

6 July 2026

Vanessa A. Countryman  
Secretary  
Securities and Exchange Commission  
Submitted by Email

**Re: Proposed Rule on Semi-annual Reporting (S7-2026-15)**

Dear Ms. Countryman:

At the Standards Board for Alternative Investments (SBAI), we oppose the move to allow companies to file semi-annual reports on new Form 10-S in lieu of quarterly reports on Form 10-Q.<sup>1</sup>

- Maintaining quarterly reporting supports better investment decisions and more efficient capital allocation.
  - Quarterly reporting provides investors with timely, standardized, and comparable information, enabling both retail and institutional investors to make better informed investment decisions.
  - By improving the quality of information available to the market, quarterly reporting enhances valuation accuracy and promotes the efficient allocation of capital across companies and sectors.
- Promoting Broad and Equal Access to Information.
  - Quarterly reporting ensures that material information is disseminated to all investors through a standardized public disclosure framework rather than through private relationships and information ('expert') networks.
  - Timely and consistent public disclosures reduce the advantages associated with corporate access, industry contacts, and other private information channels, allowing both retail and institutional investors to make investment decisions on a more level playing field.
  - Quarterly reporting helps prevent the emergence of a two-tier information system. Debt investors, lenders, and other private stakeholders frequently receive quarterly financial information through lending arrangements, covenant reporting requirements, and direct engagement with issuers. Public market investors should not be placed at a disadvantage by receiving materially less information than other market participants.
- Disclosure allows for discovery of fraudulent financial activities, and other warning signals in relation to the financial health of corporation.
- Better information encourages the presence of active investors in markets, who respond to new information, which results in better price formation to the benefit of all investors, including passive ETF investors and uninformed retail investors.

<sup>1</sup> <https://www.sec.gov/rules-regulations/2026/05/s7-2026-15>

- Less disclosure introduces uncompensated risk: If new information is reflected faster in prices, it reduces the risk of overpaying for an asset, as well as selling too low (for passive investors).
- Current developments in private markets provide a case study for the negative consequences of opacity.<sup>2</sup>
- Investors have the choice of ignoring the quarterly information when making investment decisions, but this would be irresponsible for any fiduciary, removing this information is equally irresponsible.

The SEC has not demonstrated that the Proposal's modest and highly uncertain benefits outweigh its substantial costs. Reducing reporting frequency would diminish transparency, weaken market discipline, impair price discovery, and increase information asymmetries throughout the market. If the Commission wishes to encourage public-company formation or reduce the costs associated with being a public company, it has far less costly and harmful alternatives available. The Commission should pursue those targeted reforms rather than weaken a disclosure framework that has long served investors and public markets well.

Timely and accurate disclosure is a core obligation of publicly listed companies in exchange for privileged access to public capital markets with a larger liquidity pool. By comparison, the raising of capital in private markets can sometimes be more inefficient and costly. Therefore, providing investors with regular and reliable information is a valid and necessary trade-off and necessary to maintain confidence in public markets.

### Case Study for Comparison: The European Experiment<sup>3</sup>

In 2013, the European Union amended the Transparency Directive to remove the EU-wide requirement for mandatory quarterly reporting, with the stated objectives of reducing reporting burdens and mitigating short-term market pressures. The reform did not prohibit quarterly reporting, and many issuers continued to report voluntarily. Subsequent academic studies have found that, on average, firms subject to reduced mandatory reporting experienced declines in analyst coverage and market liquidity and, in some cases, increases in the cost of capital.

The SBAI is an active alliance of managers and investors dedicated to advancing responsible practices, partnership, and knowledge in the alternatives industry. At our core is a community that is committed to knowledge sharing, informed dialogue, and innovation. We set clear standards and actively promote responsible practice to normalise quality and fairness. Together, our community of allocators and managers create real world solutions – in short, we solve for better.

Disclosure to enable better investment decisions is at the heart of the SBAI's *Alternative Investment Standards*<sup>4</sup>, which are supported globally by over 260 alternative investment managers and institutional investors representing more than US\$11 trillion in assets under management. The SBAI is an Affiliate Member of the International Organization of Securities Commissions (IOSCO), and we support global efforts to facilitate fair and efficient markets, reduce systemic risk, and enable investors to make well-informed investment decisions.

Yours sincerely,

Thomas Deinet  
 Executive Director  
**Standards Board for Alternative Investments (SBAI)**

<sup>2</sup> <https://www.cfainstitute.org/insights/articles/private-equity-markets-transparency-development>

<sup>3</sup> Sources: [CFA Institute: Impact of Reporting Frequency on UK Public Companies](#), [Other](#)

<sup>4</sup> The Alternative Investment Standards ("Standards") address key areas of alternative investment practice including disclosure, valuation, risk management, fund governance, and shareholder conduct. Access here: <https://www.sbai.org/standards.html>

