

Making SEC Registration Great Again: SEC Proposes Sweeping Reforms with Significant Implications for the Digital Asset Industry

Introduction

On May 19, 2026, the U.S. Securities and Exchange Commission (“SEC”) announced proposed amendments to the framework governing registered offerings and the SEC’s related reporting requirements.¹ The proposed amendments seek to provide public companies with a more flexible and cost-effective means by which to bring registered offerings to market, broaden the range of capital-raising tools available to issuers, and tailor disclosure obligations more closely to company size and maturity, all while maintaining the investor protections that are at the core of the SEC’s mission. In a statement announcing the proposed rulemakings, SEC Chairman Paul S. Atkins described these reforms as foundational for his “Make IPOs Great Again” agenda and signaled that additional proposals concerning the public company regulatory framework would be forthcoming.²

The proposed reforms arrive at a moment of significant convergence between traditional capital markets and the digital asset industry. Companies with tokenized securities or otherwise in the digital asset industry that have come, or will come, to the public markets through SPAC transactions, direct listings and traditional IPOs would stand to benefit meaningfully from the expanded registration and capital-raising tools described below.

Proposed Rulemaking 1: Registered Offering Reforms

The first proposal, which would overhaul the capital-raising process for public companies if implemented, outlines reforms that would broaden access to streamlined registration processes, extend key benefits to a wider range of issuers, and reduce regulatory compliance costs and complexity. According to the SEC, these reforms, if adopted,

¹Registered Offering Reform, Release No. 33-11418 (May 19, 2026), available at <https://www.sec.gov/files/rules/proposed/2026/33-11418.pdf>; Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, Release No. 33-11419 (May 19, 2026), available at <https://www.sec.gov/files/rules/proposed/2026/33-11419.pdf>.

²Paul S. Atkins, Chairman, SEC, Statement on Proposing Releases for Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, and Registered Offering Reform (May 19, 2026), <https://www.sec.gov/newsroom/speeches-statements/atkins-statement-on-proposing-releases-for-enhancement-of-emerging-growth-company-accommodations-and-simplification-of-filer-status-for-reporting-companies-and-registered-offering-reform-051926>.

“would be the most significant modernization of the registered offering framework in more than 20 years.”³ In addition to expanding the potential for Form S-1 incorporation by reference and providing for the preemption of state blue sky registration and qualification requirements, the proposed reforms expand shelf-registration eligibility, extending to a wider range of listed companies the benefits currently available only to well-known seasoned issuers (“WKSIs”):

Shelf Offering Eligibility. Under current rules, an issuer is required to have 12 months of reporting history pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and a \$75 million public float to be eligible to register unlimited primary or secondary offerings on a Form S-3. Issuers below the float threshold are limited to the so-called “baby shelf,” which is capped at one-third of the issuer’s public float. The proposed reforms eliminate both requirements entirely, such that, subject to the exclusions discussed below, any public issuer that is current and timely in its Exchange Act reporting would be immediately eligible to use Form S-3 for any offering in any amount. The SEC grounded these reforms in the recognition that the widespread availability of Exchange Act filings through EDGAR has rendered the seasoning and float requirements an increasingly poor proxy for investor familiarity, given that anyone considering investing in a registered offering today has immediate access to the full disclosure record of any reporting issuer regardless of its public float. This would permit issuers with small public floats to raise significant capital via a shelf offering, allowing more issuers to raise capital more flexibly and reducing compliance costs. Notwithstanding these significant shifts, blank check companies and bad actors would remain ineligible for such streamlined offerings under the proposed amendments. In addition, the proposed reforms generally would not apply to foreign private issuers (“FPIs”), except in limited circumstances. The SEC explained that it is separately reviewing the FPI eligibility framework as part of the concept release it issued in June 2025, and accordingly has deferred broader changes affecting FPIs pending completion of that review.

WKSI Benefits. WKSI status is highly beneficial, as it allows an issuer to file a shelf registration statement that is automatically effective, permitting the issuer to choose favorable times to access the public markets on short notice with minimal SEC involvement. The current WKSI regime requires issuers to have a \$700 million public float. The proposed rulemaking eliminates this requirement for domestic issuers and replaces it with two new categories, Eligible Listed Issuers (“ELIs”) and Seasoned Eligible Listed Issuers (“SELIs”), neither of which depends on an issuer’s public float. An ELI is any issuer that meets the eligibility requirements of Form S-3 and has a class of common equity securities listed on a national securities exchange. An ELI would receive most of the current WKSI benefits, including pay-as-you-go filing fees and the ability to omit certain information in a base shelf prospectus, regardless of how long the issuer has been subject to Exchange Act reporting. A SELI, which is an ELI with at least 12 months of Exchange Act reporting history, receives the remaining and perhaps most meaningful WKSI benefit, which is automatic effectiveness of a shelf upon filing, without SEC review. An issuer’s status as an ELI or SELI would be assessed at the time of filing, based on whether the issuer meets the relevant criteria as of that date.

Blue Sky Preemption. Under current law, registered offerings involving securities that are not listed on a national securities exchange remain subject to state-level registration and qualification requirements. Compliance with this patchwork of state requirements adds meaningful cost and complexity to registered offerings, particularly for smaller issuers and those offering unlisted securities. The proposed amendments would define “qualified purchaser” under the Securities Act of 1933, as amended, to preempt state registration and qualification requirements for all registered offerings, not just those involving exchange-listed securities, eliminating this compliance burden entirely.

Digital Assets Impact

The proposed shelf-registration and WKSI reforms are particularly significant for the digital asset industry, including companies that hold bitcoin or other digital assets on their balance sheets as a primary corporate strategy. Many of

³Press Release, SEC, SEC Proposes Transformative Reforms to Help Public Companies Conduct Registered Offerings and Simplify Reporting Requirements (May 19, 2026), <https://www.sec.gov/newsroom/press-releases/2026-46-sec-proposes-transformative-reforms-help-public-companies-conduct-registered-offerings-simplify>.

these companies have public floats below the \$75 million threshold and are currently limited to raising capital in small tranches under the baby shelf rules. The proposed reforms would allow such companies to register unlimited shelf offerings and access the public markets quickly when conditions are favorable for acquiring crypto assets. Combined with the pre-filing communication flexibility now available to ELIs, these changes would meaningfully enhance the capital markets agility of companies that depend on speed of execution to capture favorable entry points. The expanded Form S-1 incorporation by reference benefits would similarly reduce the burden for smaller issuers in the digital asset industry that remain outside the Form S-3 framework.

Illustration. A Nasdaq-listed digital asset treasury company with a \$40 million public float can currently register no more than approximately \$13 million in any 12-month period under the baby shelf rules. Under the proposed reforms, the digital asset treasury company could register an unlimited shelf and access the public markets quickly whenever conditions favored acquiring its target treasury asset.

The proposed blue sky preemption is potentially significant for tokenized securities. Issuers of tokenized securities have historically been reluctant to pursue the registered offering pathway for a combination of reasons, including ongoing reporting obligations, the cost of compliance, and the absence of any broadly available venue on which to trade the securities. While both NYSE and Nasdaq obtained SEC approval in early 2026 for rule changes permitting tokenized versions of certain eligible securities to be traded on their platforms under a DTC pilot program, broadly available public trading infrastructure for tokenized securities does not yet exist. The proposed preemption addresses a critical and independent piece of the puzzle, as any issuer of tokenized securities in a registered offering would no longer face state-level registration and qualification requirements across dozens of jurisdictions, regardless of whether the issuer chooses to list on a public exchange. This eliminates a compliance burden that has historically pushed tokenized securities activity toward private placements where preemption already applies. This is particularly meaningful given that tokenization itself can facilitate potential liquidity that historically required an exchange listing, opening the door to a growing set of issuers that may choose to pursue SEC-registered offerings without also pursuing an exchange listing. Together with the gradual development of trading infrastructure, these reforms could meaningfully improve the viability of the registered offering pathway for tokenized securities.

Illustration. A private fund sponsor seeking to bring a tokenized equity security to investors through an SEC-registered offering currently faces both federal registration and state-level qualification requirements. Under the proposed reforms, the issuer could conduct the offering as a single federally registered tokenized transaction with no state filings, reaching a broad range of investors efficiently while also leveraging the liquidity advantages of tokenization without taking on the additional burden of an exchange listing.

Proposed Rulemaking 2: Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies

The second proposal would, if implemented, consolidate the existing filer status framework from five partially overlapping categories into two primary categories and eliminate the requirement for issuers to assess multiple entry and exit thresholds each year. These burden-reducing changes are consistent with the priorities Chairman Atkins expressed in a December 2025 speech at the New York Stock Exchange, where he observed that the roughly 40 percent decrease in the number of public companies over the past three decades reflected a “cautionary tale of regulatory creep” that has made the path to public ownership narrower, costlier, and more burdensome.⁴

The proposed rulemaking contemplates two filer categories. “Large Accelerated Filer” status would apply to issuers with at least \$2 billion in public float and at least 60 consecutive months of Exchange Act reporting history, replacing

⁴Paul S. Atkins, Chairman, SEC, Revitalizing America’s Markets at 250 (Dec. 2, 2025), <https://www.sec.gov/newsroom/speeches-statements/atkins-120225-revitalizing-americas-markets-250>.

the current \$700 million threshold and 12-month seasoning requirement.⁵ All other Exchange Act reporting companies generally would fall into the “Non-Accelerated Filer” category, effectively eliminating all other existing filer categories, with the exception of a new subcategory of small non-accelerated filers that would receive additional time to file annual and quarterly reports.

Under the proposed regime, Non-Accelerated Filers would enjoy the disclosure accommodations currently available to Smaller Reporting Companies and Emerging Growth Companies, consolidated into a single system applicable to all registrants outside the Large Accelerated Filer category. Such accommodations include exemption from say-on-pay votes and the option to comply with new or revised financial accounting standards on the timeline applicable to private companies, which would remain available for up to five years. The proposed rulemaking also contemplates exempting all Non-Accelerated Filers from the internal control over financial reporting auditor attestation requirement. Taken together, these accommodations and the 60-month seasoning period during which they would remain available may reduce compliance burdens for newly public companies and potentially make IPOs more attractive.

Digital Assets Impact

For the digital asset industry, the consolidation of filer statuses is most relevant to companies considering a public listing or already operating as smaller reporting issuers. Newly public digital asset companies would benefit from a longer runway of reduced disclosure obligations and avoid the cliff effects that currently arise when an issuer crosses one threshold but not another. These reforms could materially improve the prospects of going public for digital asset industry participants and support the broader trend of digital asset companies seeking public market access. In addition, the reforms could make raising capital in the U.S. markets more attractive for companies that previously limited their offerings to offshore investors to avoid complications arising from U.S. securities laws compliance, including adhering to applicable offering exemptions and subjecting securities to holding periods.

Observations

Public reactions by market participants since the SEC’s announcement have addressed both the prospective benefits and the drawbacks of the proposed rulemakings. Some observers have recognized the potential of the proposals to reduce regulatory burdens on smaller issuers and to revitalize the IPO market, while others have raised concerns that the amendments could allow publicly traded companies to bypass disclosure requirements that have traditionally protected investors against fraud and manipulation.

For digital asset industry participants, the proposed reforms would collectively reduce the cost and complexity of accessing the public markets in ways that benefit issuers, digital asset treasury companies, and tokenized securities platforms alike. Comments on the proposed rulemakings are due to the SEC within sixty (60) days of Federal Register publication.

CahillNXT is well-positioned to assist clients in evaluating the implications of the proposals and in preparing comment letters where appropriate.

⁵As defined in Rule 12b-2 under the Exchange Act, as proposed to be amended. Under the proposed amendments, the existing Accelerated Filer, Smaller Reporting Company, and Emerging Growth Company categories would be eliminated as standalone classifications.



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If you have any questions about the issues addressed in this alert, or if you would like a copy of any of the materials referenced in it, please do not hesitate to contact Lewis Rinaudo Cohen (Partner) at 212-701-3758 or lrcohen@cahill.com, Frank Weigand (Partner) at 212-701-3890 or fweigand@cahill.com or Brian Farber (Counsel) at 212-701-3152 or bfarber@cahill.com.