



SEC Explores Pathways to Revitalize the IPO Market

What We're Watching and What It May Mean for Issuers

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In April 2026, the Securities and Exchange Commission's Small Business Capital Formation Advisory Committee convened to examine a timely question: how to encourage more companies to go public in a market where IPO activity has slowed.

The discussion brought together perspectives from legal advisors and capital markets leaders, focusing on the current state of the IPO market, the regulatory environment, and the factors influencing companies' decisions to remain private longer.

While no rule changes have been announced, the conversation signals a growing regulatory focus on the accessibility and sustainability of the public markets.

What's Driving the Conversation

The committee's agenda reflects a broader shift in how companies approach capital formation.

Key themes raised during the discussion include:

- **Declining IPO activity**
Fewer companies, particularly small and mid-cap issuers, are entering the public markets compared to prior decades.
- **Regulatory and compliance complexity**
The cost, timing, and operational burden of going public remain significant considerations.
- **Abundance of private capital**
Many high-growth companies can raise substantial funding without accessing public markets, delaying or bypassing IPOs altogether.
- **Evolving market expectations**
Investors, underwriters, and regulators are operating in a more data-driven, risk-sensitive environment.

Perspectives from both legal counsel and underwriters reinforced that the IPO decision today is not just market-driven, it is increasingly structural and strategic.

What May Change

Although the SEC's efforts are still exploratory, areas of potential focus are beginning to take shape.

These may include:

- **Evaluating the current regulatory framework**
Identifying where requirements may create unnecessary friction, particularly for emerging growth companies.
- **Improving access for smaller issuers**
Exploring ways to make public markets more viable for companies that may not have large-scale infrastructure.
- **Aligning IPO processes with modern business models**
Addressing the gap between how companies scale today and how the IPO process is structured.
- **Enhancing market attractiveness**
Ensuring that going public remains a competitive and compelling option relative to private capital.

Any meaningful changes will take time, but the direction is clear: the SEC is actively assessing how to make public markets more accessible without compromising investor protection.

What Issuers Should Be Thinking About Now

Even without immediate regulatory changes, this moment is important for companies considering an IPO in the next several years.

Common considerations we are discussing with clients include:

- **IPO readiness is taking longer**
Building audit readiness, internal controls, and governance structures requires early and deliberate planning.
- **Scrutiny is not decreasing**
Even if processes are streamlined in the future, expectations around financial reporting quality and transparency remain high.
- **The window may shift quickly**
Regulatory changes (combined with market conditions) can create periods of opportunity that favor well-prepared issuers.
- **Your story matters as much as your numbers**
Public investors are evaluating not just performance, but sustainability, risk, and long-term positioning.

Kreit & Chiu CPA LLP's Perspective on a Changing IPO Landscape

As a PCAOB-registered and CPAB-registered firm serving companies across global markets, we see this moment as part of a broader shift in how businesses approach the public markets.

The IPO pathway is not going away. It is evolving in response to changes in regulation, capital access, and investor expectations.

In working with our clients, our focus remains consistently on:

- Building audit and reporting frameworks that scale alongside growth
- Aligning financial narratives with what public market investors expect and value
- Anticipating regulatory developments early, not reacting to them late
- Supporting cross-border readiness for companies operating in multiple jurisdictions

In a market that continues to shift, preparation is not just helpful. It is a strategic advantage.

Why This Matters Now

The SEC's initiative highlights a key reality: the future of the IPO market is actively being shaped, not just by market forces, but by policy decisions.

Companies that begin preparing early will be better positioned to adapt, regardless of how the regulatory landscape evolves.

Let's Start the Conversation

If you are considering an IPO or reassessing your timeline in light of market and regulatory shifts, this is the right time to take a closer look at your readiness.

Kreit & Chiu CPA LLP works with high-growth companies around the world to navigate the IPO process with clarity, precision, and strategic insight.

Connect with our team to discuss how these developments may impact your path to the public markets.

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