

# SEC in Focus

Quarterly summary of current SEC activities

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## SEC staff discusses accounting and reporting reminders and emerging regulatory issues

The annual AICPA & CIMA Conference on Current SEC and PCAOB Developments in December 2025 in Washington, D.C., covered a broad range of emerging issues and financial reporting topics. The speakers and panelists included representatives of the Securities and Exchange Commission (SEC or Commission), including Chairman Paul Atkins, the Financial Accounting Standards Board (FASB or Board) and the Public Company Accounting Oversight Board (PCAOB), who shared their views on various accounting, financial reporting, auditing and regulatory issues.

Highlights included:

*Audit quality and independence* – Regulators and standard setters emphasized auditor integrity, objectivity and independence as vital for investor protection amid a changing landscape, including the emergence of artificial intelligence (AI) and alternative firm structures.

*International coordination* – SEC Chief Accountant Kurt Hohl called for greater convergence between US and international auditing and accounting standards to lower compliance costs, reduce complexity and promote consistency across the financial reporting system.

*AI* – Speakers addressed the opportunities and risks of using AI in financial reporting and its role in reshaping the auditing profession. The SEC staff emphasized that registrants need a governance structure with the appropriate expertise to develop strategies, policies and guidelines for AI implementation, and that auditors should consider companies' use of AI in risk assessments.



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*Disclosure reform* – Mr. Atkins called for efforts to combat the declining number of public companies, with an emphasis on the need for streamlined disclosures grounded in materiality and reduced complexity in financial reporting. In a January 2026 statement, he said the SEC staff is evaluating comment letters received on executive compensation disclosure under Item 402 of Regulation S-K and preparing recommendations for revisions. The SEC is also seeking public comment on other Regulation S-K requirements, aiming to prioritize material information and avoid unnecessary disclosure of immaterial information. Comments are due by 16 April 2026.

*Accounting and SEC reporting updates* – The SEC staff highlighted accounting complexities in emerging issues, including private credit lending, stablecoins and AI data centers. The staff discussed considerations for determining the predecessor and the financial statements required when certain registrants enter into license arrangements, as well as spin-off and “put-together” transactions. The staff also shared observations on segment disclosures following the adoption of the FASB’s Accounting Standards Update 2023-07 and on financial statement presentation. The FASB provided updates on the items on last year’s technical agenda and stressed the importance of stakeholder involvement in the standard-setting process.

#### EY resources

- ▶ [2025 AICPA & CIMA Conference on Current SEC and PCAOB Developments](#)

## SEC staff issues guidance after government shutdown ends

The SEC has resumed normal operations following the end of the federal government shutdown, which lasted from 1 October 2025 to 12 November 2025. Issuers filed more than 1,000 registration statements during the shutdown. The SEC staff issued guidance stating they will review those filings in the order in which they were received.

## Other SEC matters

### SEC Commissioner Caroline Crenshaw departs

SEC Commissioner Caroline Crenshaw’s departure was announced in January 2026. Ms. Crenshaw had served on the Commission since August 2020. The SEC is structured to have five Commissioners, including the chairman, who are appointed by the President with the advice and consent of the Senate. These seats are currently filled by Hester Peirce, Mark Uyeda and Mr. Atkins, all Republicans. SEC rules provide that no more than three Commissioners may belong to the same political party.

### Christina Thomas named DCF Deputy Director; Cicely LaMothe retires

The SEC named Christina Thomas as Division of Corporation Finance (DCF) Deputy Director and chief advisor on disclosure, policy and rulemaking, effective in February. Ms. Thomas started her legal career as an attorney-adviser in the DCF and served as counsel to former SEC Commissioner Elad Roisman. Former DCF Deputy Director Cicely LaMothe retired in December 2025.

### SEC names Joshua White as SEC Chief Economist

The SEC named Joshua White as Chief Economist and Director of the Division of Economic and Risk Analysis (DERA). Mr. White conducted cost-benefit analyses of SEC rulemaking between 2012 to 2018 while serving in various DERA roles.

### PCAOB Board Member Christina Ho to step down

The PCAOB said Board Member Christina Ho will step down effective the earlier of 31 January 2026 or on the appointment of her successor by the SEC.

## PCAOB approves 2026 budget and accounting support fees

The PCAOB approved its fiscal year 2026 budget of \$362.1 million, down 9.4% from 2025. It also approved annual accounting support fees of \$306 million, of which public company issuers will be assessed \$280.3 million and registered broker-dealers will be assessed \$25.7 million. The budget is pending SEC approval.

## Enforcement activities

### SEC charges company with accounting fraud, materially misleading disclosures

The SEC charged an online marketplace for firearms, hunting and related products with accounting and disclosure fraud involving former senior executives from August 2020 to July 2023.

The SEC alleged the company failed to disclose a former executive officer's employment and role, improperly capitalized certain equity issuance costs, understated stock compensation expenses, made misleading adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) disclosures, and had inadequate internal accounting controls. Without admitting or denying the allegations, the company agreed to a cease-and-desist order and to certain remediation actions. The SEC acknowledged in the order certain remedial measures already undertaken by the company.

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From artificial intelligence to crypto assets, emerging technologies are transforming how companies operate and how financial information is prepared and used.

— Kurt Hohl, SEC  
Chief Accountant

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