

# General SEC reporting requirements

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The table below sets forth the significant differences for annual periods between the scaled disclosure alternatives available for use by smaller reporting companies (SRCs) and emerging growth companies (EGCs), alongside the general requirements for companies not meeting the definition of an SRC or an EGC. An SRC or an EGC may elect to use the scaled disclosure alternatives available to it based on its status as an SRC and/or EGC, but is not required to do so. If a scaled disclosure alternative is not available, the SRC and/or EGC should follow the general reporting requirements. This table does not represent all the disclosure requirements of the applicable regulations, but is a quick reference of key differences.

Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
Audited financial statement requirements of the registrant	<ul style="list-style-type: none"> <li>Two years of balance sheets and three years of statements of operations, comprehensive income, cash flows and equity (Regulation S-X, Article 3, <i>General Instructions as to Financial Statements</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Two years of balance sheets, statements of operations, comprehensive income, cash flows and equity (Regulation S-X, Article 8, <i>Financial Statements of Smaller Reporting Companies</i>)<sup>1</sup></li> </ul>	<p><b>Initial equity (IPO) registration statement</b></p> <ul style="list-style-type: none"> <li>Two years of balance sheets, statements of operations, comprehensive income, cash flows and equity (S-X Rule 3-02(a))</li> </ul> <p>*****</p> <p><b>Form 10-K, initial Exchange Act registration statements (for example, Form 10), non-IPO Securities Act registration statements</b></p> <ul style="list-style-type: none"> <li>No disclosure alternatives available<sup>2</sup></li> </ul>

<sup>1</sup> SRC financial statement requirements are set forth in S-X Article 8. SRCs electing to comply with S-X Article 8 requirements are not subject to the other form and content requirements of Regulation S-X, except as noted in the preliminary notes to S-X Article 8. As such, supplemental schedules described in S-X Article 12, *Form and Content of Schedules* (for example, the schedule of valuation and qualifying accounts), are not required for an SRC.

<sup>2</sup> In registration statements filed subsequent to its IPO registration statement, an EGC is not required to include audited financial statements for any period prior to the earliest audited period presented in its IPO registration statement.

Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
Audited financial statement requirements for acquired businesses <sup>3</sup>	<ul style="list-style-type: none"> <li>Number of annual periods based on significance thresholds as specified in S-X Rule 3-05<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>Number of annual periods based on significance thresholds as specified in S-X Rule 8-04</li> </ul>	No disclosure alternatives available <sup>5</sup>

<sup>3</sup> S-X Rule 3-05 does not require registrants to include the financial statements of acquired business in certain registration statements and proxy statements once such business is reflected in the registrant's audited post-acquisition financial statements for at least nine months (when significance exceeds 20 percent but not 40 percent) or for a complete fiscal year (when significance exceeds 40 percent).

<sup>4</sup> In connection with registration statements on Form S-4 or proxy for a merger or exchange offer, annual financial statements are required for the three most recently completed fiscal years, except if the target is an SRC or a non-reporting target that would qualify to be an SRC if it was an issuer. The financial statement requirements for such situations are included in Form S-4 or the proxy rules.

<sup>5</sup> In connection with registration statements for a merger or exchange offer, an EGC, prior to the filing or the filing deadline of its first Form 10-K, may include only two years of financial statements of a non-SRC target company only if the legal acquirer is an EGC that is not a shell company or 2) the legal acquirer is a shell company EGC and the target would be an EGC if it were conducting an initial public offering of common equity securities. A private operating company qualifying as an EGC that combines with a special purpose acquisition company (SPAC) shell company as part of a de-SPAC transaction may report as an EGC in the registration statement for the de-SPAC transaction. In this situation, the private operating company does not need to consider whether a SPAC or post-combination entity quality as an EGC.

Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
Financial statement requirements for equity method investees	<ul style="list-style-type: none"> <li>For all periods required of the registrant, include separate financial statements of an equity method investee exceeding the 20% significance threshold specified in S-X Rule 3-09 for any period presented. The investee's financial statements are required to be audited only for the period(s) in which significance exceeds 20%.</li> </ul>	<ul style="list-style-type: none"> <li>No equivalent rule for SRCs, but separate financial statements of investees should be included if "material to investors"</li> </ul>	<p><b>Initial equity (IPO) registration statement</b></p> <ul style="list-style-type: none"> <li>If not an SRC, include separate financial statements of significant equity method investees as specified in S-X Rule 3-09, with a maximum requirement of two annual periods</li> </ul> <p>*****</p> <p><b>Form 10-K, initial Exchange Act registration statements, non-IPO Securities Act registration statements</b></p> <ul style="list-style-type: none"> <li>No disclosure alternatives available</li> </ul>

Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
Summarized financial information of equity method investees	<ul style="list-style-type: none"> <li>For all periods required of the registrant, include audited summarized financial information specified in S-X Rule 4-08(g) for all equity method investees, if any investee or combination of investees exceeds the 10% significance threshold for any period presented. If separate financials are presented for an investee (under S-X Rule 3-09) in the annual report, summarized financial information for such investee can be omitted.</li> </ul>	<ul style="list-style-type: none"> <li>For all periods required of the registrant, include audited summarized financial information specified in S-X Rule 8-03(b)(3)<sup>6</sup> for all equity method investees, if any investee or combination of investees exceeds the 20% significance threshold in any period presented.</li> </ul>	No disclosure alternatives available

<sup>6</sup> See Note 1 to FRM Section 2420.9 regarding applicability of such disclosures to both annual and interim periods.

Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
Audited financial statement requirements for guarantors and collateralizations	<ul style="list-style-type: none"> <li>Separate financial statements for three years of subsidiary guarantors or of subsidiaries whose debt is guaranteed by registrant, or, for qualifying entities, financial and non-financial disclosures specified in S-X Rule 13-01 for the most recent fiscal year and subsequent interim period</li> <li>Financial and non-financial disclosures of affiliates whose securities collateralize a registered security of the registrant (S-X Rule 13-02)</li> </ul>	<ul style="list-style-type: none"> <li>Rules still apply, but financial statements only required for two years (S-X Rule 8-01, Notes 3 and 4)</li> </ul>	<p><b>Initial equity (IPO) registration statement</b></p> <ul style="list-style-type: none"> <li>General reporting requirements apply, with a maximum requirement of two annual periods</li> </ul> <p>*****</p> <p><b>Form 10-K, initial Exchange Act registration statements, non-IPO Securities Act registration statements</b></p> <ul style="list-style-type: none"> <li>No disclosure alternatives available</li> </ul>
S-K Item 101 – Description of Business	<ul style="list-style-type: none"> <li>Describe business development activities material to an understanding of the general development of the business</li> </ul>	<ul style="list-style-type: none"> <li>Less detailed description of the company's business</li> </ul>	<ul style="list-style-type: none"> <li>No disclosure alternatives available, except financial information not required for any period prior to the earliest audited period presented in the IPO registration statement</li> </ul>
S-K Item 105 – Risk Factors	<ul style="list-style-type: none"> <li>Disclose risk factors</li> </ul>	<ul style="list-style-type: none"> <li>No disclosure of risk factors in certain forms</li> </ul>	<ul style="list-style-type: none"> <li>No disclosure alternatives available</li> </ul>

Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
S-K Item 106 – Material Cybersecurity Incidents	<ul style="list-style-type: none"> <li>▪ Disclosure regarding cybersecurity risk management, strategy, and governance</li> </ul>	<ul style="list-style-type: none"> <li>▪ No disclosure alternatives available</li> </ul>	<ul style="list-style-type: none"> <li>▪ No disclosure alternatives available</li> </ul>
S-K Item 201 – Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters	<ul style="list-style-type: none"> <li>▪ Requires a performance graph for percentage change in cumulative investor return</li> </ul>	<ul style="list-style-type: none"> <li>▪ Performance graph not required</li> </ul>	<ul style="list-style-type: none"> <li>▪ No disclosure alternatives available</li> </ul>
S-K Item 302 – Supplementary Financial Information	<ul style="list-style-type: none"> <li>▪ Requires summarized quarterly financial information when there are one or more material retrospective changes to the statements of comprehensive income for any of the quarters within the two most recent fiscal years or any subsequent interim period (not required in IPO registration statements for any entity)</li> <li>▪ Requires disclosures related to oil and gas producing activities as specified by ASC 932-235-50-2</li> </ul>	<ul style="list-style-type: none"> <li>▪ No disclosure required</li> </ul>	<ul style="list-style-type: none"> <li>▪ No disclosure alternatives available in filings following IPO</li> </ul>

Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
S-K Item 303 – Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A)	<ul style="list-style-type: none"> <li>Three years of analysis<sup>7</sup></li> </ul>	<ul style="list-style-type: none"> <li>Two years of analysis</li> </ul>	<ul style="list-style-type: none"> <li>No disclosure alternatives available, except historical analysis should correspond to the periods presented in the financial statements</li> </ul>
S-K Item 305 – Quantitative and Qualitative Disclosures about Market Risk	<ul style="list-style-type: none"> <li>Include information regarding market risk factors</li> </ul>	<ul style="list-style-type: none"> <li>No disclosure required, but related disclosure may be required in MD&amp;A</li> </ul>	<ul style="list-style-type: none"> <li>No disclosure alternatives available</li> </ul>

<sup>7</sup> Registrants are permitted to omit the discussion of the earliest period presented when a filing includes financial statements covering three years, if such discussion has previously been included in an SEC filing. If a registrant takes advantage of this option, it must disclose in the current filing where users may find the omitted discussion, including the prior filing and location therein.



Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
S-K Item 402 – Executive Compensation	<ul style="list-style-type: none"> <li>Disclose five named executives</li> <li>Summary Compensation Table for three years</li> <li>Include compensation discussion and analysis (CD&amp;A)</li> <li>Provide seven summary tables</li> <li>Discussion of impact of compensation policies and practices on risk</li> <li>Disclose information regarding golden parachute compensation for five named executives</li> <li>Disclose the relationship between executive compensation actually paid and financial performance by using both tabular and narrative disclosure for five years<sup>8</sup></li> <li>Disclose information regarding the actions taken to recover erroneously awarded compensation<sup>9</sup></li> </ul>	<ul style="list-style-type: none"> <li>Disclose three named executives</li> <li>Summary Compensation Table for two years</li> <li>CD&amp;A not required</li> <li>Provide three summary tables</li> <li>Discussion of impact of compensation policies and practices on risk not required</li> <li>Disclose information regarding golden parachute compensation for three named executives</li> <li>Disclose the relationship between executive compensation actually paid and financial performance by using both tabular and narrative disclosure for three years. Certain other scaled disclosure alternatives are also available.<sup>10</sup></li> </ul>	<ul style="list-style-type: none"> <li>May apply SRC disclosure alternatives</li> <li>Exempt from advisory vote on golden parachute arrangements</li> <li>Exempt from pay versus performance disclosures<sup>11</sup></li> </ul>

Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
S-K Item 404 – Transactions with Related Persons, Promoters, and Certain Control Persons <sup>12</sup>	<ul style="list-style-type: none"> <li>Calculations based on last three years of transactions</li> <li>Disclose transactions since the beginning of the registrant's last fiscal year where amount exceeds \$120,000</li> <li>Include policies and procedures for reviewing related person transactions</li> </ul>	<ul style="list-style-type: none"> <li>Calculations based on last two years of transactions</li> <li>Disclose transactions in the last two completed fiscal years where amount exceeds the lesser of 1 percent of total assets or \$120,000</li> <li>Disclose specific information about underwriting discounts and commissions and corporate parents</li> <li>Policies and procedures for reviewing related party person transactions not required</li> <li>Disclose certain controlling entities</li> </ul>	<ul style="list-style-type: none"> <li>No disclosure alternatives available</li> </ul>

<sup>8</sup> Pay versus performance disclosures are required in proxy and information statements that require Item 402 executive compensation disclosure for fiscal years ending on or after December 16, 2022. Transitional relief is provided that allows a registrant to provide three years of data in the first year of compliance, four years of data in the second year, and five years of data in the third year and beyond.

<sup>9</sup> The recovery of erroneously awarded compensation disclosures are required if at any time during or after the most recently completed fiscal year (1) the registrant, whose securities are listed on a national securities exchange, recorded a restatement that required erroneously awarded compensation to be recovered or (2) there was an outstanding recovery balance. Issuers are required to adopt a policy related to the recovery of erroneously awarded compensation no later than December 1, 2023. Further, incentive compensation received by executives on or after October 2, 2023 is subject to the issuer's recovery policy.

<sup>10</sup> Pay versus performance disclosures are required in proxy and information statements that require Item 402 executive compensation disclosure for fiscal years ending on or after December 16, 2022. Transitional relief is provided that allows a smaller reporting company to provide two years of data in the first year of compliance.

<sup>11</sup> At the [March 2023 CAQ SEC Regulations Committee meeting](#), the SEC staff confirmed that consistent with the transition provisions in S-K 402(v)(8) and Instruction 1 to S-K 402(v), a calendar-year EGC that completed its IPO in March 2020 that loses its EGC status on December 31, 2023 would be required to provide three years of Pay versus Performance disclosure (two years for an SRC) in its early 2024 proxy statement.

<sup>12</sup> Regulation S-K, Item 404, *Transactions with Related Persons, Promoters, and Certain Control Persons*, contains more rigorous disclosures for SRCs than those required under the general reporting requirements applicable to non-SRCs. A company qualifying as an SRC must provide these greater disclosures. That is, it cannot elect to follow the general reporting requirements applicable to non-SRCs under S-K Item 404.

Reporting item	General reporting requirements	SRC disclosure alternatives	EGC disclosure alternatives
S-K Item 407 – Corporate Governance	<ul style="list-style-type: none"> <li>Disclose Compensation Committee Interlock and Insider Participation</li> <li>Include Compensation Committee report</li> <li>Include Audit Committee report</li> </ul>	<ul style="list-style-type: none"> <li>Compensation Committee Interlock and Insider Participation not required</li> <li>Compensation Committee report not required</li> <li>No Audit Committee report required until first annual report after initial registration statement becomes effective</li> <li>Not required to disclose whether it has an audit committee financial expert until its second annual report following an IPO</li> </ul>	<ul style="list-style-type: none"> <li>No disclosure alternatives available</li> </ul>

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