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July 6, 2026

Vanessa A. Countryman, Secretary

Securities and Exchange Commission

100 F Street, NE

Washington, DC 20549-1090

Submitted electronically via SEC.gov

Re: Proposed Rule on Semi-annual Reporting, File No. S7-2026-15

Dear Secretary Countryman,

We write this comment letter in response to Securities and Exchange Commission's (SEC) invitation for comments dated May 5, 2026, on the proposed amendments to allow companies to file semi-annual reports on Form 10-S in lieu of quarterly reports on Form 10-Q (the "Proposed Rule").

British Columbia Investment Management Corporation (BCI) manages approximately CAD $314 billion in assets for pension plans, insurance funds, and trust funds representing approximately 725,000 beneficiaries in British Columbia. As a long-term institutional investor with over 39% of our AUM invested in U.S. markets, we welcome the opportunity for engagement.

BCI invests in U.S. securities with a multi-year time horizon and has a strong interest in maintaining a disclosure regime that produces decision-useful information, supports efficient capital allocation, and sustains confidence in U.S. markets over the long term. The Commission's mandate to protect investors contributes greatly to BCI's long-term confidence in U.S. capital markets. That mandate is exercised in part through disclosure requirements which ensure that public companies disclose material information accurately, consistently, and in a form that investors can use. In evaluating the Proposed Rule, BCI's primary consideration is investor protection.

BCI is an associate member of the **Council of Institutional Investors (CII**) and a member of the International Corporate Governance Network (ICGN). We support the comment letters submitted by each organization in response to the Proposed Rule. This submission sets out BCI's own perspective.

BCI respectfully urges the Commission to retain the existing quarterly reporting framework for all Exchange Act reporting companies.

Direct Reliance on Quarterly Disclosure

Some of the information contained in quarterly reports, including management's forward-looking operational analysis, company-specific risk assessments, and capital resource updates, exists because of mandatory reporting requirements and cannot be replicated through alternative means. Where such requirements are weakened, that information is simply lost. Investors are willing to bear the costs associated with quarterly reporting because timely, reliable financial information is fundamental to informed capital allocation and efficient markets. Reducing the frequency of disclosure may lower compliance costs for issuers, but it does so by reducing transparency, increasing information asymmetries, and transferring costs and risks to investors.

In managing public equity and fixed income portfolios across global markets, BCI relies on quarterly reporting in ways that semi-annual reporting cannot replace. Three consequences are most significant.

Trend identification: From an operational standpoint, more frequent reporting gives our portfolio managers more opportunities to observe operating trends and identify inflection points before they become material to valuation. Reducing to semi-annual reporting may create blind spots regarding financial, operational and management performance that are harder to detect early, and by the time a semi-annual report discloses deteriorating fundamentals, the damage to portfolio value may already be significant.

Information asymmetry: While BCI engages directly with management teams as part of our stewardship activities, that type of access is not uniformly available for all investors**.** We continue to rely on the standardized public disclosure record as the foundation for investment decisions between formal engagement events, and retail investors and smaller institutions rely on it entirely**.** If companies report semi-annually but continue to engage selectively with certain investors on an interim basis, those with direct corporate access gain a disproportionate informational advantage. This can result in a two-tier market that benefits large, well-resourced domestic investors at the expense of international investors and retail participants.

***Proxy voting*.** Most U.S. public companies hold their Annual General Meetings in the spring, after the first quarter Form 10-Q is filed. Under semi-annual reporting, BCI would routinely make proxy voting decisions on items such as director elections, executive compensation, and shareholder proposals based on year-end data that may be five or six months old, impairing our ability to assess whether management's recent performance warrants the support we are asked to extend.

The Costs of the Proposed Rule Outweigh the Benefits

The Commission advances two justifications for the proposed rule, these are: reducing regulatory burden to encourage companies to go public and reducing managerial short-termism. The available third-party research on both justifications is inconclusive and does not, in our view, provide clear support for the Proposed Rule.

Cost savings and IPOs: The Commission's economic analysis estimates the net reduction in direct compliance costs at approximately $198,000 per issuer per fiscal year[1]. This figure may overstate the practical savings, as companies would still need to maintain accurate financial information for operational purposes, meet contractual quarterly reporting obligations to lenders, and in many cases continue producing voluntary releases. Advances in artificial intelligence further undermine the cost rationale, since AI tools make granular, structured disclosure more consumable to investors than before, while reducing the processing burden that once made volume a concern. Finally, available research

[1] Semi-annual Reporting, Securities Act Release No. 11414, 91 Fed. Reg. 24,968 (May 7, 2026).

suggests that the decline in IPO activity has been driven primarily by the greater availability of private capital, not disclosure compliance costs.[2]

On short-termism: The Commission's economic analysis acknowledges the academic literature on this question is mixed. In BCI's view, the short-termism dynamic is driven by forward earnings guidance, analyst consensus estimates, and compensation tied to near-term targets, not by historical financial reporting. If management is inclined to reduce funding for a research program to meet a quarterly earnings target, it faces the same incentive at a six-month horizon.

Should the Commission wish to address short-termism directly, alternatives that focus on forward guidance practices would be more closely matched to this objective.

Examples from International Markets

The United Kingdom provides the most relevant comparison. From 2007 to 2014, companies on the London Stock Exchange's main market were required to publish quarterly "Interim Management Statements" which consisted of a narrative update on financial position and material developments. In 2014 the UK's Financial Conduct Authority removed this requirement, moving UK companies to semi-annual reporting. The impacts that followed are instructive.

First, the costs to market quality were real. Companies that stopped quarterly reporting experienced a reduction in analyst coverage, deterioration in price efficiency, higher bid-ask spreads and higher costs of equity capital.[3] Notably, these market-quality costs arose from the removal of a disclosure obligation that was narrower in scope than Form 10-Q: the UK's Interim Management Statement was a narrative update only, carrying none of the financial statements, or XBRL requirements that accompany a quarterly 10-Q filing. These outcomes invite a closer look at whether reduced reporting frequency serves the goal of encouraging more companies to go and stay public.

Second, the anticipated benefit did not materialize. A CFA Institute Research Foundation study of the UK experience found no statistically significant change in firms' investment decisions and no evidence that management's decision-making horizon lengthened following the move to less frequent reporting.[4] These results cast doubt on the short-termism rationale offered in support of the Proposed Rule, and the result does not support it.

Taken together, the UK experience suggests that reduced reporting frequency carries measurable costs to market quality without delivering the desired changes in corporate behaviour.

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[2] Michael Ewens et al., Regulatory Costs of Being Public: Evidence from Bunching Estimation, 153 J. Fin. Econ. 103775 (2024). Removing all estimated regulatory costs increases the average annual IPO likelihood after 2000 from 0.95% to only 1.4%, explaining just 7.3% of the observed decline from the pre-2000 period

[3] Pozen, Nallareddy & Rajgopal, *Consequences of Mandatory Quarterly Reporting: The U.K. Experience*, Columbia Business School Research Paper No. 17-33; CFA Institute Research Foundation (2017), cited in Proposed Rule at n.62 and n.255.

[4]Sandra Peters & Matthew Winters, Investor Perspectives: Quarterly Reporting, CFA Institute (April 2026), Exhibit 28.

The SEC Investor Advisory Committee Recommendation

On June 4, 2026, the Commission's Investor Advisory Committee (IAC) voted against the Proposed Rule and recommended that the Commission retain quarterly reporting requirements for public companies.[5] The IAC found that the cost-reduction premise is poorly substantiated by the empirical record; that the evidence does not support the view that short-termism is a major problem for U.S. public companies today; that semi-annual reporting would widen the gap between inside and public information, increasing insider trading risk; that it would increase the risk of internal control deficiencies and material misstatements going undetected on a timely basis; and that retail investors are most likely to be negatively impacted, as they primarily rely on quarterly disclosures and lack direct access to company management.[6]

BCI respectfully urges the Commission to follow the advisory body's recommendation.

Conclusion

The available empirical evidence demonstrates that reduced disclosure frequency carries measurable costs to market quality without delivering the behavioural change. The costs to investor protection, market quality, and capital allocation efficiency are material. As such, BCI respectfully urges the Commission to retain the existing quarterly reporting framework.

We would welcome the opportunity to discuss this matter further. For questions or to arrange a meeting, please contact Jennifer Coulson, Senior Managing Director & Global Head of ESG, at **jennifer.coulson@bci.ca**, or Susan Golyak, Director of ESG, at **susan.golyak@bci.ca**.

Respectfully submitted,

Daniel Garant

EVP and Global Head, Capital Markets and Credit Investments

British Columbia Investment Management Corporation

cc:

SEC Commissioner Hester M. Peirce

SEC Commissioner Mark T. Uyeda

Jennifer Coulson, Senior Managing Director and Global Head, ESG, BCI

Susan Golyak, Director, ESG, BCI

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[5] Recommendation of the Investor Advisory Committee Regarding Quarterly vs. Semi-annual Reporting (June 4, 2026), **https://www.sec.gov/files/recs-iac-re-quarterly-vs-semiannual-reporting-062026.pdf**.

[6] Ibid.