Decoding The SEC's Plans To Revitalize The US IPO Market

By **Mark Mandel, Steven Sandretto and Jerome Tomas** (January 16, 2026)

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The U.S. Securities and Exchange Commission, under Chairman Paul Atkins' leadership, is embarking on a campaign to increase the competitiveness and attractiveness of the U.S. securities markets.

On Dec. 2, Atkins outlined his plan to revitalize the U.S. initial public offering market in his "Revitalizing America's Markets at 250" speech at the New York Stock Exchange. The speech served as an announcement of the SEC's plans to ease certain disclosure burdens, in particular for smaller and newly public companies; rein in politicized shareholder voting; and mitigate litigation risk, all of which are designed to make the U.S. capital markets more attractive to a broader base of private companies.

The proposed disclosure reforms, if adopted, would encourage more U.S.-based companies to seek public listings in the U.S. and make U.S. stock exchanges more competitive for non-U.S. companies looking to list.

In his remarks, Atkins noted that a number of SEC rules and disclosure requirements are ripe for reform, and he outlined two strategies as part of his approach to revitalize the U.S. capital markets. These strategies involve introducing a concept of financial materiality and moving away from many one-size-fits-all disclosure requirements by scaling disclosure requirements to a company's size and maturity, so smaller or newer issuers face fewer requirements than large, well-established companies.

The changes articulated by Atkins would benefit both domestic and non-U.S. companies looking to go public in the U.S., as they are aimed at providing investors with adequate material information to make an informed investment decision while reducing some of the voluminous and costly disclosure burdens on issuers that provide little or no benefit to investors.

In large part resulting from the burdensome U.S. regulatory regime, many non-U.S. issuers are looking to other jurisdictions to list their securities, and many domestic companies are turning to robust private market platforms and networks, which retail investors generally cannot access due to regulatory restrictions. This results in individual U.S. investors having limited, if any, opportunity to participate in the capital raising and growth of many U.S. companies.

Atkins suggested that one way to achieve his goal of bringing IPOs back to the U.S. would be to expand the current accommodations provided under the Jumpstart Our Business Startups, or JOBS, Act. The JOBS Act provides emerging-growth companies with temporary accommodations from certain disclosure requirements for up to their first five years of being public, subject to certain revenue, debt or float restrictions.

Atkins envisions expanding this runway to allow domestic and non-U.S. companies going

public in the U.S. to have a disclosure on-ramp period for an unrestricted duration, in which less extensive disclosure is required. Requiring a smaller or newly public company to provide the same complex disclosures as an established public company with a trillion-dollar market cap has the undesired effect of deterring companies from going public.

An additional method could involve allowing domestic issuers to take advantage of some of the reduced disclosure accommodations offered to foreign private issuers. The SEC defers to home-country requirements for certain disclosures, such as executive compensation and related party transactions. These disclosures are much more streamlined than the more extensive rules that U.S. companies are required to comply with.

Such accommodations to foreign private issuers have been recognized as providing sufficient disclosure protections to investors, though the SEC's June 2025 concept release indicates that they need to be reinvestigated in connection with companies incorporated or headquartered in certain countries where the home-country regulations may not be sufficiently robust for the SEC to defer to in granting such accommodations.

Yet another way the SEC could incentivize IPO activity in the U.S. is to replicate the Canada-U.S. Multijurisdictional Disclosure System for other jurisdictions that the SEC deems to be sufficiently aligned with the U.S. disclosure regime. The Multijurisdictional Disclosure System allows Canadian issuers to register securities with the SEC and comply with continuous reporting requirements using documents prepared largely in accordance with Canadian provincial requirements, plus a short U.S. wrapper.

Further measures being discussed include President Donald Trump's idea to reduce the frequency of reporting from quarterly to semiannually, which is the current requirement for foreign private issuers, allowing U.S.-based companies to focus their attention on running their business and adopting a longer-term perspective without the market grading them on a quarterly basis. Shortening the review period for IPOs and increasing the thresholds for various disclosure requirements are also measures being considered.

Disclosure that is rooted in materiality and tied to a company's size and maturity is instrumental in improving a disclosure regime that is seen by many as overly burdensome. A full reevaluation of legacy disclosure rules would be well advised to remove outdated and redundant requirements, and focus on clearer, materiality-based disclosures.

In addition to fixing what he sees as an overly burdensome disclosure regime, Atkins also noted that depoliticizing shareholder meetings and reforming the litigation landscape with respect to securities lawsuits to eliminate frivolous complaints are also necessary to reinvigorate interest in listing in the U.S.

To depoliticize shareholder meetings, Atkins proposed modernizing the antiquated rules that govern how shareholders can submit proposals for inclusion in a company's proxy statement. This involves narrowing the scope of proposals that can be included in a company's proxy materials to significant corporate matters for the particular company.

Shareholder proposals focused on environmental, social and governance issues, as well as other social issues that are not core to a company's business, and have diverted management's focus and resources away from other shareholder proposals. Simplifying annual shareholder meetings and bringing the focus back to substantive business matters and core governance decisions, such as the election of directors, will also help make U.S. IPOs more attractive.

Finally, according to Atkins, reducing frivolous securities lawsuits that discourage capital formation without eliminating the ability of shareholders to bring legitimate claims is also key to reviving the U.S. capital markets. Meritless or frivolous litigation both increases company costs and drives capital away from the U.S.

And on Sept. 17, the SEC reversed its long-standing position and authorized the use of mandatory arbitration clauses for investor claims under the federal securities laws, and further clarified that the existence of a mandatory arbitration clause in an issuer's charter or bylaws will no longer delay or block the acceleration of a registration statement for an IPO.

Another solution highlighted by Atkins involves shifting attorney fees to plaintiffs in cases deemed to be frivolous. Although such provisions may be limited by state law, this is an area where state and federal reforms could further strengthen confidence in the U.S. capital markets.

The SEC's plan to make the U.S. capital markets attractive again by easing certain disclosure burdens, reining in politicized shareholder voting and mitigating litigation risk are consistent with Trump's policies focused on restoring economic strength and encouraging investment in the U.S. Under Atkins' leadership, the SEC is committed to reinvigorating the U.S. capital markets.

Some of the many benefits of this plan include lower SEC reporting and compliance costs for companies, a reduction in frivolous securities lawsuits, lower risk of operating as a public company in the U.S., and a friendlier listing environment, all of which should encourage both domestic and foreign issuers to list in the U.S.

A successful implementation by the SEC of the strategies outlined by Atkins in his speech, resulting in such benefits to issuers and investors, could spark a significant revitalization of the U.S. IPO market.

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