

Words and Actions – SEC Chair's View on IPO Incentives



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In recent [remarks](#) on April 28, 2026 at the Small Business Capital Formation Advisory Committee, Paul S. Atkins, Chairman of the U.S. Securities and Exchange Commission (SEC), discussed the current IPO market and how the SEC's regulatory posture has shaped decision-making for companies. Chairman Atkins argued that “decades of accretive rulemaking...have made the path to becoming a public company narrower” and have similarly had a detrimental effect on the ability to remain a public company. He also highlighted several regulatory changes under consideration that are intended to increase IPO activity and reverse current trends in the market.

The Chairman began by outlining his perspective on the modern IPO landscape. He noted that since the mid-1990s, the IPO pipeline has declined by approximately 40%, and companies that do go public are increasingly concentrated in a small number of economic sectors. He added that companies are choosing to go public later, often waiting until after their Series E funding rounds, whereas two decades ago companies typically went public at the equivalent of today's Series B or Series C stages. He observed that these trends have reduced opportunities for Americans to participate in the ownership of public companies, especially those companies at the forefront of innovation and American enterprise.

Similar to recent other remarks from Chairman Atkins addressing disclosure reform and discussed in [Quorum](#), the Chairman attributed this shift in part to incremental SEC rulemaking, much of it undertaken at the direction of Congress, which has increased regulatory burdens on public companies. In his view, these cumulative requirements have made it more difficult for companies both to enter and to remain in the public markets.

To address these concerns, the Chairman outlined several ideas under consideration as part of a broader effort to expand IPO access, particularly for smaller companies. First, he noted that the current “baby shelf” rules for Form S-3 are overly complex and restrictive, limiting the ability of smaller companies to raise capital efficiently and outlined the benefits of allowing most small public companies to access shelf registration, enabling them to pre-register securities and issue them when market conditions are favorable. Second, he discussed a proposal to expand the regulatory IPO “on-ramp” by extending its duration beyond five years after a company's IPO date, thereby increasing incentives to remain public. This proposal appears to build on the Emerging Growth Company framework established under the JOBS Act, which currently provides reduced regulatory requirements for up to five years after IPO to Emerging Growth Companies. Finally, he noted a widely discussed proposal to permit semiannual, rather than quarterly, reporting, which could reduce compliance costs and provide greater flexibility for public companies, which is discussed in the article titled “**Form 10-Q May Become Optional: SEC Releases Proposal to Permit Semiannual Reporting,**” appearing in today's *Quorum*.

The Chairman's remarks reflect broader concerns about the contraction of the U.S. public equity markets, where the number of public companies has declined from approximately 7,000 in the mid-1990s to approximately 4,000 today. The Chairman emphasized the importance of public input on these issues, and it will be

interesting to observe the scope and impact of forthcoming SEC rulemaking as the agency attempts to reverse the IPO decline.