

SEC Updates: Trending Topics in Disclosure

Key takeaways

Securities and Exchange Commission (SEC) rulemaking and staff guidance

- The SEC is pursuing a deregulation agenda and has announced its intention to amend rules related to the shareholder proposal process, executive compensation disclosure and filer status determination, among others.
- For the 2025 – 2026 proxy season, the SEC has changed the Rule 14a-8 shareholder proposal process and will not be providing no-action relief to companies seeking to exclude shareholder proposals.

Evolving areas of SEC staff focus

- The SEC continues to focus its review program on issuer disclosure related to non-GAAP (generally accepted accounting principles) financial measures, management's discussion and analysis (MD&A), financial statements, risk factors, disclosure controls and internal controls over financial reporting.

Issuer disclosure trends

- In SEC filings, companies should clearly define how artificial intelligence (AI) is used or incorporated in the business operations and MD&A sections, and disclose all material risk and opportunities.
- AI disclosure remains a top focus for the SEC. The SEC has brought enforcement actions against companies that fail to implement or follow internal AI policies. As such, any AI policy should be strictly tailored to the company's specific business and use of AI.
- Macroeconomic trends continue to have serious implications on the performance, operations and conditions of many companies. The topics addressed within this disclosure depend on the relevance and materiality of the topic to the company's business operations, but common examples include tariffs, trade policies, executive orders, supply chain/raw materials, geopolitical conflicts, global economic conditions, inflation, interest rates and other regulatory changes.

SEC comment letter trends

- MD&A and non-GAAP financial measures continue to remain the top two areas for SEC comment.
- Ensure that non-GAAP financial measures are presented consistently across public communications (websites, blog posts and social media posts), regardless of whether the communication is filed with the SEC.

SEC litigation and enforcement updates

- The number of SEC enforcement actions brought in 2025 dipped from previous years, but that drop is consistent with other years in which a new SEC chair was sworn in.
- For 2026, the SEC has signaled its intention to move "back to basics" with its enforcement priorities, focusing on securities law violations related to accounting and financial disclosures, insider trading and market manipulation practices. The SEC has also indicated that penalties in these cases will be geared toward the individuals responsible for the violation rather than the companies to which the violations relate.

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