



In this issue:

SEC staff updates guidance related to a government shutdown1

Trends in 2025 SEC staff comment letters1

SEC’s ‘Project Crypto’ aimed at overhauling crypto regulations2

SEC rulemaking and guidance ...2

SEC staff issues guidance on determining accelerated filer status for certain SRCs 2

SEC and CFTC further extend Form PF amendments compliance date 2

SEC clarifies position on mandatory arbitration provisions .. 2

Other SEC matters3

PCAOB defers effective date of quality control standard QC 1000 . 3

SEC creates artificial intelligence task force..... 3

SEC creates task force to identify fraud involving foreign-based companies..... 3

SEC names James Moloney as Director of Division of Corporation Finance 3

SEC names Margaret Ryan as Director of the Division of Enforcement 3

Enforcement matters3

SEC Chairman emphasizes transparency and consistency in enforcement practices 3

SEC staff updates guidance related to a government shutdown

The Securities and Exchange Commission (SEC), including its Division of Corporation Finance (DCF), is functioning at a highly restricted capacity since the US government shutdown began on 1 October 2025. Minimal staff members are available for certain emergency actions. While EDGAR remains functional for filings, the DCF will not accelerate the effectiveness of registration statements. All other inquiries will be suspended until the DCF resumes its normal operations.

The SEC staff issued updated guidance on operational disruptions resulting from the shutdown, including a path forward for companies seeking to launch an initial public offering during this period. The SEC staff said companies seeking to go public during the shutdown can remove the delaying amendment from a registration statement and include a price range instead of a fixed price in a registration statement as well as provide an updated price in a final prospectus after effectiveness.

Registrants should monitor the SEC’s website for updates.

Trends in 2025 SEC staff comment letters

The SEC staff issued fewer comment letters to registrants about their disclosures in periodic SEC filings in the year ended 30 June 2025 than it did in the previous two years. The number of registrants receiving comment letters also is lower compared to the previous year.

Management’s discussion and analysis and non-GAAP financial measures continued to draw the most scrutiny from the SEC staff, followed by segment reporting, revenue recognition, and goodwill and intangible assets.

EY resources

- [SEC Reporting Update - Highlights of trends in 2025 SEC staff comment letters](#)

We expect the SEC staff to continue to focus on these topics, including disclosures made to segment reporting following the adoption of ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. They may also expand their focus to other areas, including disclosures made in response to other newly effective or early adopted financial accounting standards (e.g., ASU 2023-09, *Income Taxes (Topic 470): Improvements to Income Tax Disclosures*) and risks related to the current macroeconomic environment and emerging technologies (e.g. artificial intelligence (AI)).

SEC's 'Project Crypto' aimed at overhauling crypto regulations

SEC Chairman Paul Atkins in July 2025 unveiled "Project Crypto," an initiative aimed at modernizing US securities rules and regulations to adapt to blockchain-based financial systems.

Mr. Atkins said he directed the SEC staff to draft clear and simple rules for crypto asset distributions, custody and trading. He said that while these draft rules go through the notice and comment rulemaking process, the SEC and its staff will consider using interpretive, exemptive and other authorities to fulfill Project Crypto's objectives.

These objectives include establishing a regulatory framework for the distribution of crypto assets in the US, bringing offshore crypto businesses back to the US and developing so-called super-apps that let investors access a wide array of financial services in one place.

SEC rulemaking and guidance

SEC staff issues guidance on determining accelerated filer status for certain SRCs

The SEC staff published a compliance and disclosure interpretation (C&DI) to note that a registrant that qualified as a smaller reporting company (SRC) based on the two-part revenue and public float test and, therefore, was a non-accelerated filer, will remain a non-accelerated filer for filings due in the year after losing SRC status. As a result, the registrant does not need auditor attestation under Section 404(b) of the Sarbanes-Oxley Act for the year SRC status was lost and can file its periodic reports that are due in the next year by the non-accelerated filer deadlines. However, the registrant will not be eligible for SRC accommodations (e.g., scaled disclosure requirements) beginning with its Form 10-Q for the first fiscal quarter of the year after losing SRC status.

This C&DI does not apply to registrants that qualified as SRCs based on the public float test only. Registrants should engage with legal counsel when considering the applicability of this C&DI to their facts and circumstances.

SEC and CFTC further extend Form PF amendments compliance date

The SEC and the Commodity Futures Trading Commission (CFTC) further extended the compliance date for amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds, to 1 October 2026. A brief overview of the amendments can be found in the [April 2024 SEC in Focus](#).

SEC clarifies position on mandatory arbitration provisions

The SEC issued a policy statement clarifying that the presence of a mandatory arbitration provision in a company's governing documents (e.g., charter, bylaws) will no longer impact decisions on whether to accelerate the effective date of a registration statement. The SEC said its staff will focus on the adequacy of the registration statement's disclosures, including disclosure regarding the arbitration provision, when making such decisions.

EY resources

- [Technical Line - Reminders on reporting and filer status considerations for SEC registrants](#)

Other SEC matters

PCAOB defers effective date of quality control standard QC 1000

The Public Company Accounting Oversight Board (PCAOB) postponed the effective date of its quality control standard QC 1000, *A Firm's System of Quality Control*, and related amendments by one year to 15 December 2026. The PCAOB said the postponement is in response to implementation challenges encountered by some firms.

SEC creates artificial intelligence task force

The SEC has created an AI task force to lead the agency's efforts to integrate AI into its operations. The SEC said it named Valerie Szczepanik, previously director of the SEC's Strategic Hub for Innovation and Financial Technology, as its chief AI officer.

SEC creates task force to identify fraud involving foreign-based companies

The SEC has created a cross-border task force to strengthen enforcement efforts against fraud involving foreign-based companies accessing US capital markets. The SEC said the task force will increase scrutiny of foreign private issuers and gatekeepers, such as auditors and underwriters, with a focus on facilitating access to US markets from certain jurisdictions.

The SEC said the task force will also examine potential securities law violations related to companies from foreign jurisdictions where governmental control and other factors pose certain investor risks.

SEC names James Moloney as Director of Division of Corporation Finance

The SEC appointed James Moloney as Director of the DCF. Cicely LaMothe, who was serving as Acting Director, will return to her position as Deputy Director of DCF.

SEC names Margaret Ryan as Director of the Division of Enforcement

The SEC appointed Margaret Ryan as Director of the Division of Enforcement. Acting Director Sam Waldon returned to his role as chief counsel for the same division.

Enforcement matters

SEC Chairman emphasizes transparency and consistency in enforcement practices

Mr. Atkins highlighted the importance of fairness, transparency and consistency in enforcement practices to support the SEC's mission to facilitate capital formation, protect investors, and maintain fair, orderly and efficient markets.

In a speech, Mr. Atkins discussed the SEC's Wells process, a mechanism through which the enforcement staff notifies potential respondents or defendants of possible charges. He said that under his tenure, the staff will provide at least four weeks for the defendants to respond to the charges and that he supported early engagement between the staff and potential respondents.

Separately, he said he would restore the Commission's previous practice of permitting a settling entity to request simultaneous consideration of settlement offers and related waiver requests.

What’s next at the SEC?

The SEC’s updated **regulatory agenda** outlines several proposed and final rules the agency plans to consider in 2025 and 2026, with a focus on facilitating capital formation and reducing compliance burdens. The agenda includes proposals on clarifying the regulatory framework for crypto assets, enhancing accommodations for emerging growth companies and simplifying filer status. It also includes proposals on modernizing disclosures and facilitating the disclosure of material information.

The updated agenda no longer includes most items from the previous agenda, including those on human capital management disclosures and corporate diversity.

Mr. Atkins recently stated that the SEC plans to expedite President Trump’s recommendation to switch public companies’ reporting schedule from quarterly to semiannual. The timing for introducing a rulemaking proposal remains unclear because of the ongoing government shutdown.

EY | Building a better working world

© 2025 Ernst & Young LLP.
All Rights Reserved.

SCORE No. 28698-251US

ey.com/en_us/technical/accountinglink

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets. Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.