July 27, 2026

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

VIA ONLINE PORTAL

Re.: *Registered Offering Reform (File Number S7-2026-17)*

Dear Ms. Countryman:

The Committee on Capital Markets Regulation (the "**Committee**") appreciates the opportunity to comment on the proposed rule of the Securities and Exchange Commission (the "**SEC**") *Registered Offering Reform* (the "**Proposal**").[1]

Founded in 2006, the Committee is dedicated to enhancing the competitiveness of U.S. capital markets and ensuring the stability of the U.S. financial system. Our membership includes forty-seven leaders drawn from the finance, investment, business, law, accounting, and academic communities. The Committee is chaired jointly by R. Glenn Hubbard (Emeritus Dean, Columbia Business School) and John L. Thornton (Former Chairman, The Brookings Institution) and is led by Hal S. Scott (Emeritus Nomura Professor of International Financial Systems at Harvard Law School and President of the Program on International Financial Systems). The Committee is an independent and nonpartisan 501(c)(3) research organization, financed by contributions from individuals, foundations, and corporations.

The Committee supports the SEC's objective of facilitating capital formation in public markets by expanding basic eligibility for the streamlined "shelf" registration framework on SEC Form S-3 to more public companies.[2] The shelf registration framework allows existing public companies to conduct additional securities offerings without repeating the more extensive, costly, and time-consuming registration process on Form S-1 for each offering.[3] The Proposal would expand access to this framework by eliminating the current requirements that an issuer be a public company for at least 12 months and have a minimum public float of $75 million to be eligible for shelf offerings.[4]

Our letter focuses on one aspect of the Proposal that works against the objective of facilitating capital formation in public markets. Specifically, the Proposal would disqualify a company from the shelf framework for three years if the company commits an antifraud-related violation of the

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[1] SECURITIES AND EXCHANGE COMMISSION, *Registered Offering Reform*, 91 FED. REG. 31,022 (May 26, 2026), https://www.federalregister.gov/documents/2026/05/26/2026-10373/registered-offering-reform, (the "Proposal").
[2] *See* Proposal at 31,028.
[3] *See id*. at 31,029.
[4] *Id*. at 31,025.

federal securities laws arising from a material misstatement or omission in certain registration statements, offering materials for exempt offerings, or Exchange Act filings.[5] Currently, such companies are subject to enhanced SEC staff review and the loss of other communication and offering-related benefits for subsequent shelf offerings but retain overall eligibility for shelf registration. The Proposal would thus significantly expand the consequences of ineligible issuer status.

The Proposal explains that disqualification of such companies is necessary to protect investors given the Proposal's expansion of eligibility for shelf registration to more public companies.[6] However, as our letter explains, disqualification is unnecessary, as the current framework adequately protects investors by implementing enhanced SEC review of subsequent shelf registration statements for companies with past securities law violations, and the Proposal identifies no evidence that this longstanding approach is inadequate. Moreover, disqualifying such companies could make it impracticable for public companies to conduct time-sensitive securities offerings that are important to the functioning of U.S. capital markets. In particular, large publicly traded companies in industries that require frequent capital raises, such as banking, commonly rely on the shelf offering framework to conduct a significant number of securities offerings per year to manage critical funding or compliance obligations and to intermediate capital markets activities. It would be impracticable for these offerings to proceed through Form S-1, which requires a separate registration statement and review process for each offering, resulting in potentially significant delays and challenges to capital formation.

We therefore recommend that the Proposal retain the current approach where companies with specified securities law violations remain eligible to use the Form S-3 shelf registration framework but lose eligibility for automatic shelf registration, with subsequent registration statements subject to SEC staff review.

I. Summary of Proposal

A company conducting an initial public offering of its equity or debt securities must undergo an extensive registration process.[7] This process includes the provision of detailed disclosures covering the company's business and the specifics of the securities the company is offering on SEC Form S-1.[8]

Companies that have already conducted an initial public offering commonly seek to raise additional capital from the public markets by offering more securities. Common reasons for these offerings are to finance new projects, refinance existing obligations, optimize capital structure, and

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[5] *See id*. at 31,042-3.
[6] *Id*. at 31,042.
[7] *See* SECURITIES AND EXCHANGE COMMISSION, *Updated Investor Bulletin: Investing in an IPO* (Oct. 14, 2022), https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins-17.
[8] *See* SECURITIES AND EXCHANGE COMMISSION, *Form S-1*, https://www.sec.gov/files/forms-1.pdf (last visited Jul. 13, 2026).

comply with regulatory capital requirements. To facilitate these offerings, the SEC established the streamlined "shelf" registration framework. Under this framework, an issuer that has been subject to the Exchange Act reporting requirements for at least 12 months ("12-month seasoning") and has a public float of at least $75 million may use Form S-3 rather than repeat the full registration process on Form S-1.[9] Form S-3 allows the company to incorporate its existing Exchange Act reports by reference and provide only offering-specific disclosure regarding the new securities.[10]

The overarching rationale for this framework is that requiring a company to repeat the full registration process for every securities offering is unnecessary when the company has already completed the SEC registration process and investors have access to current information through the company's periodic SEC disclosures.[11]

The shelf registration framework provides additional flexibility for companies that either have at least $700 million in public float or have issued at least $1 billion of registered securities for cash (known as "well-known seasoned issuers" or "**WKSIs**").[12] These companies may conduct shelf offerings without waiting for the SEC staff to review the shelf offering disclosure and declare the registration statement effective ("**automatic registration**").[13] Automatic registration reduces issuance costs and enables companies to respond faster to financing opportunities and changing market conditions.

Under the current framework, a company that commits a specified securities law violation, such as a material inaccuracy in its disclosure, is classified as an "ineligible issuer."[14] Ineligible issuers are disqualified from WKSI status and are therefore ineligible for automatic registration.[15] As a result, future shelf registration statements are subject to SEC staff review before the offering can occur. Although this process is less streamlined than automatic registration, it remains substantially more efficient than requiring a separate Form S-1 registration statement for each securities offering.

The Proposal would expand access to the shelf registration framework by eliminating the 12-month seasoning and $75 million public float requirements.[16] The Proposal estimates that these changes would increase the number of companies eligible to use the shelf registration framework by 60%.[17] In addition, the Proposal would eliminate WKSI status and extend automatic registration to a larger set of issuers.[18] The Proposal explains that these changes are intended to lower the costs of

[9] Proposal at 31,029-30.
[10] *Id*. at 31,029.
[11] *See id*. at 31,031.
[12] *Id*. at 31,026.
[13] *Id*. at 31,033.
[14] *Id*. at 31,041.
[15] *Id*. at 31,054.
[16] *Id*. at 31,025.
[17] *Id*. at 31,046.
[18] *Id*. at 31,025-6.

accessing the public markets and facilitate capital formation by allowing more issuers to raise capital quickly and efficiently.

However, the Proposal would also significantly expand the negative consequences of becoming an "ineligible issuer," making it substantially more punitive. Specifically, a company that becomes an ineligible issuer as a result of specified securities law violations would lose access to the shelf registration framework for three years unless the SEC grants a waiver.[19] The company would thus be required to prepare a separate Form S-1 registration statement for each registered securities offering and undergo the more extensive SEC staff review associated with Form S-1 registration statements. The Proposal explains that this change is necessary to ensure that the Proposal's expansion of access to shelf registration does not extend to companies that are newly eligible to use Form S-3 and might therefore "pose greater potential for non-compliance with the Federal securities laws."[20]

II. Analysis of Proposal

We support the Proposal's expansion of basic eligibility for the shelf registration framework to more public companies. However, we do not believe the Proposal should completely exclude ineligible issuers from the shelf registration framework. There are two principal reasons for this:

First, the Proposal's investor protection objective is maintained by the current approach of disqualifying ineligible issuers from automatic registration and thus subjecting those companies' future shelf offerings to SEC staff review. This approach allows the SEC to scrutinize future shelf offering disclosures and address any concerns arising from prior securities law violations before additional securities are offered to the public. The Proposal does not identify evidence that this longstanding approach has failed to protect investors or that SEC staff review of future Form S-3 disclosures would be insufficient to protect investors if a company that is newly eligible for the shelf framework commits a specified securities law violation.[21] Moreover, disqualification is unnecessary to deter non-compliance with the federal securities laws. Companies that violate the federal securities laws already face significant enforcement consequences, including monetary penalties, injunctive relief, and cease-and-desist orders.[22]

Second, complete disqualification could undermine the Proposal's objective of facilitating capital formation in the U.S. public markets.[23] In particular, loss of shelf registration eligibility would make it impracticable for a public company to conduct frequent or time-sensitive securities offerings because each offering would require a separate Form S-1 registration statement, which

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[19] *See id*. at 31,042.
[20] *Id*. at 31,040.
[21] *See id*. at 31,087-106.
[22] *See*, *e.g.*, COMMITTEE ON CAPITAL MARKETS REGULATION, *Rationalizing Enforcement in the U.S. Financial System – 2026 Update* (Mar. 2026), https://capmktsreg.org/wp-content/uploads/2026/03/CCMR-Enforcement-Report-Update-03.23.26.pdf.
[23] *See* Proposal at 31,119-20.

generally entails a more extensive SEC staff review and requires substantially more time and resources to prepare and file. These offerings are important not only for the issuing company, but also because they facilitate capital allocation throughout the economy. For example, large bank holding companies routinely issue debt securities pursuant to shelf registration statements to raise capital, manage funding and liquidity, and satisfy prudential capital requirements established by the federal banking agencies. They also use shelf registration to issue structured notes, which provide investors with access to customized investment and risk-management products. Similarly, non-financial companies rely on shelf offerings to raise the necessary capital to provide financing for the purchase of automobiles, equipment, and other commercial assets. Preventing these issuers from accessing the shelf registration framework for several years because of a securities law violation, potentially involving only one subsidiary or business line, could unnecessarily disrupt important financing activities, increase financing costs, and reduce the efficiency of the U.S. capital markets. The Proposal does not evaluate these potential effects on financial institutions and other frequent issuers that rely on recurring shelf offerings, including the additional costs and delays associated with requiring those offerings to proceed through separate Form S-1 registration statements.

The Proposal's waiver mechanism does not address these concerns. Issuers that conduct recurring securities offerings rely on predictable and reliable access to the shelf registration framework. A discretionary waiver process introduces uncertainty regarding whether and when an issuer will be permitted to access the shelf framework, which could complicate funding plans, increase transaction costs, and reduce an issuer's ability to respond quickly to market conditions.

We therefore recommend that the Proposal retain the current approach where companies with specified securities law violations remain eligible to use the Form S-3 shelf registration framework but lose eligibility for automatic shelf registration, with subsequent registration statements subject to SEC staff review. This approach preserves the Proposal's investor protection objectives by subjecting future offerings to SEC review without unnecessarily impeding efficient capital formation.

We also note our support for the Proposal's preemption of state "blue sky" registration requirements for non-exchange listed securities registered under the Securities Act of 1933, which would eliminate the need for such issuances to be separately registered with individual state securities regulators. Such issuances are already subject to extensive SEC disclosure and reporting requirements and requiring companies to register such issuances in multiple state jurisdictions imposes unnecessary costs and delays without benefiting investor protection.

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Thank you for your consideration of the Committee's position. Should you have any questions or concerns, please do not hesitate to contact the Committee's President, Professor Hal S. Scott (hscott@capmktsreg.org) or its Executive Director, John Gulliver (jgulliver@capmktsreg.org) at your convenience.

Respectfully submitted,

Robert Glenn Hubbard

John L. Thornton	Hal S. Scott	R. Glenn Hubbard
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