

# Separating the Wheat from the Chaff: SEC to Undertake Comprehensive Review of Regulation S-K

Posted in: Disclosure Requirements, Executive Compensation, SEC

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***Public input invited through April 13, 2026 on how to help reduce the volume of immaterial disclosure***

SEC Chair Paul Atkins yesterday **announced** he has instructed the Division of Corporation Finance to conduct a comprehensive review of Regulation S-K—the central source for non-financial statement disclosure requirements for public companies since 1982. **The primary goal is revising the requirements “to focus on eliciting disclosure of material information and avoid compelling the disclosure of immaterial information.”** In previous public statements, Atkins has emphasized that **financial materiality should be the guiding principle or “north star” of the SEC’s disclosure framework.**

Atkins observed that, over the last few decades, Regulation S-K has expanded dramatically in scope and size—“from the size of a gym locker to the size of an artificial-intelligence data center”—and currently “elicits both material and a plethora of undisputedly immaterial information” that does not always reflect what reasonable investors would consider important or useful to making informed investment and voting decisions.

“As Justice Thurgood Marshall suggested in his *TSC Industries v. Northway* opinion,” Atkins said, “burying shareholders in an avalanche of immaterial information is a result that neither protects investors nor facilitates capital formation. The

Commission's disclosure regime should enable a reasonable investor to separate the wheat from the chaff when reviewing periodic reports and proxy statements."

## Chair Atkins's Disclosure Reform Agenda

Corporate disclosure reform is central to Atkins's stated mission to reinvigorate U.S. public capital markets and "make IPOs great again." In his December keynote address at the New York Stock Exchange, he identified **two priorities for "rationalizing" disclosure practices: grounding disclosure obligations in financial materiality and scaling them based on company size and maturity** (see our earlier discussion). Atkins defined the optimal disclosure regime as one providing "the minimum effective dose of regulation needed to elicit the information that is material to investors," allowing market forces to drive disclosure of additional information that may benefit investors. The SEC's regulatory **agenda** targets disclosure rulemaking proposals by mid-2026.

## The 2016 Precedent: A Comprehensive Approach Revisited

Yesterday's announcement echoes the SEC's last attempt at fundamental disclosure reform. In April 2016, the agency issued a comprehensive **concept release** that systematically examined myriad aspects of Regulation S-K's business and financial disclosure requirements—the most thorough review of the disclosure framework since Regulation S-K's reorganization in 1982. That effort generated substantial **stakeholder engagement** but ultimately produced only incremental reforms through targeted rulemakings over the subsequent eight years, failing to meaningfully reduce the total disclosure burden and leaving the overall regulatory structure largely intact.

The new comprehensive review initiative signals Atkins's dissatisfaction with the more incremental approach. Notably, the agency has not published a formal request for comment document with specific numbered questions in connection with this review—a departure from typical practice and a marked contrast to the lengthy 2016 release, which posed 340 detailed numbered questions across the entire disclosure spectrum. Instead, yesterday's announcement simply invites broad recommendations on how to amend Regulation S-K through an explicit financial materiality lens. The absence of granular guidance gives commenters greater flexibility but also requires them to identify priority reform areas independently, potentially resulting in less comprehensive coverage of discrete disclosure items than the 2016 process elicited. Whether this initiative succeeds where the 2016 effort fell short remains to be seen.

## The Review Process: Two-Phase Approach

### **Phase 1: Executive Compensation Disclosure (Item 402)**

The first phase began in May 2025, when the SEC solicited public comment and held a **roundtable** on the executive compensation disclosure requirements in Item 402 of Regulation S-K. Broad consensus emerged that the current requirements' length and complexity have undermined their usefulness to investors. The SEC has received more than 70 unique **comment letters**, which the staff is now evaluating to prepare recommendations for revisions to Item 402.

## **Phase 2: Comprehensive Regulation S-K Review**

Following completion of the executive compensation review, the staff will broaden its focus to other disclosure requirements throughout Regulation S-K.

### **How to Comment**

The SEC invites recommendations on how to amend Regulation S-K consistent with the principle of financial materiality. Comments will inform the agency's rulemaking proposals expected later this year.

Comments should be submitted by **April 13, 2026**. For electronic submissions, commenters may use the SEC's **Internet submission form** or send an email to **rule-comments@sec.gov** with the file number "CLL-15" included in the subject line.

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