of Ethics in Item 406, as proposed herein.	This proposal eliminates an inappropriate "name and shame" disclosure requirement. This proposal aligns the requirements regarding Code of Ethics and Insider Trading Policy.
33.	Item 507 – Selling security holders	Eliminate Item 507. In the alternative, insert a materiality qualifier requiring only disclosure of selling security holders that have 1% or more beneficial ownership on a *pro forma* fully diluted basis.	The current requirement is extraordinarily burdensome relative to the minute or nonexistent investor value it provides, often generating pages of the names of extremely small shareholders that have no significance to investors. Moreover, the timing of the required disclosure coincides with late-stage IPO process, imposing an additional process burden on already over-burdened companies.
34.	Item 601 - Exhibits	Exhibit 4 – Item 601(b)(4)(iv) – Eliminate requirement to re-file descriptions of instruments defining the rights of security holders where such information has previously been filed with the Commission. Exhibit 10 – Item 601(b)(10) – Eliminate requirement to file immaterial amendments to previously filed material agreements. Exhibit 19 – Item 601(b)(19) – Eliminate requirement to file Insider Trading Policy.	The requirement to provide these exhibits is highly burdensome relative to minute or nonexistent investor value.

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
		Exhibit 21 – Item 601(b)(21) – Eliminate requirement to file list of subsidiaries or replace it with requirement to include operating subsidiaries only. Exhibit 23 – Item 601(b)(23) – Eliminate requirement to file the consents of counsel (consents of other experts may remain). Exhibit 95 – Item 601(b)(95) – Mine Safety Disclosure - Eliminate this requirement and replace with requirement to discuss in Item 104. Exhibit 97 – Item 601(b)(97) – Eliminate requirement to file the Policy Relating to Recovery of Erroneously Awarded Compensation. Exhibit 107 – Item 601(b)(107) – Filing Fee Table – This exhibit is complex and needs to be simplified to enable registrants to easily determine their filing fee and any offsets or reductions.	
Other Related Rules			
35.	Reg. S-T Rules 405 and 406 - XBRL	Provide a safe harbor for all XBRL tags and eliminate block tagging and the requirement to tag any narrative disclosure. We also encourage the Commission to examine the usage of XBRL tagging and consider its continued value given the emergence of widely available internet tools, including Artificial Intelligence, which can accurately parse normal text.	This proposal would improve certain bad practices that have arisen as XBRL adoption and disclosure has increased. Additionally, companies reported that XBRL tagging is a costly process that can be difficult to oversee given its technical nature and reported frustration with different tagging practices, including the usage of custom tags and block tagging, which may distort or obfuscate disclosure.

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
36.	Form 10-K – Erroneously awarded compensation and front-cover check-the-box requirements	Eliminate checkbox from cover of Form 10-K for erroneously awarded compensation.	The current requirement is duplicative of other disclosure that are required when a company must clawback erroneously paid compensation. Additionally, companies frequently make immaterial adjustments to prior periods that should not trigger checkbox disclosure on the cover page that provides no meaningful investor benefit yet consumes time and resources to assess whether the boxes must be checked.
37.	Forms 4 and 5	Exempt all non-volitional (*i.e.*, transactions where no contemporaneous investment decision is made by the reporting person, such as time- or performance-based vesting events and tax withholding sales) transactions from the two-business day filing deadline. Rather, such non-volitional transactions should instead be required to be disclosed annually on Form 5 or on a combined basis with the next required volitional-event triggered Form 4. Consider requiring all Form 4 and 5 reports to include holdings lines for all classes of the registered security (and its derivatives) to make the wholistic review of an insider's security position immediately identifiable without reviewing multiple reports.	This proposal conforms the disclosure requirement with Section 16(a)'s purposes of informing the market regarding insider's actual investment-decisions while simultaneously mitigating the significant compliance burden that results from the short 2 business day deadline to file Forms 4.
38.	Requirements to file paper copies	Eliminate all requirements to provide paper copies with the Commission.	The current requirement is obsolete given the universality of internet access and the

	Reg. S-K Item or Other Rule	Proposed Reform(s)	Proposal Benefits and Rationale
	with the Commission		ability to make filings via EDGAR or other confidential electronic channels.
39.	Requirement to provide paper copies upon request	Eliminate all requirements to provide paper copies upon request where substantially similar information is available electronically (website, EDGAR, or elsewhere).	The current requirement is obsolete given the universality of internet access and imposes a significant time and cost burden on companies to implement a compliance function to print and deliver paper copies that is disproportionate relative to the miniscule observed demand.
40.	Regulation S-X	Reevaluate all Reg. S-X required disclosures, including aligning Article 11's pro forma financial reporting requirements with FASB ASC Topic 805 required disclosure, and areas of overlap or duplication between Reg. S-K, Reg. S-X, and FASB required disclosure.	This proposal would eliminate overlap between Reg. S-X, Reg. S-K, and FASB required disclosure and reduce unnecessary compliance costs for companies.

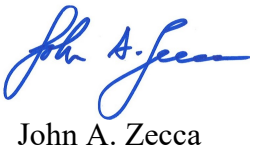
Conclusion

Nasdaq respectfully urges the Commission to pursue meaningful reform of Reg. S-K and other disclosure rules. As we have emphasized across multiple policy forums, including the Nasdaq White Paper, the cumulative effect of disclosure complexity has tangible consequences for capital formation, and investor access to growth opportunities. We acknowledge the breadth of the Commission's comment request and, necessarily, have limited suggestions here to those most reflective of the viewpoints expressed by our listed companies and supplemented by our own observations as a public company. The necessity of these reforms, and others suggested by different stakeholders, is supported by the experiences of public companies, where a broad consensus exists regarding the excessive burden of public company disclosure relative to the value of that disclosure for investors.

Nasdaq stands ready to continue working with the Commission as this comprehensive review proceeds. We believe that reforms informed by public company experiences and a disciplined focus on materiality will strengthen U.S. public markets for decades to come, without sacrificing the overall quality of information provided to investors.

Thank you for your consideration of our comments. Feel free to contact me with any questions.

Sincerely,



John A. Zecca