

# ‘A New Day for Public Companies and Their Investors’: SEC CorpFin Director Previews Aggressive Rulemaking Agenda

Posted in: Disclosure Requirements, Executive Compensation, Foreign Private Issuers, Rule 14a-8, SEC, Shareholder Proposals

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“Under my leadership, there is an open-door policy in the Division. I invite companies, investors, and other market participants to tell us what’s working and what’s not, and where there are issues, please propose a solution. The Division is ready to usher in a new day for public companies and their investors. We need your ideas, suggestions, comments, and data to get there. Help us help you!”

—*Jim Moloney, Director, SEC Division of Corporation Finance*

On Friday, SEC Division of Corporation Finance Director Jim Moloney released a [summary](#) of remarks he and other senior Division staff delivered at Northwestern Law’s 2026 Securities Regulation Institute in late January.

Moloney indicated the staff is currently working to advance key rulemakings as quickly as possible to execute Chair Paul Atkins’s [agenda](#) “to reduce barriers to going public, rationalize burdensome requirements while ensuring that investors continue to have access to the material information they need, and simplify and modernize our rules so that more companies are willing to go and stay public.” In accordance with Atkins’ rulemaking priorities, CorpFin is focusing first on crypto assets reform; reduced executive compensation and other Regulation S-K disclosure obligations; optional semiannual (rather than quarterly) reporting; and new, congressionally mandated Section 16 reporting requirements for foreign private issuers (FPIs).

**“Don’t expect a quiet summer ahead,” Moloney cautioned, “as we continue our work on an extensive overhaul of our rules to implement regulatory reform.”**

## **Crypto Assets Reform**

CorpFin is preparing to publish interpretive guidance providing a clear taxonomy for crypto assets and describing a framework for determining when crypto assets are no longer part of, or subject to, an investment contract. For those crypto assets that are subject to an investment contract, CorpFin is also working on a proposal “that will seek to provide a rational regulatory structure” for their offer and sale.

## **Comprehensive Regulation S-K Review**

Turning to disclosure reform, Moloney underscored the need to “right-size” the agency’s corporate disclosure framework, observing that the “overall length of proxy statements and periodic filings—not to mention compliance costs—have skyrocketed over the past decades, creating massive documents that would be alien to those who created our disclosure regime.” **“It’s time to leave some of these burdensome regulations on the cutting room floor,” he declared.** He highlighted Atkins’s January 2026 [statement](#) directing CorpFin to conduct a comprehensive review of the Regulation S-K non-financial statement disclosure requirements with the goal of revising them “to focus on eliciting disclosure of material information and avoid compelling the disclosure of immaterial information,” which included a request for public input through April 13 (comments submitted to date available [here](#)). This statement followed the SEC’s June 2025 executive compensation roundtable and related request for comment focused on Item 402 of Regulation S-K (submitted comments available [here](#)).

Moloney noted they already have “plenty of long academic letters about the principles of disclosure” and are rather “looking for targeted, concrete recommendations to reduce immaterial disclosure and encourage companies to focus on the information that is material to investors.” He said CorpFin especially welcomes “data, including but not limited to the cost of compliance with specific SEC rules.” “Go ahead and mark up the reg text itself,” he encouraged—“we aren’t afraid of some red ink on our script.” He invited comments from market participants on the Regulation S-X financial statement disclosure requirements as well.

## **Optional Semiannual Reporting**

On the reporting-cycle front, Moloney noted that in September 2025, President Trump called for a reconsideration of mandatory quarterly reporting, and Atkins promptly requested that CorpFin prioritize development of a formal rulemaking proposal.

Moloney said that Trump initially called for an end to quarterly reporting in a social media post during his first term in 2018, after which the SEC issued a **request for comment** on earnings releases and quarterly reports, but nothing materialized at that time. **“This time, however,” Moloney stated, “I expect things will be different.”**

Moloney acknowledged there is no “one-size-fits-all solution. For some companies and their investors, semi-annual reporting may make sense. Other companies, however, may have reasons why quarterly reporting still works best for them.” He invited “a broad range of market participants’ thoughts on the best way to structure the final rule” and specifically requested data (including from other jurisdictions such as the UK and EU) on the possible effects of changing the reporting cycle once a rule proposal is published. He added that CorpFin “will be considering what other rule changes may be needed to ensure any transition to a semi-annual reporting process will be smooth and free from any regulatory turbulence.”

## **FPI Insider Reporting and Eligibility**

### ***HFIAA Compliance Deadline and EDGAR Access***

In December 2025, Congress enacted Section 8103 of the 2026 National Defense Authorization Act, known as the Holding Foreign Insiders Accountable Act (HFIAA), which subjects directors and officers (but not greater than 10% shareholders) of FPIs with SEC-registered equity securities to the SEC’s Section 16 insider reporting regime and mandates that the SEC implement any necessary rule changes by March 18, 2026. (FPI insiders will continue to be exempt from the short-swing profit recovery provisions of Section 16(b) and the prohibitions on short sales of Section 16(c).) Moloney emphasized that, while CorpFin is working to complete its rulemaking responsibilities ahead of the deadline, HFIAA’s amendments to Exchange Act Section 16(a) are self-executing, meaning that **FPI directors and officers must comply with Section 16(a) reporting obligations beginning March 18, 2026**, regardless of the rulemaking’s status.

Echoing the SEC EDGAR Business Office’s recent **announcement**, Moloney urged FPI directors and officers who do not already have EDGAR accounts to apply for EDGAR access credentials necessary for making filings as soon as possible “so that there are not thousands of requests rushing in right before the deadline comes crashing down.” He added that foreign law notarization requirements can differ considerably from those in the U.S., increasing the urgency to complete the Form ID application process without delay.

## ***Substituted Compliance***

Moloney noted the HFIAA grants the SEC authority to exempt directors and officers of reporting FPIs in jurisdictions in which the applicable foreign law requirements are “substantially similar” to Section 16(a), and said the staff is analyzing the laws of non-U.S. jurisdictions and may make recommendations to the SEC on substituted compliance.

### ***FPI Eligibility Concept Release***

Separately, regarding the agency’s June 2025 **concept release** on reassessing FPI eligibility (a forerunner to a potential rule proposal), Moloney said CorpFin is evaluating the **public feedback** received to date.

### **Staff Guidance**

Moloney previewed that, even as work proceeds on the major rulemaking initiatives, CorpFin will continue to issue staff-level guidance “to help companies, their advisors, investors, and other market participants more efficiently navigate our rules.” In recent months, CorpFin has regularly been releasing interpretive guidance and no-action letters on a variety of topics, including broker searches, exempt proxy solicitations, tender offers, spinoffs, crypto assets and Section 13(d) group formation, and **more staff guidance should be expected in the near future.**

### **Disclosure Review Post-Shutdown**

Moloney noted that, after receiving nearly 1,000 registration statements during the Fall 2025 government shutdown (with more submitted after the shutdown ended), CorpFin’s Disclosure Review Program triaged filings and processed them as quickly as possible in the order received. While lapse times are still a bit longer than usual, they are trending downward as the program resumes normal operations.

He added that notices of effectiveness for registration statements that went effective automatically after the passage of 20 days during the shutdown will not appear on EDGAR, as those notices are only issued when the staff declares a registration statement effective by delegated authority. Moloney also mentioned a delay in posting comment letters as a result of the backlog created by the shutdown, with the result that “the number of letters and correspondence posted may not yet reflect what was actually finalized over the last few months.”

### **Shareholder Proposals**

Moloney concluded his remarks with an update on the shareholder proposal process, noting that CorpFin’s November 2025 **decision** not to respond substantively to most Rule 14a-8 no-action requests during the 2026 proxy season “has led to a number of

questions and practical approaches taken by proponents and companies alike" and that staff has "been doing a lot of outreach to companies, investors, and proxy advisors to answer questions and listen to concerns." So far there have been mixed results, "with over 150 no-objection letter requests received, while other proposals are included in company proxy statements." According to Moloney, **the staff is not "putting a thumb on the outcome scale either way, so we aren't surprised to see companies reaching different conclusions based on the details of the proposals, independent legal analysis, and their own business and risk assessments."**

A **rulemaking** to "modernize" the shareholder proposal rule "to reduce compliance burdens for registrants and account for developments since the rule was last amended" is on the SEC's agenda, and Moloney said CorpFin is in the process of preparing recommendations.

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