A plea for quarterly reports

Historically, the rhythm of trade and the economy was determined by so-called "quarter days." In England, these were Lady Day (March 25), Midsummer's Day (June 24), Michaelmas (September 29), and Christmas (December 25). For landowners, these were moments of income, but for debtors, they were primarily days of reckoning. The grim atmosphere of these days has since disappeared, but a certain tension surrounding "the quarter" has remained, certainly for executives who have to present their results.

On May 5, 2026, the American stated financial regulator SEC for to allow listed companies only to report semi-annually arguments include burnout among executives and the short-term focus mentioned of quarterly reports.

However, this proposal imposes a fundamental misconception exposed. After all, they are rarely the top executives who handle the heavy, executive tasks carrying out reporting work; that task lies with specialized teams and often with juniors analysts. Like many analysts, I am one myself. also started with reporting work and still it is always an important part of my work. So I understand well where the call reporting less comes from: the The process is often cumbersome, manual and time-consuming.

But precisely this inefficiency has a important position. For junior analysts, it is it a crucial way to the company really to learn to understand. For shareholders it offers transparency. And also for the management itself delivers the valuable gain insights within one's own organization. Reporting is therefore not an administrative tive burden, but rather a form of organic satirical self-reflection.

For foreign investors such as Dutch people who a significant part of the have invested capital in the US is this a significant risk. Quarterly reports and the subsequent press and analysts calls are often one of the few consis- tent moments to ask questions and to get a good picture of the business development. Less frequent reporting means less information, and therefore less ability to allocate capital quickly and accurately to point out. Research by Arif and De George (2018) also shows that less information often leads to more uncertainty and larger price fluctuations around reporting moments. More regular reporting can serve as risk mitigation by spreading tensions and markets to keep better informed. With that frequent reporting has a stabilizing effect.

The argument that quarterly reports fuel short-term thinking, convinces Me neither. In Europe (and the UK) is six months- annual reporting for more than a decade the norm, but short-term thinking is here still very much alive. In fact, much European companies are opting for it voluntarily to report every quarter after all. My expectation is that this remains the case for large, established companies (see the CFA Institute report by Singh and Peters, 2019), while smaller American companies possibly report less frequently. I fear that this poses a risk, because it can lead to greater opacity and to a two-part market, in which more often reporting companies easier capital attract, while less frequent reporting thriving companies lag behind. A second-- The order risk is that capital expands further. concentrates at large, established under- acquisitions, whereby smaller companies in remain in the shadows. Small businesses have more difficult access to more growth capital if they choose not to regularly report.

The SEC also points to the decrease in the numerous IPOs, partly due to regulatory pressure and compliance costs. That is a valid point, but the shift from public to private markets is part of a broader structural trend. Nevertheless, the public remains market the norm for broad investors- participation, and many private companies aim eventually go public.

The core question is therefore not whether we should reporting, but how we do that smarter and can do it more efficiently without the informational basis of capital markets to weaken.

The solution therefore does not lie in less. reporting, but in better reporting. Reports must be less cumbersome, less manual and less time-consuming become. AI can serve as a tool in this process. to risk and error-prone parts catch. Due to this realized efficiency both analysts and executives receive more room to add value to the company.

And when it comes to long-term thinking, then that responsibility ultimately lies especially in politics. They must set the frameworks and offer vision; capital will follow. Less transparency would be a step in that light to be backwards

On behalf of the Risk Management Committee,
Keshav Bhatt