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Regulatory Update

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MSRB Rule G-20 Gifts and Gratuities Proposal: Annual Gift Limit Increased to $300

On May 1, 2026, the Municipal Securities Rulemaking Board ("MSRB") filed with the SEC a proposed rule change (SR-MSRB-2026-02) to amend Rule G-20 governing gifts and gratuities, with the goal of aligning the rule with FINRA Rule 3220. The proposal would increase the longstanding annual gift limit from $100 to $300 per recipient, reflecting inflation and evolving business practices while preserving safeguards against improper influence. The amendments also clarify the treatment of business-related gifts, refine valuation and aggregation standards, and codify expanded exceptions, including de minimis, promotional, personal, and bereavement gifts. In addition, the proposal introduces enhanced supervisory and recordkeeping expectations to improve firms' ability to monitor gift activity and ensure compliance.

The rule change was designated "non-controversial" and was deemed effective upon filing for purposes of SEC review, with phased compliance dates of June 1, 2026, for FINRA-member dealers and December 1, 2026, for municipal advisors and bank dealers. Until those dates, existing Rule G-20 requirements, including the current $100 gift limit, remain in effect for impacted entities. The amendments are intended to promote consistency across regulatory regimes while maintaining the rule's core purpose of preventing conflicts of interest and improper inducements. Compliance teams should begin reviewing and updating policies, procedures, and tracking systems to align with the increased limits, revised exceptions, and expanded documentation requirements ahead of implementation.

Read the filing here.

SEC Climate Disclosure Rules: Proposed Rescission Moves Through OIRA Review

On May 4, 2026, the SEC submitted a proposed rule titled "Rescission of Climate-Related Disclosure Rules" to the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA) for review, marking a preliminary step in a potential rollback of the agency's 2024 climate disclosure framework. The rules adopted in March 2024 would have required public companies to provide standardized disclosures regarding climate-related risks, financial impacts, and, in certain cases, greenhouse gas emissions. Although adopted, the rules were stayed shortly thereafter and have not been implemented; they remain formally adopted but stayed and are not currently operative for compliance purposes, pending completion of the SEC's rescission process.

The rescission effort follows significant legal and regulatory developments, including the SEC's March 2025 decision to stop defending the rules in court and the subsequent litigation being held in abeyance pending agency action. If finalized, the rollback would represent a significant shift in the SEC's approach to ESG-related disclosure and could reduce federally mandated climate reporting obligations, while potentially increasing reliance on voluntary disclosures or non-U.S. regulatory regimes. Companies should continue monitoring rulemaking developments, as the scope and timing of any proposed rescission, and the resulting compliance implications, will depend on the SEC's next steps following completion of OIRA review.

Read the link here.

SEC Semiannual Reporting Proposal: Optional Form 10-S Framework for Public Companies

On May 5, 2026, the SEC announced proposed rule and form amendments that would permit U.S. public companies to opt for semiannual, rather than quarterly, interim reporting. Under the proposal, companies could elect to file a newly proposed Form 10-S, subject to final rulemaking, covering the first six months of the fiscal year in place of quarterly Form 10-Q filings for the first three quarters, resulting in one semiannual interim report and one annual report each year. The SEC emphasized that the proposal is intended to increase regulatory flexibility by allowing issuers to determine the reporting cadence that best aligns with their business operations and investor needs, while maintaining disclosure of material information.

If adopted, the amendments would represent a significant shift from the long-standing quarterly reporting framework and aim to reduce compliance costs and administrative burden while addressing concerns about short-termism in the public markets. The semiannual reports would largely mirror existing Form 10-Q disclosure requirements, with filing deadlines aligned to current quarterly timelines (40 or 45 days, depending on filer status), and companies would make an annual election regarding reporting frequency. The proposal is subject to a 60-day public comment period following publication in the Federal Register, signaling that further refinement may occur before any final rule is adopted.

Read the release here.

SEC Rescinds No-Deny Settlement Policy in Enforcement Actions

On May 18, 2026, the SEC adopted a final rule rescinding its longstanding policy requiring defendants in enforcement actions to refrain from publicly denying the Commission's allegations when settling cases. The policy, codified in Rule 202.5(e) and in place since 1972, had been a central component of the SEC's "no admit, no deny" settlement framework.

Under the rescission, the SEC has eliminated the requirement that settling parties agree not to publicly deny allegations, giving defendants greater flexibility to make public statements after settlement. The Commission also determined that the policy's benefits were limited in practice and that concerns about its effect on public perception and speech weighed in favor of repeal.

Importantly, the SEC confirmed that it does not intend to enforce existing no-deny provisions in previously executed settlements, and the rescission applies on a going-forward basis to all enforcement matters. The change does not alter the Commission's general practice of permitting settlements without admissions of wrongdoing, nor does it limit the SEC's discretion to seek admissions where appropriate.

Key implications include:

- Increased flexibility for defendants in negotiating and resolving enforcement actions

- Greater ability to publicly contest or characterize allegations post-settlement
- Potential shifts in enforcement dynamics, including how the SEC evaluates settlements versus litigation.

Read the final rule here.

SEC Registered Offering Reform Proposal: Expanded Form S-3 Eligibility and Shelf Offering Access

On May 19, 2026, the SEC proposed a comprehensive set of amendments to modernize the registered offering framework under the Securities Act, with the stated goal of facilitating capital formation and improving access to the public markets. The proposal would significantly expand eligibility to use short-form registration on Form S-3 and conduct shelf offerings, including by eliminating existing seasoning and public float requirements that currently limit access for smaller and newly public companies. The SEC also proposes extending key registration and communication flexibilities, historically available only to well-known seasoned issuers, to a broader set of issuers, as well as modernizing Form S-1 by permitting expanded incorporation by reference.

If adopted, the amendments would represent one of the most significant overhauls of the registered offering regime in decades, with broad implications for public company capital-raising strategies. In addition to expanding market access and reducing transaction costs, the proposal would preempt certain state blue sky registration requirements for eligible SEC-registered offerings and introduce changes to communication rules and offering processes for certain issuers, including business development companies and closed-end funds. Companies should continue to monitor developments and consider how expanded eligibility for shelf registration, enhanced communication flexibility, and streamlined disclosure requirements could affect transaction timing, financing strategies, and overall readiness to access the public capital markets.

Read the proposed rule here.

SEC Filer Status Proposal: Simplified Reporting Categories and Expanded Disclosure Accommodations

On May 19, 2026, the SEC proposed significant amendments to streamline the public company reporting framework by consolidating existing filer status categories into two primary classifications: large accelerated filers (LAFs) and non-accelerated filers (NAFs). The proposal would eliminate the current multi-tiered structure, including accelerated filers and the standalone smaller reporting company (SRC) classification, and raise the threshold and seasoning requirements for LAF status, effectively expanding the population of companies that qualify as non-accelerated filers.

The proposal would also extend scaled disclosure requirements and other accommodations currently available to emerging growth companies and smaller reporting companies to all non-

accelerated filers, thereby reducing compliance burdens for a broader set of issuers. These accommodations include reduced disclosure requirements, scaled executive compensation disclosure, and relief from certain reporting and attestation requirements. In addition, the SEC proposes longer filing deadlines for the smallest non-accelerated filers and updated “small entity” definitions, signaling a broader effort to recalibrate disclosure obligations based on company size and maturity. Companies should evaluate how potential changes to filer status and disclosure requirements could affect reporting obligations, internal controls, and overall compliance frameworks as the rulemaking process progresses.

Read the proposed rule here.

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