The Association of Accountants and Financial Professionals in Business

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

July 6, 2026

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

Dear Ms. Countryman:

The Financial Reporting Committee (FRC or Committee) of the Institute of Management Accountants (IMA) is writing to share its views on the Securities and Exchange Commission's (SEC or Commission) Proposed Rule on Semiannual Reporting.

The IMA is a global association representing over 140,000 accountants and finance professionals. Our members work inside organizations of various sizes, industries, and types, including manufacturing and services, public and private enterprises, not-for-profit organizations, academic institutions, government entities, and multinational corporations. The FRC is the financial reporting technical committee of the IMA. The Committee includes preparers of financial statements for some of the largest companies in the world, representatives from the world's largest accounting firms, valuation experts, accounting consultants, and analysts. The FRC reviews and responds to research studies, statements, pronouncements, pending legislation, proposals, and other documents issued by domestic and international agencies and organizations. Additional information on the FRC can be found at https://www.imanet.org/en/About-IMA/Advocacy/Financial-Reporting-Committee.

The Committee supports the Commission's efforts to provide issuers with greater flexibility in interim reporting by permitting semiannual reporting. We believe the proposed optional framework, which would allow companies to choose between semiannual and quarterly reporting, would enable issuers to provide investors with timely, reliable, and decision-useful information in a manner that is appropriate for their industry, stage of development, and investor base. At the same time, a semiannual filing cadence should not result in reduced rigor for information that is filed with the Commission.

If finalized, the proposal would create a hybrid interim reporting model, with companies using different reporting cadences and providing different levels of interim financial information to the capital markets during the first and third quarters of each fiscal year. Certain conforming updates to existing standards and market conventions will ultimately drive the extent to which registrants will be able to elect semiannual reporting. Accordingly, we believe the Commission should provide additional clarity and guidance around certain aspects of voluntary interim reporting by semiannual filers, including the filing

requirements for earnings release materials which may contain non-GAAP information. Additionally, there are questions about the external auditor assurance frameworks available and applicable to voluntary interim reporting. We also believe it is important for the Commission to evaluate the proposal's implications for registered offerings, IPO execution, and follow-on capital raising. Finally, we encourage the Commission to continue to prioritize disclosure simplification to further reduce the reporting burden associated with interim financial reporting and encourage the Financial Accounting Standards Board (FASB) to similarly prioritize disclosure simplification in ASC Topic 270.

Please refer to Appendix I for a more detailed discussion of the key themes outlined above and certain other considerations around semiannual reporting.

We would like to highlight that the perspectives contained in this letter are intended to reflect areas of predominant agreement across the Committee. However, certain of our individual Committee members are not supportive of the proposal. Those members believe that current quarterly reporting requirements have served investors well and they have concerns about the potential impacts of the proposal on U.S. financial markets.

* * * * * * * *

We would be pleased to discuss our comments with you or other members of the SEC staff at your convenience and welcome the opportunity to engage in further dialogue on these important topics.

Sincerely,

Brian C. Stevens
Chair, Financial Reporting Committee
Institute of Management Accountants
Brian.Stevens@mdlz.com

Appendix I – Key Themes

Assurance and Reporting Framework for Voluntary Interim Financial Information

The Committee supports the Commission's objective of providing issuers with flexibility through optional semiannual reporting. However, we expect that many issuers electing semiannual reporting will continue to publish quarterly earnings releases, investor presentations, and EPS guidance in response to market expectations, debt agreements, and capital market considerations. The Commission's framework should therefore acknowledge and accommodate the practical reality that a semiannual filing regime will coexist with ongoing quarterly public communications. Our specific recommendations in this area are as follows:

Preserve the Current Framework of Furnishing (Rather than Filing) Earnings Releases

The Committee believes that semiannual filers should be permitted to furnish, rather than file, voluntary quarterly financial disclosures for their first and third quarters under Item 2.02 of Form 8-K, consistent with the current framework for earnings releases. Requiring semiannual reporting companies to file (rather than furnish) those quarterly earnings releases would impose significant compliance burdens to semiannual filers, including:

- The non-GAAP financial measure restrictions applicable to filed documents under Item 10(e) of Regulation S-K could limit or prohibit the presentation of certain adjusted metrics that investors rely on for period-over-period comparisons;

- Heightened statutory liability associated with providing such voluntary financial information; and

- Deemed incorporation into effective registration statements, with the attendant liability implications under Sections 11 and 12 of the Securities Act.

Collectively, these burdens would discourage providing voluntary quarterly financial information, which could make the semiannual reporting election less appealing for many companies.

Reinforce Disclosure Quality Standards

The Committee suggests reinforcing the importance of clear labeling, reconciliation, and anti-fraud compliance for voluntary quarterly financial disclosures so that reduced filing frequency does not result in less reliable or less comparable information for investors. In particular, voluntary quarterly financial disclosures are likely to include non-GAAP measures to which Regulation G will continue to apply. Additional clarity on the level of financial information necessary to support the reconciliations required by Regulation G would be helpful to both preparers and investors.

Develop an Optional Auditor Review Mechanism for Voluntary Quarterly Financial Information

We expect that the audit committees and management teams of many semiannual reporting companies will be interested in obtaining independent auditor reviews of voluntary quarterly financial information (for example, earnings releases) in the first and third quarters as good governance practice. For semiannual reporting companies that voluntarily report such financial information, there is currently no mechanism—absent the company reporting full financial statements and notes—for an independent auditor to perform such a review.

The Committee believes the Commission should work with the Public Company Accounting Oversight Board (PCAOB) to develop an optional mechanism that could enable semiannual reporting companies to obtain negative assurance on certain financial information provided voluntarily in the first and third quarters. Such a mechanism should be cost-effective and should not require the preparation of full interim financial statements and notes thereto.

Additionally, the Committee believes that such reviews of voluntary quarterly financial information should be optional, rather than required. A mandatory review requirement would undermine the voluntary nature of providing quarterly financial information for semiannual filers and could discourage semiannual reporting companies from providing such quarterly information.

Capital Formation and the Functioning of Public Offerings

The Committee recommends that the Commission evaluate the Proposal's implications for registered offerings, IPO execution, and follow-on capital raising. Under current practice, underwriters' due diligence and liability management rely significantly on the comfort letter framework and the availability of timely reviewed interim financial information. Market practice, professional standards, and audit firm policies impose limits on negative assurance for periods that become "stale" relative to an offering date.

While Regulation S-X establishes when financial statements are sufficiently current for inclusion in a registration statement, underwriters' ability to execute equity offerings also depends on the availability of auditor comfort letters covering interim periods and subsequent changes. PCAOB AS 6101 governs the issuance of comfort letters to underwriters. A critical limitation arises when more than 135 days separate the offering date from the most recently audited or reviewed financial statements: beyond that threshold, auditors are restricted to issuing a procedures-and-findings letter and cannot provide the negative assurance that U.S. underwriters customarily require as a condition to closing.

For semiannual filers, the longer gap between reviewed financial statements could leave extended windows during which auditors cannot deliver the comfort letters underwriters need. The practical effect would be to narrow the periods in which these companies can efficiently execute registered offerings, potentially raising their cost of capital. Accordingly, we encourage the Commission, in coordination with the PCAOB, to:

- Evaluate whether targeted updates or interpretive guidance under PCAOB AS 6101 are necessary to ensure that semiannual filers can continue to access public markets efficiently throughout the year. The Commission should coordinate with the PCAOB to assess whether the existing comfort letter framework appropriately aligns with a semiannual reporting regime and whether interpretive guidance or targeted standard-setting is warranted to avoid inadvertently impairing registered offering execution or capital formation.

- Extend the availability of negative assurance for semiannual filers to align with the proposed period-end alignment approach to financial statement staleness (i.e., the proposed shift from a days-based staleness assessment to a period-end alignment framework under Regulation S-X). Absent such alignment, semiannual filers seeking to access the capital markets may find themselves compelled to produce interim financial statements on an ad hoc basis outside their elected reporting schedule—effectively negating the efficiency gains the proposal is intended to deliver.

- Clarify how the age-of-financial-statements requirements under Regulation S-X would operate for semiannual filers in the context of registered offerings, so that issuers and underwriters have predictable execution pathways.

- Consider conforming changes to Rule 3-05 regarding acquired businesses, as the proposed amendments address the age of a registrant's own financial statements but are silent on the financial statements of acquired businesses. Without conforming changes, a semiannual filer completing an acquisition could encounter inconsistent staleness standards.

Absent these clarifications, semiannual reporting could unintentionally restrict access to capital markets, increase the cost of capital, and reduce issuers' willingness to elect semiannual reporting, thereby offsetting the Proposal's intended capital formation benefits.

Interim Reporting Disclosure Simplification

The Committee appreciates the Commission's efforts to reduce the cost and effort associated with interim reporting by introducing optionality through semiannual reporting. However, for large accelerated filers and complex financial institutions, much of the quarterly reporting infrastructure—including controls, close processes, regulatory reporting, and management reporting—exists independently of Form 10-Q preparation. As a result, the incremental efficiencies associated with reduced filing frequency may be limited when viewed in the context of ongoing operational and market-facing requirements. For these larger entities, additional cost savings and effort reductions could be achieved through further examination of required interim reporting disclosures. Our specific recommendations are as follows:

- Streamline the MD&A disclosure in Form 10-Q/10-S, as part of the Commission's review of Regulation S-K, to focus on the current quarter or semiannual reporting period, reducing repetitive disclosures while continuing to provide investor-relevant information.

- Work closely with the FASB to simplify and modernize interim financial statement reporting more broadly, including for issuers that continue to file Form 10-Q. A more targeted interim reporting framework, anchored in materiality, that emphasizes decision-useful disclosures, reduces duplicative or low-value information, and improves reporting efficiency could advance the Commission's objectives while preserving transparency and comparability for investors.

While we encourage the Commission to continue to look for opportunities to streamline the interim reporting requirements of Form 10-Q (and Form 10-S) in connection with its Regulation S-K modernization efforts, we support continuing those efforts while still moving forward with the current proposal to permit companies to elect semiannual reporting. We believe that these are complementary initiatives that can progress on separate timelines.