

June 26, 2026

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Secretary, Securities and Exchange Commission  
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Washington, DC 20549-1090

Email: [rule-comment@sec.gov](mailto:rule-comment@sec.gov)

RE: File Number S7-2026-15

We appreciate the opportunity to provide feedback on the proposed amendments to allow companies to file semiannual reports on new Form 10-S in lieu of quarterly reports on Form 10-Q to meet interim reporting obligations under the Securities Exchange Act of 1934 ("Exchange Act").

The views expressed herein are written on behalf of the Professional Standards Committee (PSC) of the Texas Society of CPAs. The committee has been authorized by the Texas Society of CPAs' Leadership Council to submit comments on matters of interest to the membership. The views expressed in this document have not been approved by the Texas Society of CPAs' Leadership Council or Board of Directors and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs.

In this comment letter, the PSC expresses qualified support for the proposed amendments to allow companies to file semiannual reports, primarily because we expect that preparers will be in favor of the optionality provided. The PSC believes the proposed amendments are clear and operable for both preparers and auditors. However, investor needs and market expectations should remain the primary considerations in evaluating this proposal.

Our support for the proposed amendments is qualified based primarily on the following concerns:

- *Significant cost savings are unlikely:* The PSC believes that, based on historical preferences by investors and analysts for more timely reporting, many companies electing the semiannual reporting option are likely to continue to report key metrics or full quarterly information through alternative reporting channels, such as press releases and investor presentations. In addition, disclosure controls and procedures and internal controls over financial reporting, including interim reporting, will need to be maintained. As a result, the fundamental structure and process of quarterly reporting will remain in place and would largely offset any potential cost savings that may be derived through the election of semiannual reporting.
- *Comparability and consistency will be negatively impacted:* As the semiannual reporting option is voluntary, comparisons of peer companies using the Form 10-S option with those using Form 10-Q will be more difficult for analysts and investors. In addition, as companies may switch back and forth between quarterly and semiannual reporting, comparison of the company's own results may become more challenging.
- *Semiannual reporting is inconsistent with the goal of timely reporting of financial information:* As technology has advanced, the call for more timely reporting of financial results has increased. Delaying financial results for six months is inconsistent with needs of investors. More importantly, even if companies decide to publish more frequent information in



quarterly earnings releases or by other channels, this information potentially will not be subject to required review by independent accountants, which is an important investor safeguard.

- *Impacts on existing credit agreements will be significant:* Many existing debt and credit agreements require furnishing quarterly reviewed financial statements to lenders and other creditors. These agreements would have to be negotiated and amended – likely at a substantial cost.
- *Unlikely impact on a private company's decision to go public:* The minimal potential cost savings from the semiannual option are unlikely to be a major factor in a company's decision to go public. As discussed above, the infrastructure around periodic and annual reporting, including ICFR, will still need to be established and maintained.

Finally, the PSC is particularly concerned about the alternative presented in Request for Comment Number 15 that potentially amends the current rules for the required interim financial statement review by an independent public accountant. Interim filings of financial information are now appropriately subject to the required review level of service by the company's independent accountant. Although a review level of service is significantly less than an audit performed annually on the financial statements included in Form 10-K, auditors routinely perform "audit-like" procedures in connection with their periodic reviews, such as auditing significant new revenue contracts.

These "audit-like" procedures serve two purposes: moving more audit procedures out of a compressed year-end timeframe and they provide early identification of financial reporting issues. The required review level of service by the company's independent accountant is a critical element of high-quality financial reporting and must be maintained for both quarterly or semiannual reporting.

We appreciate the opportunity to provide feedback on the proposed amendments to allow companies to file semiannual reports on the new Form 10-S.

Sincerely,



Jeffrey Johanns, CPA  
Chair, Professional Standards Committee  
Texas Society of Certified Public Accountants