

WILL ISSUERS STILL HAVE TO PROVIDE QUARTERLY REPORTS IF THE SEC MOVES TO SEMI-ANNUAL REPORTING?

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Will Issuers Still Have to Provide Quarterly Reports if the SEC Moves to Semi-annual Reporting?

The Bottom Line™:

- President Trump has recently called for an end to quarterly reporting for SEC filers and replacing it with semiannual reporting.
- In this report, we examine typical high yield Reports covenants and whether they would require continued quarterly reporting, even if the SEC enacts new rules requiring only semiannual reporting. For public issuers, we also compare the high yield Reports covenant to the corresponding provisions in the issuers' credit agreements.
- There is variation in high yield Reports covenants that will require document-by-document analysis of whether any particular issuer would be required to continue to report on a quarterly basis to comply with their covenants.
- In general, Reports covenants of public companies might provide more flexibility to follow then-current SEC rules on timing and information included in periodic reporting.
- For issuers that are also borrowers under syndicated term loans, the Credit Agreement Financial Statements covenant will likely still require the issuer/borrower to report financials on a quarterly basis.

Overview

President Trump has recently called for an end to quarterly reporting for SEC filers, instead replacing it with semiannual reporting. In light of this, subscribers have asked whether the Reports covenant for high yield bonds would typically require an issuer to continue to provide investors with quarterly reports, even if SEC rules move to 6-month reporting.

We have surveyed typical Reports covenants in high yield bonds for both public and sponsored companies, and found that the answer is not always clear. Whether an issuer would have to continue to provide quarterly reports will depend on the specific language of the Reports covenant for their bonds. However, generally speaking, public company Reports covenants may provide more flexibility for issuers to move to 6-month reporting if SEC rules are changed.

Of course, for issuers that are also borrowers under syndicated term loans, the Financial Statements covenant of the Credit Agreement will likely still require the issuer/borrower to report financials on a quarterly basis, notwithstanding any flexibility in the indenture language of the Reports covenant.

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Typical High Yield Public Company Reports Covenants

We have identified a few common forms of high yield Reports covenants and present some common examples below.

Example 1

Here is the relevant part of the Reports covenant for the recently issued Clean Harbors 5.75% Senior Notes due 2033:

Notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, from and after the Issue Date, the Issuer will furnish to the Trustee, within 15 days after any time periods specified below:

...

(2) within 60 days after the end of each of the first three fiscal quarters of each fiscal year (or such longer period permitted pursuant to the rules and regulations promulgated by the SEC if the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act) beginning with the first fiscal quarter ending after the Issue Date (or if such day is not a Business Day, on the next succeeding Business Day), all financial information that would be required to be contained in a quarterly report on Form 10-Q, or any successor or comparable form, filed with the SEC, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations," and financial statements prepared in accordance with GAAP;

This common form of Reports covenant generally requires that, whether or not the issuer is required to file with SEC, the issuer will provide quarterly reports within 75 days after the end of the first three fiscal quarters or within "such longer period permitted pursuant to the rules and regulations promulgated by the SEC," so long as the issuer is subject to SEC reporting requirements.

If this issuer were not subject to SEC reporting requirements, it seems clear that quarterly reporting would be required within the specified 75-day window, regardless of any SEC rules change.

However, for so long as this issuer is subject to SEC reporting requirements, the time after a quarter end when financials are required is not 75 days, but rather the information is required within "such longer period permitted pursuant to the rules and regulations promulgated by the SEC." This language that specifically ties reporting to SEC rules arguably would allow an issuer with this language to default to any new SEC rules on timing of periodic reports, rather than quarterly reporting.

Additionally, the information required by this covenant is "all financial information that **would be required to be contained** in a quarterly report on Form 10-Q, **or any successor or comparable form.**" [emphasis added] If Form 10-Q no longer exists (and is potentially replaced by a new form, such as a Form 10-H), there would no longer be any information that "would be required to be contained" in Form 10-Q. Instead, the new form would be the "successor or comparable form," and we think the issuer would be permitted to comply with the requirements of the new form.

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While the Reports covenant language for the Clean Harbors 2033s would arguably provide this issuer with some flexibility in the event of an SEC reporting rules change, the answer is not the same under the Clean Harbors [Credit Agreement](#).¹

Section 5.01(b) of the Credit Agreement requires the following:

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower commencing with the fiscal quarter ending June 30, 2017, its consolidated balance sheet and related statements of earnings and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly, in all material respects, the financial position and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year-end audit adjustments;

A separate override provision at the end of the Financial Statements covenant generally provides that the Borrower can meet these requirements by providing its 10-Q (or the 10-Q of any direct or indirect parent entity).

The Clean Harbors Financial Statements covenant does not contain the flexibility set forth in the Reports covenant for the Clean Harbors 2033 Notes. The Borrower is required to provide the required financials within 45 days after the end of each of the first three fiscal quarters of the Borrower's fiscal year. Accordingly, it's highly likely that even with the flexible language in the indenture Reports covenant, this issuer would either seek to amend the Credit Agreement or continue to report on a quarterly basis, due to the Financial Statements covenant requirements set forth in its Credit Agreement.

Example 2

Next, we look at another common form of Reports covenant. This example comes from the recent Northern Oil & Gas 7.875% Senior Notes due 2033. Here's the relevant part:

So long as any notes are outstanding, the Company will furnish to the holders of the notes and the trustee, within the time periods specified in the SEC's rules and regulations:

(1) all quarterly and annual financial information with respect to the Company and its Subsidiaries that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Company's certified independent accountants;

¹ The existing Clean Harbors Credit Agreement is being refinanced with the proceeds of the 2033 Notes and new syndicated term loans. While the terms of the new Credit Agreement have not yet been made publicly available, we expect that the terms of the Financial Statements covenant of the new Credit Agreement will be substantially similar to the Financial Statements covenant of the existing Clean Harbors Credit Agreement.

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With respect to quarterly reporting, this covenant generally requires all quarterly information that “would be required...on Form[] 10-Q...if the Company were required to file such Form[]” and for that information to be provided “within the time periods specified in the SEC’s rules and regulations.”

Unlike the Reports covenant discussed in Example 1 above, the time period for providing the information does not depend on whether or not the issuer remains an SEC filer. The financial information is due when it would be due under SEC rules. So if SEC rules are changed to require financial information on a semiannual basis, rather than quarterly, this covenant would arguably allow the issuer to follow the new SEC rules, rather than continue to provide quarterly reports.

Again, however, the Financial Statements covenant in the Credit Agreement governing Northern Oil and Gas’ revolver provides a tighter reporting regime. Section 8.01(b) of that [Credit Agreement](#) requires that the Borrower provide the following:

(b) Quarterly Financial Statements. As soon as available, but in any event and not later than forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, commencing with the fiscal quarter ended March 31, 2022, the Borrower and its Consolidated Subsidiaries’ consolidated balance sheet and related statements of operations, stockholders’ equity and cash flows as of the end of and for such quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial position and results of operations of the Borrower and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes.

This Credit Agreement language does not contain the flexibility set forth in the Reports covenant for the Northern Oil & Gas 2033 Notes. The Borrower is required to provide the required financials within 45 days after the end of each of the first three fiscal quarters of the Borrower’s fiscal year. Accordingly, it’s highly likely that even with the flexible language in the indenture Reports covenant, this issuer would either seek to amend the Credit Agreement or continue to report on a quarterly basis, due to the Financial Statements covenant requirements set forth in its Credit Agreement.

Example 3

The last common form of public company high yield Reporting covenant we look at comes from Clear Channel Outdoor’s 7.125% Senior Secured Notes due 2031 and 7.5% Senior Secured Notes due 2033, each of which were issued on August 4, 2025. Here’s the relevant part:

Notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, each Indenture will require the Issuer to file with the SEC from and after the Issue Date no later than 15 days after the periods set forth below:

...

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(2) within 60 days after the end of each of the first three fiscal quarters of each fiscal year, all financial information that would be required to be contained in a quarterly report on Form 10-Q, or any successor or comparable form, filed with the SEC;

While similar to Example 1 above, this covenant requires the issuer to provide “all financial information that **would be required to be contained** in a quarterly report on Form 10-Q, **or any successor or comparable form.**” [emphasis added]

We think it is clearer under this example that the issuer can follow any new SEC rules. If Form 10-Q no longer exists (and is potentially replaced by a new form, such as a Form 10-H), there would no longer be any information that “would be required to be contained” in Form 10-Q. Instead, the new form would be the “successor or comparable form,” and we think the issuer would be permitted to comply with the requirements of the new form.

That said, the Financial Statements covenant in the Credit Agreement governing Clear Channel Outdoor’s term loans again provides a tighter reporting regime. Section 6.01(b) of that [Credit Agreement](#) requires that the Borrower provide the following:

(b) within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower beginning with the first fiscal quarter ending after the Closing Date, a consolidated balance sheet of the Borrower as at the end of such fiscal quarter, and the related (i) consolidated statements of income or operations for such fiscal quarter and for the portion of the fiscal year then ended and (ii) consolidated statements of cash flows for the portion of the fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year and including a customary management discussion and analysis of the Borrower and its Subsidiaries, all in reasonable detail and certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations, stockholders’ equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject to normal year-end adjustments and the absence of footnotes;

This Credit Agreement Financial Statements covenant does not contain the flexibility set forth in the Reports covenant for the Clear Channel Outdoor bonds. The Borrower is required to provide the required financials within 45 days after the end of each of the first three fiscal quarters of the Borrower’s fiscal year. Accordingly, it’s highly likely that even with the flexible language in the Reports covenant for the Clear Channel Outdoor bonds, this issuer would either seek to amend the Credit Agreement or continue to report on a quarterly basis, due to the Financial Statements covenant requirements set forth in its Credit Agreement.

A Typical High Yield Sponsored Company Reports Covenant

Reports covenants for sponsored companies tend to be very similar to the examples described above, with a few changes. Most notably, Reports covenants for sponsored (or otherwise private) companies, typically do not default to SEC rules, likely because the issuer is not expected to be subject to such rules.

As an example, here is the relevant part of the Reports covenant for PetSmart’s 7.5% Senior Secured Notes due 2032:

The Indenture will provide that so long as any Notes are outstanding, the Issuer shall furnish:

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(a) ... (2) within 60 days of the end of each of the first three fiscal quarters of every fiscal year (or if such day is not a Business Day, on the next succeeding Business Day), unaudited financial statements for the interim period as of, and for the period ending on, the end of such fiscal quarter, in each case, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosures with respect to the periods presented and, with respect to the annual information only, a report on the annual financial statements by the Issuer’s certified independent accountants (all of the foregoing financial information to be prepared on a basis reasonably consistent with and subject to exceptions reasonably consistent with, the corresponding financial information included or incorporated by reference in this Offering Memorandum);

Notably, this covenant simply requires quarterly financial information to be furnished within 60 days of the end of the first three fiscal quarters. It makes no mention of SEC rules, and does not provide for any other time period or any different content based on then-current SEC rules.

Accordingly, regardless of any SEC rule change that might occur, a private issuer with this style of sponsored/private company Reports covenant would still have to provide investors with quarterly financial information.²

— *Covenant Review*

² The Credit Agreement for the PetSmart issuer is private, and so we do not analyze the terms of that Credit Agreement in this report.

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