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Annual SEC and PCAOB Update for Public Companies

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Contents

From the authors

A new administration, continued advances in artificial intelligence, expanding use of digital assets, and a focus on capital formation shaped the financial reporting environment in 2025. Regulators and market participants continued to address evolving technologies, private markets, and global economic conditions.

Within that environment, the Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB) experienced significant transition. Leadership changes at both organizations coincided with shifts in regulatory agendas, rulemaking activity, and stakeholder engagement. Throughout the year, changes in priorities, implementation timing, and guidance reflected these transitions.

At the SEC, 2025 included substantial turnover in senior leadership and changes in regulatory focus. The commission issued multiple extensions of compliance dates, revisited or rescinded prior guidance, and advanced initiatives related to capital formation, digital assets, and disclosure requirements. Activity during the year included rulemaking, interpretive guidance, roundtables, and data releases addressing a broad range of financial reporting and market topics.

The PCAOB also saw leadership changes and adjustments to its standard-setting agenda. During the year, the PCAOB withdrew certain proposals, delayed the effective date of the quality control standard, and continued its inspection, enforcement, and data transparency efforts. The board issued staff publications and guidance addressing audit quality, recurring inspection findings, use of technology, and firm governance.

We will continue to monitor developments as priorities evolve and additional changes emerge in 2026. We hope this update provides useful context on 2025 activity and its implications for the financial reporting ecosystem, and we welcome your feedback.

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Annual Conference on Current SEC and PCAOB Developments

The 2025 American Institute of CPAs (AICPA) Conference on Current SEC and PCAOB Developments held in Washington, D.C., on Dec. 8-10 brought together leading stakeholders from regulatory bodies, standard-setters, and other groups to address the most pressing issues in financial reporting, auditing, and compliance. With a theme of "A Perfect Balance of Updates and Insights," the conference highlighted evolving priorities across these groups in light of changes in leadership, emerging risks, and rapid technological developments as the profession looks ahead to 2026. The Crowe comprehensive report provides the key messages from SEC commissioners and staff, PCAOB officials, and other stakeholders in the financial reporting ecosystem.

From the SEC

Leadership changes

Chair and commissioners
On Jan. 21, 2025, the SEC announced that Mark Uyeda was appointed acting chair of the SEC, following the departure of Gary Gensler. Upon appointment, Uyeda named senior staff, executive staff, and other leadership positions in an acting capacity across the agency. On April 21, 2025, Paul Atkins was sworn in as the 34th chair of the SEC. Atkins was confirmed by the U.S. Senate on April 9, 2025, following his nomination by President Donald Trump on Jan. 20, 2025. Immediately prior to his appointment, Atkins was the chief executive at Patomak Global Partners, and he previously served as an SEC commissioner from 2002 to 2008.

On Jan. 2, 2026, Atkins and Commissioners Uyeda and Hester Peirce issued a statement regarding the departure of Commissioner Caroline Crenshaw, thanking her for more than a decade of service at the SEC. She joined the SEC in 2013 and served in various roles prior to her appointment to commissioner in 2020.

Chief accountant
Chief Accountant Paul Munter retired from federal service effective Jan. 24, 2025. Ryan Wolfe was named acting chief accountant, effective Jan. 25, 2025. On June 13, 2025, the SEC announced the appointment of Kurt Hohl as chief accountant. With nearly four decades of experience in accounting and auditing, Hohl returns to the SEC after previously serving from 1989 to 1997, when he rose to associate chief accountant in the Division of Corporation Finance (CorpFin). Wolfe returned to his role as chief accountant in the Division of Enforcement.

CorpFin director and deputy director
On Sept. 10, 2025, the SEC announced that James J. Moloney was named director of CorpFin, effective in October. He succeeds Cicely LaMothe, who had been acting director. Moloney previously was with the SEC before entering private practice at Gibson Dunn & Crutcher.

On Dec. 29, 2025, the SEC announced that LaMothe, deputy director of CorpFin, retired from the SEC.

Trading and Markets director
On June 13, 2025, the SEC announced the appointment of Jamie Selway as director of the Division of Trading and Markets, effective June 17, 2025.

Enforcement director
On Jan. 17, 2025, the SEC announced the departure of Sanjay Wadhwa, acting director of the SEC's Division of Enforcement, effective Jan. 31, 2025. Following Wadhwa's departure, Samuel Waldon was named acting director of the Division of Enforcement. On Aug. 21, 2025, the SEC announced the appointment of Judge Margaret Ryan as director of the Division of Enforcement, overseeing efforts to safeguard market integrity, effective Sept. 2, 2025. Ryan's career spans military, judicial, and private practice roles, including service as a senior judge on the U.S. Court of Appeals for the Armed Forces and as a partner at two law firms. She succeeds Waldon, who returned to his prior position as chief counsel for the division.

SEC agenda

SEC 2025 regulatory flex agenda
On Sept. 4, 2025, Atkins announced availability of the SEC's Spring 2025 Regulatory Flexibility Agenda. He highlighted a focus on crypto assets, capital formation, investor protection, and modernization of existing rules and regulations.

Rulemaking activity – Final rules

Final rule on covered clearing agencies compliance deadline extension
On Feb. 25, 2025, the SEC issued an extension for its final rule on standards for covered clearing agencies (CCAs) for Treasury securities, providing an additional year for CCAs to comply with the trade submission requirements. CCAs now have until Dec. 31, 2026, to comply for eligible cash market transactions and until June 30, 2027, for eligible repo transactions.

Final rule on fund names compliance deadline extension
On March 14, 2025, the SEC issued a six-month extension for compliance on its final rule on fund names. The new compliance date for large funds is June 11, 2026, and for small funds it is Dec. 11, 2026.

Final rule on investment company reporting compliance dates extension
The SEC on April 16, 2025, announced a two-year extension of certain compliance deadlines related to amendments adopted on Aug. 28, 2024, requiring more frequent reporting on Form N-PORT. Under the extension, larger fund groups now must comply by Nov. 17, 2027, and smaller groups have until May 18, 2028. The amendments require monthly portfolio holdings data to be filed with the SEC. Notably, Form N-CEN reporting from the original release is unaffected by this extension and retains its original effective and compliance date of Nov. 17, 2025, for all funds.

Final rule on daily reserve computation rule compliance date extension
On June 25, 2025, the SEC extended the compliance date to June 30, 2026, from Dec. 31, 2025, for amendments requiring certain broker-dealers to perform daily customer reserve computations. Atkins stated the extension is intended to provide firms with adequate time to implement and test operational changes without undue burden.

Final rule on extension of compliance dates for electronic submission and FOCUS report amendments
On Sept. 8, 2025, the SEC extended by 12 months the compliance dates for certain of the rule amendments adopted on Dec. 16, 2024, regarding electronic submission of certain materials under the *Securities Exchange Act of 1934* and amendments to the FOCUS Report, a periodic financial and operations report filed by broker-dealers and security-based swap dealers. The requirements apply to certain forms, filings, and submissions made by self-regulatory organizations, registered clearing agencies, and broker-dealers and nonbank security-based swap entities.

Final rule on further extension of compliance date for Form PF requirements
On Sept. 17, 2025, the Commodity Futures Trading Commission (CFTC) and the SEC further extended the compliance date for the amendments to Form PF that were adopted on Feb. 8, 2024, from Oct. 1, 2025, to Oct. 1, 2026. Form PF is the confidential reporting form for certain SEC-registered investment advisers to private funds, including those that also are registered with the CFTC as a commodity pool operator or a commodity trading adviser.

Final rule on extension of compliance date for disclosure of order execution information
On Sept. 30, 2025, the SEC extended the compliance date for the amendments to the rules requiring disclosure of order executions in national market system (NMS) stocks from Dec. 14, 2025, to Aug. 1, 2026. Beginning Aug. 1, 2026, market centers, brokers, and dealers subject to Rule 605 must collect information needed to prepare the execution quality reports required under the Rule 605 amendments.

From the Division of Corporation Finance

Priorities
At the 2025 AICPA Conference on Current SEC and PCAOB Developments, CorpFin Director Jim Moloney provided an overview of priorities following the government shutdown. He noted that the staff is working diligently to address the backlog of registration statements, with particular focus on processing capital-raising filings. Moloney also highlighted the division's ongoing work on forthcoming rulemakings and planned roundtables, emphasizing the importance of broad stakeholder engagement as proposals move forward. He reiterated CorpFin's focus on transparency and responsiveness, and he encouraged registrants to maintain open communication with the staff throughout the filing review process.

The CorpFin panel highlighted ongoing rulemaking efforts of the SEC, discussed significant staff transitions, and reiterated the staff's focus on working through the registration statement backlog. Key themes included updates to the Financial Reporting Manual and frequently observed issues in revenue recognition, segment reporting, non-GAAP measures, and management's discussion and analysis (MD&A) disclosures. Staff emphasized the importance of clear, consistent application of reporting rules – particularly for segment expense disclosures, requirements related to special purpose acquisition companies (SPACs), accelerated filer status, and predecessor determinations in complex transactions. They also encouraged early consultation with CorpFin on interpretive questions and reminded registrants to avoid potentially misleading non-GAAP presentations. Overall, the message was one of transparency, careful compliance, and proactive engagement with the staff.

Capital formation
On March 3, 2025, CorpFin announced enhanced accommodations allowing companies to submit draft registration statements for nonpublic review. The change allows for expanded types of forms to be submitted as draft registration statements, permits reporting companies to submit for nonpublic review regardless of how much time has passed since their initial public offering, and allows companies to make initial submissions without certain underwriter disclosures.

On Sept. 17, 2025, the commission issued a policy statement indicating that the presence of a mandatory arbitration provision for investor claims under federal securities laws will not affect decisions to accelerate the effectiveness of a registration statement.

Government shutdown communications
On Oct. 1, 2025 (and updated Oct. 9, 2025), CorpFin announced the impact of the federal government shutdown on its operations, including a Q&A section. It noted that EDGAR would continue to accept filings, but staff would not declare registration statements effective or qualify Form 1-A offerings.

On Nov. 13, 2025, CorpFin released a Q&A document for after the government shutdown to provide transparency and address common inquiries from issuers with pending filings before the SEC.

Updates to the Financial Reporting Manual
CorpFin announced three different updates to the Financial Reporting Manual during 2025. The updates include interpretive guidance for changes to Regulation S-X Rules 3-05, 3-10, 3-14, 3-16, 8-04, and 8-06 as well as rule amendments related to SPACs, shell companies, and projections.

Shareholder proposals and proxy matters
On Feb. 12, 2025, CorpFin published Staff Legal Bulletin (SLB) 14M, rescinding SLB 14L and providing clarifications on the staff's views on shareholder proposal exclusions and other related matters.

SLB 14L had limited a company's ability to exclude shareholder proposals on the basis of the "economic relevance" exclusion under Rule 14a-8(i)(5) or the "ordinary business" exclusion under Rule 14a-8(i)(7). In particular, the now-rescinded SLB provided exceptions that generally prevented companies from invoking these exclusions for shareholder proposals raising issues with broad social or ethical impact. The new SLB 14M reverts to a company-specific analysis and generally is expected to provide companies with greater latitude in excluding proposals based on their lack of economic relevance or relation to ordinary business operations.

On Nov. 17, 2025, CorpFin announced that it will not respond to no-action requests to exclude shareholder proposals under Rule 14a-8, except for those relying on Rule 14a-8(i)(1). CorpFin will continue to review requests under Rule 14a-8(i)(1) related to the application of state law and precatory proposals until sufficient guidance is available.

Compliance and Disclosure Interpretations
On Jan. 27, 2025, CorpFin published updates to the Compliance and Disclosure Interpretations (C&DIs) on proxy rules and Schedules 14A/14C. The new C&DIs relate primarily to persons submitting or acting under a Notice of Exempt Solicitation.

On Feb. 11, 2025, CorpFin issued updated C&DIs on beneficial ownership reporting.

On March 6, March 12, and March 20, 2025, CorpFin issued several updates to the division's C&DIs on various topics including *Securities Act* sections, *Securities Act* rules, *Securities Act* forms, Regulation Crowdfunding, and tender offers.

On April 11, 2025, CorpFin published new C&DIs related to termination of reporting obligations in SPAC transactions and executive compensation clawback disclosures.

On April 25, 2025, CorpFin issued updates and withdrew select C&DIs, providing clarification on Section 120 (Rule 10b5-1) and Section 220 (Rule 10b5-1) regarding the use of manipulative or deceptive devices and contrivances.

On May 16, 2025, CorpFin issued asset-backed securities updates.

On June, 20, 2025, CorpFin issued updates and withdrew select C&DIs related to legal proceedings disclosures.

On July 11, 2025, CorpFin updated several C&DIs related to *Exchange Act* Sections 13(d) and 13(g) as well as Regulation 13D-G. The revisions clarify beneficial ownership reporting expectations.

On Aug. 27, 2025, CorpFin issued a new C&DI on the application of Rule 12b-2. The interpretation addresses the smaller reporting company revenue test in determining filer status changes and provides clarity on how issuers should evaluate their status over time, including how such determinations affect filer classifications for subsequent reporting periods.

Crypto asset and protocol staking activities
Concurrent with an increase in the commission's activity surrounding crypto assets, CorpFin staff released a February 2025 statement on meme coins, stating that CorpFin does not view these crypto assets as securities subject to federal securities laws. The staff noted that persons involved in meme coin offerings and sales need not register these transactions with the SEC. Following this statement, CorpFin has continued to publish clarifying statements on its views on topics related to crypto assets including statements on proof-of-work mining activities in March and stablecoins in April. In both statements, CorpFin provided background and defined the scope of covered crypto assets or related activity, and it concluded that transactions involving neither covered stablecoins nor covered mining activities involve the offer or sale of securities. Also, in an April statement, CorpFin outlined its views on offerings and registrations in the crypto asset markets.

CorpFin on May 29, 2025, released a statement on protocol staking activities, offering clarity on the application of securities laws to certain staking arrangements.

On July 1, 2025, CorpFin issued a statement outlining key disclosure considerations for crypto asset exchange-traded products (ETPs). The guidance emphasizes the importance of providing clear and comprehensive ETP-related disclosures such as custody arrangements, net asset value calculation methodologies, risk factors, and other material aspects of the offering.

On Aug. 5, 2025, CorpFin issued a staff statement clarifying that certain liquid staking arrangements and associated tokens, such as staking receipt tokens, do not constitute securities under federal securities laws. The guidance offers additional regulatory clarity for decentralized finance (DeFi) market participants. Peirce supported the staff's position and encouraged continued dialogue on legal questions surrounding staking. Crenshaw expressed concern that the guidance "only muddies the waters" and called for further analysis.

From the Division of Examinations

Fiscal year 2026 examination priorities
On Nov. 17, 2025, the SEC's Division of Examinations released its annual 2026 examination priorities, signaling key areas of focus for the coming year including fiduciary duty, standards of conduct, custody rule compliance, and adherence to recent amendments such as the 2024 updates to Regulation S-P. Atkins noted that examinations are a critical component of the SEC's mission to protect investors, emphasizing that the process is not intended to be a "gotcha exercise."

Compliance risk alert
On Dec. 16, 2025, the Division of Examinations issued a risk alert covering observations on advisers' compliance with the *Investment Advisers Act of 1940* Marketing Rule.

Compliance outreach event
On Dec. 17, 2025, the SEC held the second virtual outreach event for registrants impacted by the 2024 updates to Regulation S-P. This session focused on transfer agents. Staff from the Division of Examinations and the Division of Trading and Markets reviewed new obligations under the amended rule, discussed what firms should expect during SEC examinations, and answered outstanding compliance questions.

Statements and speeches from SEC leadership

Following are some key SEC commissioner and staff messages on topics of interest.

On redefining the SEC

On May 6, 2025, Atkins delivered his inaugural town hall address, declaring a “new day” at the SEC. He outlined his vision for a revitalized SEC – one committed to restoring regulatory balance and reaffirming the agency’s core missions: protecting investors, facilitating capital formation, and maintaining fair, orderly, and efficient markets. Atkins emphasized the importance of smart, effective regulation – rules tailored to meet the realities of dynamic financial markets while remaining clear, consistent, and predictable. Top priorities include reforming the regulatory approach to digital assets, improving internal operations and contracting, and supporting regional offices. He also noted a renewed focus on transparency and greater interagency and congressional collaboration.

On May 8, 2025, in remarks at the SEC’s 31st International Institute for Securities Market Growth and Development, Peirce emphasized that fostering efficient, flourishing capital markets is a critical driver of societal prosperity. She reinforced the need to promote capital formation and enable investor access to evolving asset classes.

The Practising Law Institute hosted the SEC Speaks in 2025 Conference on May 19-20, 2025. Atkins outlined a reset of the SEC’s regulatory posture. His remarks emphasized a strategic return to the agency’s foundational mission. Atkins reaffirmed the SEC’s historical role in enabling innovation, suggesting that sound, restrained regulation is essential for supporting dynamic capital markets. He also signaled a willingness to revisit legacy restrictions that currently limit closed-end funds from investing in private funds. In closing, Atkins mentioned a comprehensive review of the Consolidated Audit Trail, citing mounting concerns about escalating implementation costs and the risks associated with concentrated data collection.

On May 20, 2025, Atkins delivered his first testimony before the House Appropriations Subcommittee on Financial Services. Atkins pledged to modernize regulatory frameworks – particularly those related to digital assets – through clear, notice-and-comment rulemaking, not enforcement-driven policymaking. He also announced plans to disband the SEC’s Strategic Hub for Innovation and Financial Technology (FinHub), integrate innovation agencywide, and launch a comprehensive review of the SEC’s technology infrastructure.

On digital assets, tokenization, and stablecoins

On Jan. 21, 2025, Uyeda announced the formation of a Crypto Task Force led by Peirce, with the aim of “developing a comprehensive and clear regulatory framework for crypto assets.” Peirce released a statement on the task force’s commitment to promoting innovation, creating a consistent regulatory framework within the SEC’s statutory authority, and providing the industry with greater regulatory clarity, while achieving the agency’s key mission of investor protection. Peirce outlined many of the task force’s objectives and areas of consideration, including clarifying the status of crypto assets under securities laws and the SEC’s scope of jurisdiction, potentially providing prospective and retroactive regulatory relief for certain coin and token offerings, and assessing paths to registration for token offerings. Members of the public are invited to engage with the task force via written submission or meeting request.

On March 3, 2025, the SEC announced the names of the members of the task force and its first public roundtable, which was at SEC headquarters and streamed live on March 21, 2025. A recording of the roundtable, which focused on the topic of defining security status for crypto assets, is available on the SEC website. Uyeda, Peirce, and Crenshaw issued statements and posed questions for the task force’s consideration and discussion.

Peirce issued a statement soliciting public feedback on key areas of task force consideration, including the security status of crypto assets, providing targeted relief or tailored disclosure requirements for registered or qualified token offerings, providing nonexclusive safe harbor from registration, trading in secondary markets, custody requirements, crypto lending, crypto ETPs, tokenized securities, and reproposing a microinnovation sandbox.

At the SEC Crypto Task Force roundtable on tokenization on May 12, 2025, Atkins and Peirce expressed support for blockchain-based innovation, calling for clear rules to support responsible adoption. Uyeda emphasized regulatory transparency in fostering innovation, while Crenshaw urged caution, noting unresolved risks and operational uncertainties of prematurely rebuilding financial infrastructure around blockchain technology.

The task force also held the following roundtables:

- "Between a Block and a Hard Place: Tailoring Regulation for Crypto Trading," which took place on April 11, 2025
- "Know Your Custodian: Key Considerations for Crypto Custody," April 25, 2025
- "DeFi and the American Spirit," June 9, 2025
- "Crypto Task Force Roundtable on Financial Surveillance and Privacy," Dec. 15, 2025

Recordings of the roundtables are on the SEC website.

On July 18, 2025, Trump signed the *Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025* (GENIUS Act) into law. The GENIUS Act creates a federal regulatory framework for payment stablecoins in the United States. The legislation introduces a dual charter system, authorizes select entities to issue stablecoins, mandates 1-to-1 asset backing, requires PCAOB-registered attestation, and sets compliance standards for anti-money laundering and consumer protections. It clarifies that stablecoins are neither securities nor commodities, placing them under banking regulators' oversight. The law directs federal and state banking agencies to begin joint rulemaking and oversight coordination, with final rules to be published within one year after the law goes into effect. As implementation begins, financial institutions must shift from observation to strategic planning, evaluating their roles in the evolving digital payments landscape.

The GENIUS Act drew supportive statements from SEC leadership. Atkins called the legislation "a monumental step forward," citing its potential to modernize financial infrastructure through improved efficiency and transparency. He also encouraged staff to consider additional guidance or rulemaking to facilitate the use of payment stablecoins for settlement and margin in securities markets. Peirce described the law as "an important milestone to bring regulatory clarity to crypto." Peirce emphasized that this regulatory clarity is essential to fostering innovation and protecting users. She encouraged SEC registrants to engage with the task force to ensure they can effectively and safely serve customers interacting with stablecoins.

On Aug. 18, 2025, the U.S. Department of the Treasury issued a request for comment, as required by the GENIUS Act, on innovative methods to detect and mitigate illicit finance risks associated with digital assets. Comments were due Oct. 17, 2025.

For more information, see the Crowe articles "GENIUS Act: A Defining Moment for Stablecoin Regulation" and "Payment Stablecoins: What You Need To Know."

On July 30, 2025, Atkins issued a statement highlighting the SEC's ongoing participation in the President's Working Group. He expressed support for its recommendations aimed at advancing a unified federal framework for digital asset regulation. The report, developed through interagency collaboration, outlines a road map aligned with Trump's directive to position the U.S. as a global leader in crypto innovation.

On July 9, 2025, Peirce issued a statement reflecting on the evolving conversation around tokenized securities. She noted that while blockchain technology might enhance capital formation and collateral efficiency, the core legal and regulatory principles remain unchanged and must guide innovation in this space. Peirce encouraged market participants to engage proactively with staff when developing tokenization models.

On Nov.12, 2025, Atkins delivered remarks outlining the next phase of the SEC's Project Crypto initiative. He emphasized the importance of applying the federal securities laws to crypto assets with fairness and clarity and announced that the SEC will consider establishing a token taxonomy grounded in the *Howey* investment contract framework. Atkins noted that most crypto tokens trading today are not securities but might have been sold through investment contracts that have since ended. He outlined plans for tailored offering exemptions to promote innovation and capital formation while maintaining investor protections, and he reaffirmed the SEC's commitment to working with other regulators and Congress to develop a clear, modern framework for digital assets.

On Nov. 20, 2025, Selway delivered remarks at a Securities Industry and Financial Markets Association (SIFMA) conference emphasizing the importance of rebuilding trust in the marketplace while integrating emerging "trustless" digital assets. Selway highlighted Atkins' Project Crypto initiative and noted that the division is engaging widely with market participants as it evaluates policies to support innovation. The remarks underscored that competition and clear regulatory frameworks remain central to fostering well-functioning markets and reiterated the SEC's commitment to restoring trust between the public and private sectors.

On Dec. 4, 2025, the SEC's Investor Advisory Committee held a meeting with two panels: one discussing regulatory changes in corporate governance and one addressing tokenization of equities, including how issuance, trading, and settlement would work with existing regulation. The committee also discussed draft recommendations regarding the disclosure of artificial intelligence's impact on operations.

On Dec. 17, 2025, the SEC's Division of Trading and Markets issued a staff statement discussing the application of *Exchange Act* Rule 15c3-3 to broker-dealers that maintain custody of crypto asset securities on behalf of customers, describing circumstances under which staff would not object to a broker-dealer deeming itself to have "physical possession or control" of such securities, subject to specified conditions, while the SEC continues to evaluate longer-term custody approaches.

Following issuance of the statement, Peirce released remarks encouraging the division to develop recommendations for SEC consideration regarding potential amendments to Rule 15c3-3. In separate remarks, she requested feedback from stakeholders related to national securities exchanges and alternative trading systems seeking to trade crypto asset securities and outlined a series of questions for consideration.

On capital formation and public markets

Uyeda continued to signal an increased focus on capital formation, remarking on the topic at the Florida Bar's 41st Annual Federal Securities Institute and M&A Conference on Feb. 24, 2025. In his statement, Uyeda indicated that the SEC would prioritize exploration of and research into regulatory measures to ease capital formation, including recommendations previously made by the Office of the Advocate for Small Business Capital Formation. Uyeda also discussed:

- Amending the definition of an accredited adviser and other measures to provide expanded pathways to retail investment in private companies
- Reviewing the definition of an emerging growth company (EGC) and providing greater relief for EGC disclosure requirements
- Reexamining the large accelerated and accelerated filer thresholds, the definition of a smaller reporting company, and scaling disclosure requirements for each classification

The SEC's Office for the Advocate for the Small Business Capital Formation Advisory Committee met on Feb. 25, 2025. Agenda items included the committee's exploration of ways to support and facilitate capital formation for emerging fund managers as well as the challenges faced by small public companies not listed on a national securities exchange. Uyeda and Peirce offered opening remarks in support of the committee's recommendations, addressing concerns about investor protections and posing questions for the committee's consideration.

At its meeting on May 6, 2025, marking the sixth anniversary of the Small Business Capital Formation Advisory Committee, Atkins emphasized the need to modernize Regulation A to incentivize use. He urged the committee to explore potential amendments that would improve capital access for a broader range of issuers while upholding investor protection standards.

The SEC's Small Business Capital Formation Advisory Committee met on July 22, 2025, to finalize its review of Regulation A and examine the regulatory framework for "finders." The meeting also focused on potential enhancements to support small-business capital formation, particularly for founders operating outside traditional capital hubs.

On May 28, 2025, the SEC Division of Economic and Risk Analysis published two reports on capital formation, highlighting more than $10 billion in capital raised during the periods reviewed for Regulation A (2015-2024) and Regulation Crowdfunding (2016-2024). A third report analyzes beneficial ownership concentration and outcomes for qualifying hedge funds from 2013 to 2023, providing information on relationships among liquidity, leverage, and performance.

On Aug. 13, 2025, the SEC announced a new webpage providing interactive statistics and data visualizations on capital markets activity. Atkins noted that the goal of this initiative is to enhance transparency and accessibility for investors and the public. It includes information on IPOs, exempt offerings, bond issuances, and other market data, reflecting the SEC's broader efforts to make regulatory information more usable and support informed decision-making.

In his Oct. 9, 2025, keynote remarks at the Weinberg Center's 25th anniversary gala, Atkins emphasized the need to make public company status more attractive to issuers, citing the continued decline in the number of exchange-listed companies. He stated that efforts to "make IPOs great again" should focus on simplifying and scaling disclosure requirements, depoliticizing shareholder meetings, and reforming securities litigation to reduce frivolous lawsuits. He reaffirmed the SEC's commitment to strengthening U.S. capital markets through policies that enhance efficiency, innovation, and investor participation.

On Dec. 2, 2025, Atkins delivered a major policy address, "Revitalizing America's Markets at 250," laying out the SEC's vision for modernizing U.S. capital markets as the country approaches its 250th anniversary. The address underscored regulatory reforms centered on promoting capital formation, improving market efficiencies, and ensuring the U.S. remains a competitive market.

On Jan. 8, 2026, the SEC's Office of the Advocate for Small Business Capital Formation released its annual staff report examining capital-raising activity in the United States. The report compiles market data across multiple stages of the business life cycle, summarizes capital formation trends observed during fiscal year 2025, and outlines the office's outreach efforts and advisory committee activities intended to inform policymakers, small businesses, and investors.

On market regulation and market structure

At the SEC's 12th Annual Conference on Financial Market Regulation held May 15-16, 2025, Atkins and Uyeda emphasized the importance of economic analysis in policymaking. Atkins called for rulemaking grounded in clearly defined problems and measurable cost-benefit considerations, warning against unnecessary regulatory expansion. Uyeda highlighted research supporting expanded retail access to private markets and called for a review of the accredited investor definition. He also cautioned against ESG-related greenwashing, citing increased fees and regulatory risks, and stressed the need for clear disclosures.

On Dec. 16, 2025, the SEC held a roundtable hosted by the University of Austin to discuss potential reforms to Rule 611 under Regulation NMS. The first panel examined how potential changes to trade-through protections could affect Rule 610, with discussion centered on market access requirements, access fee limitations, and restrictions on locked and crossed markets. The second panel addressed whether revisions to Rule 600 definitions would be needed; how such changes could influence market data, including the national best bid and national best offer; and consolidated data revenue incentives. The third panel considered whether additional best execution guidance for broker-dealers would be appropriate in light of potential amendments to Rule 611 and related rules.

On artificial intelligence and emerging technologies

The SEC held a public roundtable discussion on artificial intelligence in the financial industry, open to the public at SEC headquarters and virtually on March 27, 2025. Uyeda, Crenshaw, and Peirce provided opening remarks. Panel topics included the benefits, costs, and uses of AI in the financial industry; fraud, authentication, and cybersecurity; AI governance and risk management; and future trends in AI. Recordings of the roundtable panel sessions are available on the SEC website.

The SEC Investor Advisory Committee (IAC) met on March 6, 2025, to discuss retail investor fraud and AI's impact on operations. AI presents various risks and opportunities that companies need to disclose consistently for investor clarity as inconsistency across industries hampers effective risk assessment and comparison by investors. These risks might include concerns about cybersecurity, competition, innovation, regulations, intellectual property, ethics, and reputation. The panel discussed how the SEC can standardize AI-related disclosures and ensure investors receive clear, comparable information about AI's impact on corporate operations and financial disclosures.

On Aug. 1, 2025, the SEC announced the formation of an agencywide Artificial Intelligence Task Force, to be led by Chief AI Officer Valerie Szczepanik. It is intended to harness AI tools to enhance operational efficiency, support innovation, and improve the agency's execution of its regulatory mission.

On Dec. 4, 2025, Atkins delivered remarks to the IAC on corporate governance priorities, the SEC's ongoing evaluation of distributed ledger technology and tokenization in capital markets, and the potential need for regulatory updates to accommodate on-chain models. Atkins also noted that existing principles-based disclosure requirements already obligate companies to provide material information regarding the use and impact of artificial intelligence.

On climate-related disclosures

On Feb. 11, 2025, Uyeda announced the SEC is deliberating the next steps for the ongoing litigation on its climate-related disclosure rules. He directed the staff to request the court not schedule arguments until the SEC forms its current positions.

On March 27, 2025, the SEC voted to end its defense of its 2024 final rules requiring enhanced and standardized disclosures of climate-related risks and greenhouse gas emissions metrics. The effective date of the final rule was previously stayed in response to pending litigation in the U.S. Court of Appeals for the 8th Circuit. As a result of the SEC's withdrawal of its defense, SEC counsel may not advance the arguments in the brief previously filed by the agency, and the SEC yielded any oral argument time to the court.

On July 23, 2025, the SEC responded to an April 2025 8th Circuit request for information on whether the SEC intended to review or reconsider its climate-related disclosure rules. The request followed the SEC's March 2025 decision to discontinue its defense of related litigation challenging those rules. In its July 2025 filing, the SEC asked the court to proceed with the litigation and to decide the case. The SEC also indicated the court's decision would inform the SEC's future action on the rules. Crenshaw provided a related statement.

On other matters

Executive compensation
On June 26, 2025, the SEC held a public roundtable to evaluate executive compensation decisions and disclosure requirements. On May 16, 2025, after announcing this roundtable, Atkins issued a statement outlining key questions for staff and inviting public input before and after the event.

Key market data and analysis
On April 28, 2025, the SEC's Division of Economic and Risk Analysis (DERA) released new data and analysis covering key market segments, including public issuers, exempt offerings, commercial mortgage-backed securities, asset-backed securities, money market funds, and security-based swap dealers.

DERA also published updated staff interpretations and FAQs to assist filers with interactive data disclosure obligations, particularly for EDGAR submissions using eXtensible Business Reporting Language (XBRL). The guidance addresses topics such as validation, presentation and rendering, taxonomy use, company-specific extensions, detail tagging, and element selection.

Remarks on reporting rules
On Dec. 3, 2025, Uyeda delivered remarks at the Institute for Corporate Counsel outlining the SEC's focus on rules that encourage more companies to go public and stay public. He discussed reassessing periodic reporting requirements and potential changes to quarterly reporting, transparency in the SEC's regulatory framework, and considerations related to mandatory arbitration provisions in registration statements. Uyeda also noted the importance of evaluating proxy voting practices under existing beneficial ownership rules.

Security-based swap dealer definition
On Oct. 29, 2025, Atkins issued a statement addressing the upcoming expiration of the phase-in period for the de minimis exception to the security-based swap dealer definition. Beginning Nov. 8, 2025, firms became subject to lower thresholds – $3 billion for credit default swaps (CDS) and $150 million for non-CDS security-based swaps – based on a 12-month lookback period. The phase-in period is set to end on Nov. 8, 2026.

Atkins noted that SEC staff had begun analyzing the thresholds using transaction data, which was paused due to the government shutdown. He emphasized that once operations resumed, the SEC would evaluate whether relief from the phase-in termination date was warranted, ensuring that the lower thresholds would not take effect before the staff report and public comments were fully considered.

Regulation NMS compliance deadline extension
On Oct. 31, 2025, the SEC issued an exemptive order extending compliance dates for several rules under Regulation NMS. The order defers compliance with the revised minimum pricing increment and access-fee provisions until November 2026 and delays compliance with the fee-determinability requirement until February 2026.

Future of financial regulation
On Dec. 11, 2025, Crenshaw delivered remarks as part of the Brookings Institution's "Future of Financial Regulation" series. Crenshaw stated that while she was not giving a "farewell address," she would reflect on what she has learned during her tenure and discussed the role of the securities laws in providing legal structure and checks and balances among market participants. She described recent trends as devaluing investor rights, reducing market transparency, expanding retail access to private markets without comparable protections, and weakening enforcement deterrence. She also addressed challenges related to market structure, private markets, artificial intelligence, and regulatory capacity as well as the importance of transparency, long-term investing, and investor-focused policymaking.

Potential revisions to nonbank designation guidance

On Dec. 11, 2025, Atkins issued a statement noting that the Financial Stability Oversight Council received a briefing from Treasury staff on potential revisions to the council's interpretive guidance regarding nonbank financial company determinations. In the statement, Atkins expressed support for revisiting the nonbank designation framework, citing concerns that designation could be applied arbitrarily, impair companies' ability to plan for growth, and impose regulatory oversight that might not align with a nonbank firm's business model. He also emphasized the importance of reinstating safeguards such as cost-benefit analysis and an assessment of the likelihood of material financial distress in any revised guidance.

Small-business matters

Annual small-business forum

On April 10, 2025, the SEC held its 44th Annual Small Business Forum, with sessions focused on how founders and investors can build and finance companies beyond traditional hubs, strategies and trends in early-stage and growth-stage capital raising, founder execution lessons from serial entrepreneurs, and small-cap pathways for entering and succeeding in the public markets. Uyeda, Peirce and Crenshaw made remarks.

Small-business policy recommendations

On Sept. 22, 2025, the SEC published a report based on its 44th Annual Small Business Forum, held in April. The report includes highlights from panel discussions on early-stage capital raising, growth-stage companies and smaller funds, and small-cap companies and the public markets. It also summarizes policy recommendations developed by participants as well as the SEC's response to each recommendation.

Interpretations, guides, and other matters

SAB 121 rescission

On Jan. 23, 2025, the SEC issued Staff Accounting Bulletin (SAB) 122. This document rescinds the previously issued SAB No. 121, which required an entity to record a liability when it had an obligation to safeguard third-party crypto assets.

Annual NRSRO report

On Jan. 28, 2025, the SEC's Office of Credit Ratings published its annual report on Nationally Recognized Statistical Rating Organizations (NRSRO). The report provides an overview of 2024 NRSRO examinations and an analysis of examination results and participant discussions on credit rating activity and industry developments.

Exemptive relief

On Feb. 7, 2025, the SEC provided temporary relief from *Exchange Act* Rule 13f-2 and reporting on Form SHO. Rather than an initial Form SHO due on Feb. 14, 2025, the new initial reporting date is Feb. 17, 2026, for the January 2026 reporting period.

On Feb. 10, 2025, the SEC exempted reporting of certain personally identifiable information to the Consolidated Audit Trail (CAT) for U.S. natural persons who trade in the stock market. The exemption mitigates certain security risks and is not required to achieve the purpose of the CAT.

Data on broker-dealers, M&A activity, and BDCs

On June 26, 2025, the SEC's Division of Economic and Risk Analysis released updated data on broker-dealers, M&A activity, and business development companies (BDCs). The report highlights continued consolidation among broker-dealers and provides insights into regulatory and registration trends for M&A advisers and BDCs.

In-kind creations and redemptions for crypto ETPs
On July 29, 2025, the SEC approved orders permitting in-kind creations and redemptions for crypto asset ETPs. This change aligns crypto ETPs with traditional commodity-based ETP mechanics, reduces transaction costs, and enhances operational efficiency.

Customer protection rule FAQ
On Aug. 6, 2025, the Division of Trading and Markets published a new FAQ addressing broker-dealer inquiries about amendments under the customer protection rule related to the clearing of Treasury securities.

Cross-Border Task Force
The SEC announced on Sept. 5, 2025, formation of the Cross-Border Task Force to address fraud risks from foreign-based companies affecting U.S. investors. The task force will focus on market manipulation schemes, the role of gatekeepers such as auditors and underwriters, and risks tied to companies in heavily state-controlled jurisdictions. The SEC also directed other divisions to explore additional protective measures, such as enhanced disclosure guidance and potential rule changes.

Investment Advisory Committee meeting
On Sept. 18, 2025, the IAC held a meeting primarily devoted to a two-part panel discussion on reconsidering the eligibility criteria and regulatory treatment of foreign private issuers. The committee also discussed recommendations for retail investors’ access to private market assets.

Filing fee disclosure taxonomy
The SEC updated its filing fee disclosure taxonomy on Nov. 20, 2025, refining the classification framework used for fee categories under various registrations and filings. Refer to the published update available under Standard Taxonomies on the SEC’s website.

From the PCAOB

PCAOB annual report and strategic plan

Annual report
On April 1, 2025, the PCAOB released its 2024 Annual Report, which includes the PCAOB's financial results, audited financial statements, auditor's report, and management's report on internal control over financial reporting. The report provides an overview of how the PCAOB has worked to protect investors by enhancing inspections, modernizing standards and rules, enforcing regulations, and prioritizing organizational effectiveness through stakeholder engagement. It also details the PCAOB's activities and achievements in 2024.

Strategic plan
The PCAOB's current strategic plan, which covers 2022-2026, is guided by three priorities: investor protection, engagement, and adaptability. The plan addresses four main goals: to modernize standards, to enhance inspections, to strengthen enforcement, and to improve organizational effectiveness. For each goal, the PCAOB has identified objectives to achieve the goal.

Fiscal year 2026 budget
On Dec. 19, 2025, the PCAOB approved its fiscal year 2026 budget, totaling $362.1 million, subject to approval by the SEC. The budget is intended to support the PCAOB's responsibilities under the *Sarbanes-Oxley Act*, including oversight of audit firms, standard-setting, inspections, and enforcement activities. The SEC approved the budget on Jan. 22, 2026.

Standard-setting and research

Withdrawal of firm and engagement metrics and firm reporting proposals
On Feb. 11, 2025, the PCAOB withdrew its proposed rules on firm and engagement metrics and firm reporting that were originally adopted by the PCAOB, subject to SEC approval, on Nov. 21, 2024.

Quality control standard
The PCAOB on Jan. 30, 2025, released a staff presentation intended to help firms and auditors understand the risk assessment process under the PCAOB's new quality control standard, QC 1000, "A Firm's System of Quality Control." Topics include:

- Establishing quality objectives
- Identifying and assessing quality risks
- Designing and implementing quality responses that address quality risks
- Modifying the risk assessment

On March 19, 2025, the PCAOB staff provided an overview of the recent implementation efforts concerning QC 1000, particularly highlighting the monitoring and remediation process.

On Aug. 28, 2025, the PCAOB announced it is postponing the effective date of QC 1000 and related standards and rules by one year to Dec. 15, 2026. The delay also applies to the rescission of certain interim quality control and ethics standards, which will remain in force until that date. Importantly, the content of the standards and rules adopted in May 2024 remains unchanged, and firms may still choose to comply early (except as to reporting to the PCAOB on the evaluation of the quality control system). The PCAOB explained that the extension responds to feedback from firms reporting significant implementation challenges.

Final rule on audit firm registration information

On Jan. 2, 2025, the SEC approved the PCAOB's rule amendment to enhance the usefulness of audit firm registration information as adopted on Nov. 14, 2024. The amendment allows the PCAOB to address situations in which a registered firm has ceased to exist, is nonoperational, or no longer wishes to remain registered, as demonstrated by its failures to file annual reports on PCAOB Form 2 and pay annual fees for at least two consecutive reporting years.

The amended rule will take effect initially for annual reports and annual fees that are due in 2025, meaning that a registered firm that does not file an annual report and does not pay an annual fee for both the 2025 and 2026 reporting years could be deemed withdrawn from registration under Rule 2107(h) beginning in the fall of 2026.

Audit quality advancement

The PCAOB held its 12th annual Conference on Auditing and Capital Markets on Oct. 16-17, 2025, in Washington, D.C., in partnership with the Accounting Review. The event brought together more than 115 researchers to discuss developments in auditing, regulation, and capital markets, with a focus on research that can inform the PCAOB's oversight and standard-setting work. Ten research papers covered topics such as auditing and management disclosures, private equity investment in accounting firms, and auditor independence.

Acting Chair George Botic opened the conference with a speech underscoring the PCAOB's commitment to using academic insights to enhance audit quality and address emerging issues such as private equity investment in audit firms and the impact of artificial intelligence on auditing.

Statements and speeches from PCAOB leadership

Critical role of the PCAOB

On May 23, 2025, PCAOB board member Anthony Thompson delivered a speech emphasizing the critical role of the PCAOB in maintaining trust and stability in U.S. capital markets. He said any disruption to the PCAOB's inspections and investigations could significantly erode investor confidence and the integrity of financial reporting. Thompson noted the PCAOB's contributions over the past two decades in restoring trust after major financial scandals and its efforts in enhancing audit quality through rigorous oversight and standard-setting. He warned that dismantling the PCAOB could have far-reaching impacts and reaffirmed the PCAOB's commitment to its investor protection mission and the importance of preserving the trust in the capital markets that the PCAOB has helped rebuild.

Tech-enabled audit priorities

On Sept. 3, 2025, the PCAOB published two reports from its Technology Innovation Alliance Working Group, an advisory panel of external experts examining the impact of emerging technologies on auditing. The first report, "Current State Deliverable" (August 2023), outlines how auditors and preparers are adopting technology, including challenges and opportunities for improving audit quality. The second, "Transforming Audit Quality Through Technology" (May 2024), recommends steps such as encouraging AI adoption, promoting structured data, enhancing auditor technology skills, and creating regulatory innovation capacity. While reflecting the views of the working group rather than the PCAOB itself, the reports highlight the growing importance of adapting oversight to support responsible technological innovation in auditing.

In remarks at the World Continuous Auditing and Reporting Symposium on Nov. 7, 2025, board member Christina Ho emphasized that the audit of the future will look fundamentally different as rapid advances in artificial intelligence and data technologies reshape the profession. Drawing on insights from the PCAOB's Technology Innovation Alliance, Ho outlined four strategic priorities for building a tech-forward audit environment: promoting standardized and structured audit data to support AI-driven analysis, encouraging responsible adoption of AI tools that can enhance audit coverage and quality, strengthening regulatory innovation through experimentation and collaborative innovation labs, and elevating technology literacy across the auditing workforce. She stressed that the profession's role as a guardian of trust is becoming even more critical in an era of misinformation and that future auditors will need both technical expertise and courage to uphold integrity in increasingly complex environments.

Audit firm leadership
On Nov. 6, 2025, PCAOB board member Kara Stein presented remarks to the Portuguese Securities Market Commission and stressed that effective audit firm leadership is essential as technology, market dynamics, and firm structures evolve. She emphasized the importance of culture, independence, and robust quality control systems in navigating challenges such as AI-enabled financial reporting, private equity involvement in audit firms, new forms of digital assets, and talent pipeline pressures. Stein noted that audit quality indicators can support governance, but ultimately, integrity and sound judgment remain the foundation of high-quality auditing.

Audit quality drivers
In a Nov. 20, 2025, speech at Baruch College's 20th Annual Audit Conference, Botic emphasized the enduring responsibility of auditors to protect investors and uphold integrity in the capital markets, even as the profession undergoes rapid change. Botic pointed to two developments reshaping the audit landscape: the rise of private equity investment in accounting firms, which introduces both new resources and new pressures, and the accelerating use of artificial intelligence, which offers potential efficiencies but also raises questions about bias, transparency, and how to maintain professional judgment. Against this backdrop, he underscored the need for a shared, modern definition of audit quality that reflects independence, technical expertise, audit execution, and the impact of audit outcomes on market confidence. Botic encouraged stakeholders, practitioners, academics, and investors to help shape this definition, noting that a unified view of audit quality could strengthen the entire financial reporting ecosystem and guide the profession through technological and structural change.

Audit committees and other matters of interest

Journal entries
On Jan. 16, 2025, the PCAOB released a new staff publication, "Audit Focus: Journal Entries," to address common deficiencies related to the auditor's examination of journal entries. It provides key reminders for auditors related to testing of journal entries, identification of the most common types of journal entry testing deficiencies, and examples of good practices.

Using the work of specialists
On Feb. 4, 2025, the PCAOB published "Spotlight: Considerations for Audit Firms Using the Work of Specialists," highlighting observations "designed to help audit firms ensure appropriate procedures are performed when using the work of a specialist." To address this, the report covers the following topics:

- Evaluating the work of a company specialist
- Using the work of an auditor-employed specialist
- Using the work of an auditor-engaged specialist
- Common deficiencies related to use of specialists
- Reminders for audit firms
- Good practices
- Questions for audit committees

The audit committee section provides questions that audit committees might want to consider, in order to gain an understanding of their audit firm's work related to the use of specialists.

Why audits matter
On March 26, 2025, the PCAOB published an investor bulletin, "Why Audits Matter," that offers insights into the significance of financial statement audits. The bulletin elaborates on how audits establish trust and enable investors to make informed decisions regarding the purchase, retention, or sale of company securities based on accurate financial information reflecting the company's true performance and financial health. The fundamental purpose of a financial statement audit is to provide assurance with a high degree of certainty that the financial statements are free from material misstatements, whether due to error or fraud.

According to the publication, audits play a critical role in assessing the fairness of the financial statements and confirming they are presented in accordance with U.S. GAAP or international accounting standards. Audits build trust by enhancing financial statement accuracy, increasing reliability of the financial statements, and providing information to investors.

Additionally, the bulletin outlines the PCAOB's responsibilities in maintaining the credibility of audits and highlights its initiatives aimed at promoting audit quality and safeguarding investors. It also advises investors on ways to remain informed, such as reviewing audit reports, using PCAOB resources to understand inspection results and auditor profiles, and engaging with companies directly.

Auditing accounting estimates
On May 21, 2025, the PCAOB released "Audit Focus: Auditing Accounting Estimates," with reminders and good practices for auditors when evaluating accounting estimates. This new edition outlines relevant auditing standards, identifies common deficiencies noted by PCAOB inspection staff, and shares practical approaches adopted by firms aimed at strengthening audit quality in this critical area.

Results of conversations with audit committees
On May 15, 2025, the PCAOB released a publication, "Spotlight: 2024 Conversations With Audit Committee Chairs," summarizing insights from discussions with approximately 270 audit committee chairs at U.S. public companies. The goal was to gather perspectives on audit quality and share resources to enhance audit committee effectiveness. The report identifies and provides additional details on the top five areas of significant discussions between audit committees and their audit firms:

- Factors affecting relationships with the audit firms such as communication, coordination, and technical expertise
- Firm inspection reports
- Economic environment affecting the audit
- Auditing and accounting matters
- The use of emerging technologies on the audit

The report also provides answers to audit committees' frequently asked questions of the PCAOB.

Engagement acceptance
The PCAOB on July 7, 2025, published "Audit Focus: Engagement Acceptance," outlining key considerations and good practices for auditors evaluating whether to accept a new engagement. While intended for audit firms, the publication is relevant for executives and audit committees, who play a vital role in ensuring a successful auditor selection and onboarding process.

Key points for consideration include:

- **Engagement risk evaluation.** Firms must assess management integrity, prior restatements or control issues, and their own independence and qualifications before accepting an engagement.
- **Auditor transition.** Successor auditors should conduct detailed inquiries with predecessor auditors in accordance with Auditing Standard (AS) 2610, "Initial Audits – Communications Between Predecessor and Successor Auditors," including any audit difficulties, disagreements, or compliance issues.
- **Governance awareness.** Audit committees should be prepared to discuss management changes, governance effectiveness, and any known issues from prior audits.
- **Good practices observed.** Use of workload scorecards for partners, pre-engagement risk templates, and policies to decline engagements with audit firms lacking industry expertise.

Executives and audit committees can use this publication as a guide to strengthen their own readiness and transparency during auditor selection, supporting improved audit quality and risk mitigation.

Ethical responsibilities
On July 22, 2025, the PCAOB published "Investor Bulletin: The Importance of Auditor Professional Responsibilities and Ethics," emphasizing the essential role of auditors in maintaining trust in financial reporting. It highlights the core ethical principles of independence, objectivity, integrity, professional judgment, and professional skepticism as fundamental to audit quality. The bulletin also explains how the PCAOB's oversight protects investors through standard-setting, inspections, and enforcement.

Electronic audit evidence
On Sept. 18, 2025, the PCAOB issued a board policy statement clarifying how auditors should implement paragraph .10A of AS 1105, "Audit Evidence," which is effective for audits of fiscal years beginning on or after Dec. 15, 2025. The standard requires auditors to understand the source of electronic information provided by a company from external parties as well as the company's processes for receiving, maintaining, and processing the information, including any modifications. Auditors must then either test the information for modifications or test the relevant controls, such as IT general controls and automated application controls. The policy emphasizes that these requirements are principles-based and scalable, and auditors are not required to perform additional testing if the risk of modification is no more than remote.

Following the Sept. 18, 2025, release of a board policy statement, the PCAOB, on Oct. 1, 2025, issued staff guidance that provides illustrative examples of the application of paragraph .10A of AS 1105.

SPAC IPO auditor data
On Oct. 1, 2025, the PCAOB released "Data Points: Auditors of SPACs at IPO," which analyzes 1,291 SPAC IPOs listed on U.S. exchanges from January 2015 through August 2025. The report finds that more than 90% were audited by firms outside the six largest global networks with two nonaffiliated firms conducting more than three-quarters of these audits, underscoring notable concentration in the SPAC audit market. The report also highlights that SPAC IPO activity peaked during 2020-2021, with approximately 87% of SPACs based in the United States at the time of their IPOs.

Restatements and auditor turnover data
On Oct. 15, 2025, the PCAOB released "Data Points: Financial Restatements and Auditor Turnover," which analyzes trends from 2005 to 2024. The report finds that "Big R" financial restatements – those disclosed in SEC Form 8-K, Item 4.02 – occurred at an average annual rate of about 3%. Among companies with such restatements, nearly 30% changed auditors in the preceding year, compared with an average annual auditor-change rate of roughly 11% across all companies. The analysis highlights an association between auditor turnover and subsequent financial restatement risk, indicating that companies undergoing an auditor change are more likely to report a material restatement in the following year than the general population.

Leadership changes

Chair
On July 15, 2025, Erica Williams, PCAOB chair since January 2022, announced her departure, effective July 22, 2025. During her tenure, Williams led the PCAOB in finalizing seven projects addressing 24 rules and standards, enhancing enforcement efforts with record-breaking penalties, and improving international audit oversight – most notably by gaining historic access to inspect and investigate firms in China. The PCAOB described this period as one of record accomplishments in advancing investor protection and audit quality.

On July 21, 2025, the SEC announced George Botic would serve as acting chair. Botic joined the PCAOB board on Oct. 25, 2023. Previously, he was director of the PCAOB's Division of Registration and Inspections.

Board members
On Dec. 2, 2025, the PCAOB announced that Christina Ho will conclude her service on the board on Jan. 31, 2026, or earlier if the SEC names a successor. During her tenure, she chaired the Technology Innovation Alliance Working Group, collaborating with external experts on emerging technologies, and she was recognized by Botic for championing innovation as a driver of improved audit quality.

On July 23, 2025, Atkins announced he was soliciting candidates for all five PCAOB positions, including the chair. Applications were due Aug. 25, 2025. At the AICPA Conference on Current SEC and PCAOB Developments in December, Hohl indicated that new board members would be appointed early in 2026.

Acting director of Division of Enforcement and Investigations
On Dec. 23, 2025, the PCAOB announced that William Ryan was named acting director of its Division of Enforcement and Investigations, effective following the retirement of Enforcement Director Robert Rice on Dec. 31, 2025. Prior to this appointment, Ryan served as chief counsel in the PCAOB's enforcement division and has held various enforcement leadership roles at the PCAOB since joining the organization in 2007.

Inspections and enforcement

Update on 2024 inspection activities
On March 31, 2025, the PCAOB released a spotlight report, "Staff Update on 2024 Inspection Activities," which summarizes the results of the 2024 inspection including common deficiencies, reports on observed improvements, describes the drivers of improvement and the PCAOB's efforts to enhance audit quality, and details the overall inspection approach. The report indicates that inspection staff observed significant reductions in aggregate deficiency rates across almost all categories of inspected firms in 2024.

The focus areas in these inspections included recurring deficiencies, evaluating audit evidence obtained by the auditor, the auditor's understanding of the company and its environment, the use of other auditors, going concern assessments, and critical audit matters. The report outlines common deficiencies identified in auditing internal control over financial reporting, specific financial statement areas, PCAOB standards or rules, and independence issues. The top financial statement area deficiency categories were identified as revenue and related accounts, inventory, accounts impacted by business combinations, investment securities, allowance for credit losses, and long-lived assets, goodwill, and intangible assets.

The report emphasizes that the PCAOB has undertaken concentrated efforts to encourage firms to address their high deficiency rates. PCAOB initiatives described in the report include publishing a variety of information, resources, and tools to help firms improve audit quality; increasing transparency; engaging regularly with firms; and providing focused support to smaller firms. Additionally, the PCAOB is publishing implementation guidance for new PCAOB standards, prioritizing guidance and communication regarding remediation submissions for quality control deficiencies, engaging directly and regularly with U.S. audit committees, and enhancing focus on the impact of firm culture on audit quality.

Downloadable datasets
On April 28, 2025, the PCAOB released new downloadable datasets that include inspection findings from audit firm reports dating back to 2018. The datasets, which are machine-readable, include both Part I.A and Part I.B findings and are available in several formats. The detailed inspection findings datasets cover deficiencies in audits and noncompliance with PCAOB standards, providing comprehensive descriptions and classifications related to the identified deficiencies.

The PCAOB also updated its existing firm-level dataset to offer greater detail on reviewed audits. This initiative advances the PCAOB's commitment to transparency and investor protection by enabling stakeholders to perform deeper analyses using machine-readable data.

Broker-dealer inspection report
The PCAOB on June 13, 2025, released its "Annual Report on the Interim Inspection Program Related to the Audits of Brokers-Dealers," which includes observations from inspections during 2024, information about the inspection approach, and reminders of the requirements of certain relevant PCAOB standards. According to the report, the percentage of audit engagements with deficiencies increased to 76% from 70% in 2023. The report notes that the PCAOB "continued to observe high deficiency rates in examination, review, and audit engagements, which continue to be a cause for significant concern." According to the PCAOB, this report should help broker-dealer management and audit committees as they work with their auditors regarding audit quality and engage on financial reporting.

With the report, the PCAOB released "Supplementary Information Related to Audits of Brokers and Dealers," which provides comparative data about selected firms and engagements and the results of PCAOB inspections over multiyear periods.

Broker-dealer review engagements
The PCAOB on Sept. 11, 2025, issued a new staff publication titled "Broker-Dealer Audit Focus: Review Engagements Regarding Exemption Reports," which emphasizes recurring deficiencies observed in reviews performed under PCAOB Attestation Standard No. 2. The publication outlines common challenges in compliance, offers reminders of auditors' responsibilities under the standard, and shares observed good practices. The aim is to promote higher audit quality and support investor protection by ensuring these reviews meet the applicable standards.

Inspection process
The Office of the Investor Advocate on Nov. 18, 2025, released an investor bulletin explaining how PCAOB inspections help protect investors by evaluating audit firms' compliance with standards and the effectiveness of their quality control systems. The bulletin outlines which firms are inspected, highlights 2024 activity, and points readers to resources explaining how inspections are conducted and how to access public inspection reports.

Advisory groups

SEIAG and IAG member nominations
On Aug. 20, 2025, the PCAOB announced it was seeking nominations for upcoming vacancies on its Investor Advisory Group (IAG) and Standards and Emerging Issues Advisory Group (SEIAG). Terms for the new members are two years, Jan. 1, 2026, through Dec. 31, 2027. Members provide critical perspectives to support the PCAOB's mission of protecting investors and enhancing audit quality. Nominations closed Sept. 29, 2025.

SEIAG meetings
The PCAOB SEIAG held a meeting on May 22, 2025. Topics addressed included emerging issues, implementation of net and amended standards as well as a standard-setting update, ethics, and the importance of firm culture. A recording of the meeting is available on the PCAOB's events page.

At its Nov. 5, 2025, virtual meeting, the SEIAG discussed the implications of artificial intelligence and cryptocurrency for the auditing profession. Botic emphasized that auditors and regulators must proactively address both the opportunities and risks these technologies pose. Ho urged clear, principles-based guidance and agile standard-setting to ensure AI advances strengthen audit quality. Stein highlighted the importance of balancing innovation with appropriate safeguards and clarifying standards for audits involving digital assets.

IAG meetings
The PCAOB IAG held a virtual meeting on April 29, 2025. The IAG presented information on investor expectations of the audit, artificial intelligence opportunities and challenges, and the talent pipeline. The IAG also requested information on notable critical audit matters. A recording of the meeting can be found on the group's meeting event site.

At its Sept. 25, 2025, meeting, the IAG presented information on private market valuations, internal controls of financial reporting, and decision-useful critical audit matters. The IAG also received an update on foreign inspections from the Division of Registration and Inspections.

From the CAQ

AI-related disclosures
During February 2025 the CAQ published results of an analysis of AI-related information in S&P 500 companies' 10-K forms, available as of June 2024. Key findings include:

- **Prevalence of AI mentions.** Approximately 72% of S&P 500 companies mentioned AI-related information in their 2023 10-Ks.
- **Sections of disclosure.** AI-related information was primarily mentioned in Item 1A (Risk Factors), Item 1 (Business), Item 7 (MD&A), and Item 8 (Financial Statements), and less commonly in Item 1C (Cautionary Note Regarding Forward Looking Information), Item 1C (Cybersecurity), and Item 3 (Legal Proceedings).
- **Common themes in risk factors.** Companies focused on legal, regulatory, reputational, and cybersecurity risks associated with AI. Concerns included rapid AI adoption, data privacy, competitive threats, and cybersecurity vulnerabilities.
- **Business use and investments.** Companies discussed their use of AI in products, services, and internal operations, as well as current and potential regulations in the U.S. and EU.
- **MD&A disclosures.** Companies highlighted AI-related acquisitions, investments, and enhancements, along with future outlooks and potential impacts on their business.
- **Financial statements.** AI mentions in financial statements included segment information, acquisitions, business descriptions, and, less commonly, goodwill, intangible assets, commitments, contingencies, and subsequent events.

Use of AI survey results
On June 16, 2025, the CAQ published the results of the institutional investor survey conducted by KRC Research during May 2025, which focused on the use of AI in the audit process and the use of generative AI (GenAI) within portfolio companies. Overwhelmingly, investors expressed strong confidence in AI's ability to enhance audit accuracy, efficiency, and risk assessment, with 90% believing it increases trust in audit results. Top benefits include improved error reduction, data analysis speed, and fraud detection. However, investors underscored the need for structured safeguards: The most critical measures cited were regular audits of AI systems, clearly defined usage policies, and transparency about AI applications. Concerns persist about data privacy, lack of human oversight, and insufficient regulatory clarity.

When considering GenAI in portfolio companies, institutional investors said they remain optimistic but cautious. Nearly all surveyed expressed confidence in companies' ability to manage AI-related risks, though data protection and cybersecurity top their list of concerns. While more than half consider current federal regulations to be clear and comprehensive, a notable minority believe gaps remain. Investors prioritize proactive governance, including regular risk assessments and formal AI policies, as essential to responsible AI use.

Auditor assurance in AI use
The CAQ published on Oct. 13, 2025, "The Role of the Auditor in AI: Present and Future," which explores how auditors can enhance trust and transparency as companies increasingly use artificial intelligence. It highlights the growing demand for assurance on the reliability, ethics, and security of AI systems and outlines how auditors, through their independence and expertise, can provide assurance on governance, compliance, and risk management. The report also offers key considerations and questions for boards to guide oversight of AI strategy, risk, disclosure, and readiness for future assurance engagements.

Spring 2025 Audit Partner Pulse Survey
On June 5, 2025, the CAQ released its spring 2025 Audit Partner Pulse Survey, offering insights from audit partners at leading U.S. public company audit firms about their views on the current business environment. Topics include U.S. economic health, challenges and risks facing businesses, and how they see business leaders adjusting their strategies in the current environment. Other topics include the accountant talent shortage, fraud risk response strategies, and the integration of new technologies such as AI and digital currencies.

The survey reveals a sharp increase in pessimism among audit partners regarding the economy, with concerns about a potential recession, geopolitical instability, and trade uncertainty. In the face of economic pressure, firms are adopting a dual strategy of reducing head count while investing in upskilling to retain critical capabilities. However, the accounting talent shortage continues to pose a significant challenge. The survey also highlights key shifts in technology and compliance. Companies are embracing AI to improve customer service and operational efficiency, although there is minimal engagement with cryptocurrency investments. Additionally, cybersecurity concerns have increased notably since the previous report.

Fall 2025 Audit Partner Pulse Survey
The CAQ released on Nov. 17, 2025, its fall 2025 Audit Partner Pulse Survey, which captures audit partners' perspectives gathered in September and October on economic conditions, regulatory pressures, and emerging business risks. The survey indicates that economic sentiment is stabilizing, with pessimism declining significantly and more partners adopting a neutral or cautiously optimistic outlook. Regulatory uncertainty and trade tensions have become the most significant risks facing companies, leading many businesses to expand disclosures related to strategy, financial performance, and the integration of artificial intelligence. Cost management continues to be a central focus as companies reduce head count, refine hybrid work policies, and selectively upskill employees. At the same time, the use of artificial intelligence continues to grow, most notably in process automation, customer support, and predictive analytics, reflecting a belief that long-term resilience will depend on targeted technology investment.

Enhancing corporate ethical culture
On March 19, 2025, CAQ Director of Anti-Fraud Initiatives Lucy Wang shared her key takeaways from the Anti-Fraud Collaboration's recent posting of "The Impact of a Changing Work Environment on Corporate Culture." In the post, Wang explores strategies for maintaining an ethical corporate culture in evolving work environments, such as remote and hybrid models. She highlights the risks of employee disconnection and potential fraud, emphasizing the importance of reinforcing ethical values and strong corporate culture. Key strategies highlighted include revisiting hiring processes, assigning peer mentors, assessing governance and risk management, and leveraging technology for fraud detection. The post also stresses the need for flexibility, effective change management, and strong leadership to foster an ethical culture. In noting that there is not just one approach to establishing a strong ethical culture, Wang listed a variety of tools that organizations might consider to enhance their culture, reinforce ethical behavior, and deter fraud.

Fraud deterrence and detection
On March 10, 2025, Wang posted insights from the CAQ's recent Fraud Forum. The forum gathered financial reporting stakeholders to discuss emerging fraud risks and best practices. Key points include the importance of understanding fraud's impact, the human element in prevention, and fostering a strong ethical culture. Wang underscores the role of hotlines and internal reporting in fraud detection and the evolving expectations of investors. Practical steps for enhancing detection include the use of forensic experts and open-ended questions. The fight against fraud is focusing on technology, data analytics, and improved training. Wang further highlighted that transparency, collaboration, and proactive risk assessment are vital for building a more fraud-resilient future. The CAQ is encouraging organizations to continuously assess risks and adopt innovative deterrence and detection strategies.

Investor views on fraud
On July 29, 2025, the CAQ published the results of the institutional investor survey conducted by KRC Research in April 2025, which focused on fraud. The survey reveals growing concern among investors regarding fraud risks at U.S. public companies. Most investors perceive fraud as a significant and ongoing threat to corporate integrity and shareholder value. Internal audit teams, corporate management, and boards of directors are seen as the key lines of defense, with internal audit viewed as carrying the primary responsibility. When fraud does occur, senior management is most often held accountable. Investors cite a need for stronger deterrents, emphasizing enhanced employee training, ethical corporate cultures, and greater use of advanced technologies like artificial intelligence and machine learning to improve detection efforts. There is a prevailing sense that fraud has become more prevalent in recent years and that it will continue to rise. Cyber-related threats, in particular, are seen as both the most likely and most damaging forms of fraud facing companies today.

SEC and PCAOB enforcement actions analysis
The CAQ announced the release of a recent analysis by the Anti-Fraud Collaboration, which reviewed more than 400 enforcement actions from 2021 through 2024 to highlight areas of regulatory focus. The report reveals sustained scrutiny around revenue recognition, M&A-related accounting, ethical breaches, and compliance practices.

Highlights include:

- Revenue recognition remains the top enforcement area (33% of SEC, 27% of PCAOB actions), with executives frequently held accountable.
- Post-merger accounting is a growing PCAOB concern, especially acquisition accounting and goodwill impairment.
- Severe penalties are increasingly imposed for violations tied to auditor integrity and misconduct.
- Regulatory sweeps target widespread compliance failures, including poor audit committee communication and off-channel messaging.

External auditor assessment tool
The CAQ on Oct. 9, 2025, released an external auditor assessment tool for audit committees, designed to guide and enhance committees' oversight of external auditors. The tool features a structured questionnaire related to four areas – audit team quality, firm-level resources, auditor communications, and independence and skepticism – and encourages committees to gather input from internal stakeholders, benchmark practices, and promote open dialogue with auditors. In combining practical sample questions with references to applicable U.S. auditing and disclosure standards, the publication seeks to help audit committees make informed evaluations and strengthen audit quality.

S&P 500 Form 10-K disclosures analysis
The CAQ released on Oct. 23, 2025, a series of analyses that examine how S&P 500 companies are addressing emerging topics including climate-related information, artificial intelligence, and digital assets in their most recent Form 10-K filings as of June 2025. The climate-related study noted that a majority of companies reference climate risks, often focusing on regulatory developments, transition risks, and sustainability initiatives. The AI-related analyses found increasing mentions of AI, with disclosures concentrated in risk factors and business sections, reflecting both opportunities and risks tied to its use, data governance, and ethical considerations. The digital asset analyses showed that approximately 9% of S&P 500 companies referenced digital asset-related matters, highlighting regulatory uncertainty, market volatility, and evolving accounting guidance. Together, they show how U.S. public companies are expanding their disclosures to address evolving investor expectations and regulatory attention across sustainability, technology, and innovation-related risks.

Professional skepticism
On Oct. 28, 2025, the Anti-Fraud Collaboration in collaboration with the CAQ published "The Role of the Auditor: Exercising and Maintaining Professional Skepticism," which emphasizes that in today's environment of evolving fraud risks and more complex financial reporting, maintaining a questioning mindset, or professional skepticism, is essential to audit quality. The document outlines several key themes: the importance of a "skepticism continuum," a behavioral range of doubt, to guide auditors; the need for continuous learning, particularly as technology, including AI, changes audit risks; and the importance of creating a culture and environment in audit firms and clients' organizations that support and reward skeptical thinking. It also addresses the obstacles that can impede professional skepticism, such as overfamiliarity, blind trust in technology, or organizational pressures, and it offers guidance on how to mitigate those risks through training, challenge, and governance. Additionally, it provides practical tips for exercising professional skepticism.

Audit committee transparency report
On Dec. 4, 2025, the CAQ and Ideagen Audit Analytics released the "Audit Committee Transparency Barometer 2025," which analyzes proxy disclosures of S&P Composite 1500 companies to assess transparency of audit committee oversight of the external auditor and other financial reporting matters. Now in its 12th year, the report reflects long-term progress in audit committee disclosures while continuing to highlight areas where enhanced transparency is encouraged.

The 2025 results show continued strength in disclosures related to cybersecurity oversight and board skills matrices, with skills matrix disclosure increasing across all market segments. Disclosure trends related to oversight of the external auditor, including auditor evaluation, fee considerations, and engagement partner selection, remained relatively stable, signaling opportunities for further enhancement. Furthermore, the report includes highlights of key results, a summary of disclosure rates, examples of effective disclosures, a sample leading-practice audit committee report, and questions for consideration when preparing audit committee disclosures.

Appendix A: Key dates for select SEC rulemaking

Description	Category	Issue date	Effective and compliance dates
Extension of compliance dates for standards for covered clearing agencies for Treasury securities and application of the broker-dealer customer protection rule with respect to Treasury securities	Final rule (extension of compliance dates)	Feb. 25, 2025	**Effective date:** March 4, 2025 **Compliance dates:** Cash market transactions extended to Dec. 31, 2026; repo transactions extended to June 30, 2027
Investment company names	Final rule (extension of compliance dates)	March 14, 2025	**Effective date:** March 20, 2025 **Compliance dates:** June 11, 2026 (fund groups greater than or equal to $1 billion net assets), and Dec. 11, 2026 (fund groups less than $1 billion net assets)
Form N-PORT and Form N-CEN reporting; guidance on open-end fund liquidity risk management programs; delay of effective and compliance dates	Final rule (delay of effective and compliance dates)	April 16, 2025	**Effective dates:** Form N-PORT delayed from Nov. 17, 2025, to Nov. 17, 2027; Form N-CEN remains Nov. 17, 2025 **Compliance dates:** Form N-PORT amendments delayed to Nov. 17, 2027 (for greater than or equal to $1 billion net assets), and May 18, 2028 (for less than $1 billion net assets); Form N-CEN remains Nov. 17, 2025
Extension of compliance date for required daily computation of customer and broker-dealer reserve requirements	Final rule (extension of compliance date)	June 25, 2025	**Effective date:** July 1, 2025 **Compliance date:** Extended from Dec. 31, 2025, to June 30, 2026
Extension of compliance dates for electronic submission of certain materials under the *Exchange Act*; amendments regarding the FOCUS Report	Final rule (extension of compliance dates)	Sept. 8, 2025	**Effective date:** Sept. 10, 2025 **Compliance dates:** Extended certain rule amendments the commission adopted on Dec. 16, 2024, by 12 months

Form PF; reporting requirements for all filers and large hedge fund advisers; extension of compliance date	Final rule (extension of compliance date)	Sept. 17, 2025	**Effective date:** Sept. 19, 2025 **Compliance date:** For Feb. 8, 2024, Form PF amendments extended to Oct. 1, 2026
Extension of compliance date for disclosure of order execution information	Final rule (extension of compliance date)	Sept. 30, 2025	**Effective date:** Oct. 2, 2025 **Compliance date:** Extended from Dec. 14, 2025, to Aug. 1, 2026
Technical amendments to commission rules and forms (*Securities Act*/*Exchange Act* rules and forms)	Final rule (technical amendment)	Jan. 17, 2025	Technical amendments to correct errors that are technical in nature, including typographical errors and erroneous cross-references in various commission rules and forms
Technical amendments to commission rules and forms (*Exchange Act* forms – SEC principal office address)	Final rule (technical amendment)	Dec. 9, 2025	Technical amendments to correct the address for the principal office of the commission
Technical amendments to commission rules and forms (*Securities Act*/*Investment Company Act*, Form N-CEN)	Final rule (technical amendment)	Dec. 15, 2025	Technical amendments to correct errors and address outdated references in various rules

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