Business Roundtable

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April 13, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

RE: File Number CLL-15, Statement on Reforming Regulation S-K

Dear Ms. Countryman,

This letter is submitted on behalf of Business Roundtable, an association of more than 200 chief executive officers ("CEOs") of America's leading companies, representing every sector of the U.S. economy. Business Roundtable CEOs lead U.S.-based companies that support one in four American jobs and almost a quarter of U.S. GDP. Through CEO-led policy committees, Business Roundtable members develop and advocate directly for policies to promote a thriving U.S. economy and expanded opportunity for all Americans.

We appreciate the opportunity to respond to the January 13, 2026, Statement on Reforming Regulation S-K by the U.S. Securities and Exchange Commission (the "Commission" or "SEC") Chairman Paul S. Atkins (the "Request for Input").

Overview

Business Roundtable supports the Commission's comprehensive review of Regulation S-K and its objective of reassessing whether existing disclosure requirements remain appropriately grounded in the traditional materiality standard under the federal securities laws.[1] We agree that public company disclosures should provide information that reasonable investors would consider decision-useful in making investment or voting decisions and appreciate the opportunity to identify areas where the Commission can modernize and right-size the existing disclosure framework to better achieve this goal.[2] Our members are committed to delivering decision-useful information, and we believe a modernized, principles-based framework will

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[1] *See e.g.*, *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438 (1976); *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988).
[2] *Statement on Reforming Regulation S-K*, Statement by Commissioner Paul S. Atkins (Chairman), Jan. 13, 2026, *available at* https://www.sec.gov/newsroom/speeches-statements/atkins-statement-reforming-regulation-s-k-011326 (noting that, "the disclosure that companies provide in response to the myriad requirements of Regulation S-K does not always reflect information that a reasonable investor would consider important in making an investment or voting decision").

enhance the relevance and quality of disclosure while allowing companies to focus resources on information that truly matters for investment decisions. While our members have diverse perspectives and experiences, this letter highlights areas where Regulation S-K requirements frequently elicit immaterial information, impose compliance burdens disproportionate to benefits, duplicate other disclosure obligations, appear designed to change governance behavior or achieve certain policy goals and/or reflect regulatory assumptions that are no longer well-suited to modern capital markets.

This letter does not address Regulation S-K Item 402 (Executive Compensation), as Business Roundtable has already submitted separate comments on that topic in response to the Commission's prior request for input.[3] We reiterate our strong support for a significant reconsideration of Item 402 and urge the Commission to take this matter up as soon as practicable.

Background and Overview of Reform Objectives

Regulation S-K has long served as a cornerstone of the U.S. disclosure framework. Over time, however, incremental additions of new requirements, without removal of outdated or redundant provisions, have resulted in increasingly lengthy filings in which material information may be obscured by immaterial detail.[4]

In recent years, the Commission has also increasingly adopted disclosure mandates focused on specific policy topics or areas of potential risk—such as cybersecurity-related disclosures—rather than relying on the traditional materiality framework that guides company disclosure determinations under the federal securities laws. While certain topic-specific risks may be highly important for particular companies, prescriptive disclosure mandates for all public companies risk displacing the traditional materiality framework and positioning the Commission as the arbiter of which risks warrant disclosure. In addition, it does not make sense to treat certain types of risks differently from other risks. A more durable and consistent approach would reaffirm that registrants should disclose risks—whether emerging or established—based on materiality, regardless of subject matter, supported by Commission guidance rather than rigid prescriptive line-item requirements.

Business Roundtable supports a modernization effort focused on enhancing clarity, comparability and efficiency, while preserving the core principle that investors receive

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[3] Business Roundtable, Comment Letter on Executive Compensation Roundtable (Aug. 19, 2025), *available at* https://www.sec.gov/comments/4-855/4855-640487-1915734.pdf.

[4] *Statement on Reforming Regulation S-K*, Statement by Commissioner Paul S. Atkins (Chairman), Jan. 13, 2026, *available at* https://www.sec.gov/newsroom/speeches-statements/atkins-statement-reforming-regulation-s-k-011326 (noting that, "[s]ince 1982, Regulation S-K has been the Commission's central repository for filer disclosure requirements outside of the financial statements. Over the past forty-plus years, that repository has grown from the size of a gym locker to the size of an artificial intelligence data center").

disclosure of information that is material to an investment decision. Reform should prioritize a principles-based framework explicitly tethered to materiality and accompanied by guideposts to assist in making disclosure determinations. Disclosure requirements should focus on information that a reasonable investor would consider important in making an investment decision, rather than compelling disclosure of immaterial information or advancing policy objectives unrelated to investor protection. At the same time, there should be flexibility for companies to include disclosures without a presumption of materiality.

As noted below, Business Roundtable supports a holistic review of both Regulation S-K and Regulation S-X.

Recommended Changes to Regulation S-K

General Instructions (Item 10)

Business Roundtable recommends that the SEC revisit Item 10 of Regulation S-K, which provides general instructions applicable to Regulation S-K disclosures, in two key respects.

Materiality. Any modernization effort should focus on the cornerstone of the federal securities laws—materiality. Accordingly, the Commission should consider amending Item 10 to more clearly reflect this foundational principle. In its current form, Regulation S-K can result in disclosure even when no material responsive information exists—either through prescriptive requirements that mandate immaterial information or through negative confirmatory disclosures. Despite their immateriality, such disclosures require public companies to expend time and resources while providing little, if any, decision-useful information. The Commission should include explicit guidance in Item 10 confirming that registrants may exercise judgment to omit or appropriately tailor disclosure that is not material to their particular business, without risk of enforcement action or liability exposure, and should not be required to provide negative confirmatory disclosure where no material responsive information exists. At the same time, the Commission should preserve flexibility for registrants to provide information without implying or conceding materiality, including contextual or aggregated information where individual data points may not be material in isolation but collectively enhance understanding of the business. This approach would reinforce the materiality overlay without discouraging registrants from providing broader context where appropriate.

Use of Non-GAAP Financial Measures in Commission Filings (Item 10(e)). Item 10(e) imposes requirements on the use of non-GAAP financial measures in filed materials and, as a result of the Form 8-K Item 2.02 requirements, in materials furnished in response to that item. These requirements are, in many respects, duplicative of Regulation G, which applies to all non-GAAP measures regardless of where they appear. Regulation G already provides a robust framework for the use of non-GAAP measures without the need for additional requirements applicable to Commission filings (including materials furnished pursuant to Item 2.02 of Form 8-K). In

particular, the "equal or greater prominence" requirement in Item 10(e) is unnecessarily restrictive, and it is not clear that it provides a commensurate benefit. For these reasons, Business Roundtable urges the Commission to consider eliminating Item 10(e) in its entirety.

Risk Factors (Item 105)

Item 105 is designed to elicit disclosure of the material factors that make an investment in a company speculative or risky. Over time, risk factor disclosures have expanded significantly in length and complexity, often without enhancing the quality of the information conveyed. Accordingly, and as Chairman Atkins recently noted, current practices merit substantial reconsideration to ensure that risk disclosures focus on information that is genuinely material to investment decisions.[5]

As part of this reconsideration, the Commission should clarify the relationship between Item 105 disclosures and other widely available public information about risks that are applicable more broadly (e.g., war, inflation or a pandemic). In modern markets, market participants access information through a wide range of sources beyond Commission filings. Where background risks or contextual information are widely available, registrants should not face heightened liability risk for declining to restate those facts in detail within risk factor disclosures. Clarifying that registrants may rely on widely available public information would help focus Item 105 disclosures on company-specific, material risks rather than repetitive background discussion about risks with broader market applicability.

To provide greater certainty and support more tailored and meaningful disclosures, the Commission should adopt a liability safe harbor under Item 105. Such a safe harbor should make clear that registrants may focus their risk factor discussion on company-specific and industry-specific material risks without cataloguing broadly known or economy-wide developments. It should also recognize the inherently forward-looking nature of risk factors—i.e., what makes an investment speculative or risky—by clarifying that disclosure of past events is not required. For example, a risk factor stating that a company's factory may be damaged by fires should be protected under the liability safe harbor for omitting to also state that the factory had previously experienced a fire. To avoid potential omissions claims, companies' risk factors have increasingly become bloated by cataloguing prior events, which obfuscates the forward-looking risk disclosures that are intended to be presented. Without the protection of a safe harbor, companies are likely to continue to expand risk factor disclosures defensively to mitigate litigation risk; with it, companies would be better positioned to simplify disclosures and enhance their usefulness.

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[5] *Remarks at the Texas A&M School of Law Corporate Law Symposium*, Speech by Commissioner Paul S. Atkins (Chairman), Feb. 17, 2026, *available at* https://www.sec.gov/newsroom/speeches-statements/atkins-02-17-2026-remarks-texas-am-school-law-corporate-law-symposium.

The Commission should also eliminate the requirement to provide a risk factor summary when the section exceeds 15 pages, as this requirement has inadvertently encouraged longer disclosures and often results in summaries that merely recite risk factor headings.

Legal Proceedings (Item 103)

Item 103 is intended to require disclosure of material pending legal proceedings, including certain governmental and environmental proceedings. In practice, however, because of several prescriptive requirements layered into the provisions, Item 103 frequently leads to disclosure that does not provide meaningful information. To address this issue, we recommend the following changes:

- The requirement to disclose proceedings "known to be contemplated" by the government can result in premature disclosure of investigations that may never advance or prove material. As a result, such disclosure often provides little value while increasing liability exposure and potentially prejudicing a company's legal and settlement posture. The third sentence of Item 103(a), which contains this requirement, should be deleted.

- Similarly, the Commission's rules impose a unique, sub-material quantitative threshold for certain environmental proceedings. Maintaining a separate disclosure trigger for environmental matters—distinct from the general materiality standard applied to other legal proceedings—lacks a clear policy rationale and can lead to disclosure about matters that may not be material. Item 103(c)(3)(iii), which contains this requirement, should be deleted.

- Certain required details (e.g., the name of the court and the relief sought) add length without enhancing the disclosure. The second sentence of Item 103(a), which contains this requirement, should be deleted.

Cybersecurity Risk Management, Strategy and Governance (Item 106)

Business Roundtable encourages the Commission to consider eliminating Item 106 in its entirety. The rule places outsized emphasis on a single risk category—cybersecurity—despite it being only one of many factors that may affect enterprise value and imposing highly prescriptive requirements that are inconsistent with the treatment of other risks. Registrants are already required to disclose material risks and uncertainties through Risk Factors and MD&A, and to address governance and risk oversight in Part III of Form 10-K or through proxy disclosure; there is no principled reason for cybersecurity risks to be addressed outside this effective principles-based framework. Eliminating Item 106 would calibrate risk factor disclosure equally across all risks.

Item 106 mandates detailed disclosure regarding cybersecurity risk management, strategy and governance. Unlike most other risks, cybersecurity is subject to a highly prescriptive, topic-specific disclosure regime. In practice, these requirements often compel lengthy narratives on governance structures, management roles, responsibilities, individuals' experience and internal processes regardless of materiality. These disclosures provide limited insight into the material risks facing a company.

Item 106 also requires disclosure about the nature or status of remediation activities, including changes to cybersecurity policies and procedures as well as granular discussion of third-party oversight mechanisms. These prescriptive, detailed and security-sensitive disclosures could inadvertently provide a roadmap for threat actors, potentially undermining the very security posture companies are required to describe.

While elimination is the preferred outcome, at a minimum, the Commission should amend Item 106 to allow companies to focus on the material cybersecurity risks they face and the governance practices most relevant to their particular circumstances. Principles-based disclosure would produce more informative reporting while avoiding unnecessary detail that obscures a company's cybersecurity posture. Under this approach, the Commission should remove the non-exclusive disclosure lists in Items 106(b)(1) and (c)(2), which contribute to checklist-style reporting, and eliminate the Item 106(b)(2) requirement to describe whether cybersecurity risks have materially affected—or are reasonably likely to materially affect—the registrant, as such considerations are already addressed in the Description of Business, Risk Factors and/or MD&A. Streamlining Item 106 in this manner would enhance clarity, reduce boilerplate and more appropriately align cybersecurity disclosure with materiality principles.

When considering how to appropriately align cybersecurity risk disclosure with the materiality principles underpinning the securities laws, the Commission should also rescind Item 1.05 of Form 8-K, requiring disclosure in the event of a cybersecurity incident. Item 1.05 has not resulted in companies providing material information. Instead, it has often led to market confusion and premature disclosure because potentially material incidents were disclosed but proved to be immaterial following further investigation. And even more concerning, it could provide threat actors with a roadmap to breach a company's cyber protections. The four-business day disclosure requirement under Item 1.05, in practice, places undue pressure on companies to provide disclosure for fear of missing a required disclosure deadline and does not afford sufficient time to appropriately evaluate a cybersecurity incident and provide useful information. Accordingly, the four-day filing deadline should be extended if the Commission does not otherwise rescind Item 1.05 of Form 8-K.

Governance and Related Party Disclosure (Items 401, 403, 404, 405, 407, 408)

The Commission's governance-related disclosure requirements often capture information that is not material and, in many cases, appear designed to influence corporate behavior rather than

elicit decision-useful insight. A modernized approach should recalibrate these items to focus squarely on materiality, eliminate outdated or prescriptive mandates and reduce unnecessary detail.

Directors and Executive Officers (Item 401). Item 401 requires companies to provide detailed biographical and background information on directors and executive officers in annual reports, proxy statements and registration statements. Much of this information is now readily available on company websites in a more accessible format that is regularly updated. Allowing companies to direct investors to website disclosures that meet specified informational standards that focus on salient information—rather than reproducing the same information in filings that can quickly become stale—would streamline reporting, conserve resources, provide more current information and better reflect how information is accessed today. Business Roundtable therefore urges the Commission to provide companies with the option to deliver background information via their websites while preserving access to relevant information.

Beneficial Ownership (Item 403). Item 403 requires tabular disclosure of beneficial ownership of company securities by company insiders and large shareholders. The beneficial reporting rules are nuanced and technical and, in many cases, this information duplicates what is already available through Section 13 and Section 16 filings, but presented in a different manner, thus potentially creating confusion. The Commission should reconsider Item 403 more broadly and, at a minimum, amend it to exclude individuals who are named executive officers but no longer employed as of the applicable filing date. Including these former executives adds limited incremental value while imposing unnecessary tracking burdens and should be eliminated.

Transactions with Related Persons (Item 404). Item 404 requires disclosure of certain "related person" transactions. An amount in excess of $120,000 is the threshold to consider whether a disclosure is required. This threshold has not been adjusted for inflation since its adoption, resulting in companies devoting significant time to evaluating immaterial transactions and, in many cases, disclosing information of limited significance. In addition, the rule's framing of materiality can produce outcomes that are difficult to apply in practice and yield disclosures of limited relevance.

The Commission should revise Item 404 to establish a meaningful disclosure trigger tied to materiality. Business Roundtable supports replacing the numeric threshold with a principles-based standard grounded in company-specific materiality judgments. Alternatively, the SEC could significantly raise the trigger threshold (and index it to inflation), while also allowing companies to overlay ordinary business and/or materiality considerations. Modernization should also focus on genuinely material transactions by narrowing the definition of "immediate family member," providing an ordinary-course exception (or, at a minimum, providing a separate, higher threshold for such transactions) and eliminating requirements that capture immaterial activity.

Section 16(a) Delinquencies (Item 405). Item 405 requires disclosure of failures to file timely Section 16 reports (Forms 3 and 4). This disclosure largely captures administrative errors and functions more as a form of regulatory shaming than providing meaningful information to shareholders. The Commission should eliminate this requirement.

Corporate Governance (Item 407). Item 407 mandates governance-related disclosures, including with respect to board leadership, committee composition, director nominee diversity considerations and risk oversight. Many of these disclosures have become formulaic or boilerplate, offering little insight into risk or performance. In addition, some of these requirements appear motivated by public policy objectives rather than investment needs (e.g., disclosure when one person serves as both CEO and board chair). The Commission should reevaluate Item 407 under a clear materiality standard, remove requirements lacking a clear investment nexus, streamline disclosures and consolidate duplicative independence and committee information. For example, we would encourage the Commission to eliminate the requirement to describe "by specific category or type" any transactions not disclosed as a related party transaction that were considered in making director independence determinations.

Insider Trading Arrangements and Policies (Item 408). Item 408(b) requires disclosure regarding whether a registrant has adopted insider trading policies. It is unclear why this new requirement was adopted, as such policies are standard practice among public companies as a result of existing federal securities laws prohibiting insider trading. In addition, the requirement under Item 408(a) to disclose the terms of certain insider trading arrangements creates unnecessary administrative burdens and provides immaterial information, particularly as executives' trades are already disclosed under Section 16. These requirements do not provide meaningful information and encourage boilerplate descriptions. Item 408 should therefore be eliminated.

Management's Discussion and Analysis and Market Risk (Items 303 and 305)

Management's Discussion and Analysis of Financial Condition and Results of Operations (Item 303). Item 303 is intended to provide an understanding of the factors that materially affect a company's financial condition and results of operations. In practice, current disclosure requirements often compel registrants to restate information already evident in their financial statements, creating redundancy rather than insight.

MD&A should focus on material trends, uncertainties and performance drivers—not narrative repetition of numerical changes. Thus, the Commission should reaffirm that MD&A is intended to reflect management's perspective on the business and should not require mechanical, line-item analysis or quantification of drivers (versus qualitative discussion) where such information is not material or not used by management to evaluate performance. The Commission should

expressly confirm that registrants may omit discussion of line items or variances that are not material, even where percentage changes might appear significant.

While we encourage a broad review of potential Item 303 amendments, three illustrative areas merit particular attention.

- ***Item 303(b)(1) – Liquidity and Capital Resources*****:** Liquidity disclosure has in many cases become boilerplate where a company has adequate cash to meet its requirements and plans for the next 12 months. Rather, disclosure should only be required where material, i.e., when a company does not have adequate cash on hand or ready access to cash liquidity.

- ***Item 303(b)(2) – Results of Operations*****:** The Commission should streamline the required discussion of known trends and uncertainties. In practice, these disclosures often substantially overlap with other disclosures. Permitting registrants to cross-reference existing disclosures or consolidate related discussions would reduce redundancy without sacrificing access to relevant information. In addition, the Commission should provide clearer guardrails to reduce speculative and non-decision-useful disclosure of known trends and uncertainties. In particular, the Commission should consider clarifying that disclosure is not required where the likelihood or potential impact of a trend is uncertain or indeterminate, providing more certainty around the threshold for disclosure, e.g., when an event is "more likely than not"; and provide guidance around time frame, e.g., within the next two quarters versus an indeterminate time frame.

- ***Item 303(b)(3) – Critical Accounting Estimates*****:** This item frequently yields boilerplate disclosures that duplicate financial statement footnotes. To better calibrate disclosure and limit unnecessary burden, the Commission should consider eliminating these requirements or permitting registrants to satisfy them via cross-references to existing accounting disclosures.

- ***Item 303(c) – Interim Periods*****:** The Commission should reconsider the general applicability of Item 303(c) and allow flexibility for registrants to present results in the manner most consistent with how management evaluates the business. For some companies, year-to-date comparisons may provide meaningful context, while for others, period-over-period (e.g., quarterly) analysis is more decision-useful. Registrants should be permitted to determine the appropriate framework based on their business model, seasonality and the information they use to manage the business, rather than being subject to a uniform requirement.

Quantitative and Qualitative Disclosures About Market Risk (Item 305). Item 305's prescriptive market risk disclosures—particularly standardized sensitivity analyses—overlap substantially with GAAP and MD&A requirements. These analyses often lack decision-useful value while

imposing significant preparation costs. Material market risks are also already addressed in Risk Factors and MD&A. Given the duplicative nature of these disclosures, the Commission should eliminate Item 305 or, at a minimum, allow registrants greater flexibility to tailor market risk disclosures to their material exposures.

Business Description and Other Disclosure (Items 101, 102, 104, 201, 202, 701, 703, 1406)

Human Capital (*Item 101(c)(2)(ii)).* Item 101 requires broad disclosure of a company's human capital resources pursuant to a vague provision that lacks a clear materiality qualifier.[6] This has led to expansive filings containing immaterial details about employee programs, contributing to significant disclosure creep. The Commission should eliminate this requirement.

Properties (Item 102). Disclosure of the location and general character of material physical properties is often no longer decision-useful, particularly for modern, asset-light companies in services and technology sectors. Similarly, the requirement to identify the segment(s) that use the properties is not decision-useful and complicates the disclosures, particularly when multiple segments use a property. To provide more relevant information, Item 102 disclosures should be integrated into the overall business description and limited to properties material to understanding the business.

Mine Safety Disclosures (Item 104). Item 104's prescriptive disclosures regarding mine safety violations, orders and related operational matters are technical and apply only to a small subset of companies. Such information is more appropriate for specialized reports, such as Form SD, and should be removed from Regulation S-K.

Market Price, Dividends and Securities Description (Items 201 and 202). Item 201 requires disclosure of dividend history and related shareholder matters; Item 202 requires a description of the registrant's securities. Much of this information is publicly available via market data providers or existing filings. These items are outdated in light of how information is now disseminated and consumed and largely duplicative. The Commission should reconsider their utility.

Recent Sales of Unregistered Securities (Item 701). Item 701 requires disclosure of unregistered securities issued over a specified look-back period. This information often duplicates financial statement footnotes. The Commission should consider shortening the look-back period or limiting the requirement to material transactions.

[6] Although Item 102(c)(2) references materiality, prevailing disclosure practices underscore that its qualifying effect is unclear, effectively incentivizing over-disclosure and increasing compliance burdens without a corresponding benefit.

Purchases of Equity Securities (Item 703). Item 703 requires tabular disclosure of repurchases on a monthly basis. The Commission may wish to evaluate whether monthly repurchase information provides meaningful decision-useful information or whether an aggregated annual or quarterly disclosure would better balance transparency and the compliance burden.

Deposits (Item 1406). Item 1406 requires certain banks to disclose deposit composition, costs, uninsured deposits and maturities. These disclosures largely duplicate regulatory call reports and should be eliminated.

Exhibits and Technical Filing Requirements (Item 601, XBRL, Cover Page)

Exhibits (Item 601). Item 601 prescribes the exhibits that must accompany registration statements and periodic reports, including material contracts, organizational documents, subsidiary lists, debt instruments, management contracts and various technical certifications and statements. The framework has become increasingly complex, categorical and disconnected from a clear materiality standard. Many exhibit requirements impose substantial administrative burdens while providing limited or no incremental value. Modernization should focus on eliminating duplicative obligations, aligning exhibit requirements with materiality and relocating highly specialized disclosures to more appropriate forms. Several subsections illustrate these issues:

- ***Item 601(b)(4)(vi) – Securities*:** Required information is typically already included in registration statements, other Commission filings or governing indentures. Duplicative filings add burden without enhancing understanding and should be eliminated or, in the alternative, this disclosure requirement should be limited to descriptions of equity securities.

- ***Item 601(b)(10) – Material Contracts*:** The requirement to file management contracts and director compensation arrangements lacks a consistent materiality threshold. Obligations should be based on the contract's materiality, and executive compensation contracts should be subject to the same materiality standard as all other agreements. In addition, executive compensation contracts that remain outstanding due to grandfathering provisions or deferred compensation arrangements with extended payout horizons under discontinued programs do not provide material information and should not be subject to a filing requirement.

- ***Item 601(b)(19) – Insider Trading Policies*:** As noted above, disclosure of insider trading policies is not necessary given federal securities law obligations, widespread adoption of such policies and public availability on company websites. Both narrative and exhibit requirements for insider trading policies should be eliminated.

- ***Item 601(b)(21) – Subsidiaries*:** Preparing subsidiary lists is time-consuming, offers limited benefit and may expose sensitive corporate structure information. The requirement should be eliminated or made materiality-based.

- ***Item 601(b)(95) – Mine Safety Exhibit*:** For the small number of companies to which this requirement applies, this requirement imposes a burden without a meaningful corresponding benefit. This requirement (along with all mine safety disclosures) should be eliminated. If retained, these disclosures would be more appropriate on a specialized form, such as Form SD.

- **Item 601(b)(97) – *Policy Relating to Recovery of Erroneously Awarded Compensation*:** The requirement to file clawback policies imposes an administrative burden without providing useful information. These policies are adopted in response to prescriptive exchange listing standards mandated by the Dodd-Frank Act and are often substantially similar across companies. In addition, they are typically described in narrative form within the Compensation Discussion & Analysis, rendering the separate filing requirement redundant.

- ***Item 601(b)(107) – Filing Fee Table*:** This exhibit has become complex and prone to errors. Simplification is needed to promote clarity and reduce administrative risk.

Amendments to Item 601 should also more clearly allow filing of forms of agreement under Instructions 1 and 2 to Item 601(b)(10) (e.g., NEO grant agreements).

Inline eXtensible Business Reporting Language (XBRL). The Commission requires registrants to tag financial statement information—and increasingly, other disclosures—using Inline XBRL to facilitate machine readability and data aggregation. The scope of XBRL tagging has expanded significantly, imposing substantial costs despite limited evidence of end-user utilization. Modern data extraction technologies, including artificial intelligence, can analyze financial disclosures without structured tagging. Accordingly, tagging should be limited strictly to primary financial statement line items and eliminated for narrative and other disclosures, including those outside of Forms 10-K and 10-Q—or at a minimum limited to eliminate block tagging requirements, which provides minimal analytical value while requiring extensive manual effort and third-party service fees.

Cover Page Restatement Checkboxes. Current cover page requirements require registrants to indicate whether financial statements reflect a correction of an error and whether that correction constitutes a restatement requiring a recovery analysis under clawback rules. These checkboxes result in a great deal of concern around making voluntary immaterial improvements or corrections to financial statements from prior periods (other than as out-of-period adjustments) and do not provide meaningful information.

The Commission should remove these checkboxes altogether or combine the two boxes into one, to be checked only when a recovery analysis is required (i.e., only Big R and little r restatements).

Financial Reporting

Internal Control Over Financial Reporting (Item 308). Item 308 requires management to report on internal control over financial reporting and, for certain registrants, obtain auditor attestation. While internal controls are critical, the auditor attestation requirement can impose significant compliance costs, particularly for newly public companies. The Commission should consider extending the phase-in period for these companies and evaluate whether the scope of the auditor attestation could be scaled to reduce burdens while preserving confidence in the disclosures.

Regulation S-X. Regulation S-X governs the form and content of financial statements, including acquired business financials, pro forma information and separate statements for equity method investees and subsidiaries. Any reevaluation of SEC disclosure requirements should address Regulation S-X in tandem with Regulation S-K, including:

- ***Refine Significance Tests*:** Reduce reliance on rigid quantitative thresholds under Rule 3-05, Article 11 and Rule 3-09 by expanding materiality-based overrides. Allowing registrants to apply judgment where quantitative triggers do not reflect relevance would better align reporting with modern needs.

- ***Align Pro Forma Reporting*:** Align Article 11's pro forma financial reporting requirements with ASC 805 to eliminate duplication and promote consistency.

- ***Harmonize with GAAP*:** Identify and eliminate inconsistencies where GAAP and SEC rules impose parallel but not identical requirements, reducing duplicative compliance without compromising financial information quality.

- ***Address Cumulative Disclosure Overload*:** The combination of FASB, Regulation S-K and Regulation S-X requirements has increased disclosure volume, often duplicating GAAP footnotes and reducing signal-to-noise. For example, Schedule II – Valuation and Qualifying Accounts is largely redundant with modern GAAP footnotes and imposes unnecessary burden.

A holistic review of Regulation S-X, in conjunction with Regulation S-K, would streamline reporting, reduce unnecessary costs and enhance the usefulness of financial disclosures.

Conclusion

Business Roundtable appreciates the Commission's comprehensive review of Regulation S-K and its focus on ensuring disclosure requirements remain firmly grounded in materiality. We are optimistic that this review will yield a more rational disclosure framework, reducing the current overload of immaterial information that public companies are required or otherwise feel compelled to provide and that investors must absorb and analyze.

We would be pleased to discuss these comments or any other matters that may be helpful. Please contact Will Anderson, Vice President, Business Roundtable, at wanderson@brt.org or (202) 496-3257.