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In the frenzy of quarterly reports

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Abstract

In the U.S., quarterly reporting is likely no longer required by law. Here's why that's not a problem.

Zusammenfassung

In den USA dürfte die Quartalsberichterstattung gesetzlich nicht mehr verpflichtend sein. Warum das nicht schadet.



“Quarterly reports have little informative value, and they unnecessarily fuel volatility in capital markets that are already highly sensitive. The stock market thus risks becoming a game of roulette that all too often drifts away from economic reality.”

This quote by Wendelin Wiedeking is more than 20 years old, yet it fits a current development in the U.S.: the regulatory authority SEC (Securities and Exchange Commission) is pushing to abolish mandatory quarterly reporting for listed companies—at the statutory level.

Wiedeking is not only known for having rescued Porsche, the luxury sports car manufacturer, from near insolvency and restored it to former glory. In the early 2000s, the hobby farmer also took on Deutsche Börse, which at the time made quarterly reporting mandatory for Porsche and other companies. Wiedeking took Deutsche Börse to court—and lost. In 2001, Deutsche Börse removed Porsche from the MDax, the smaller sibling of the German stock index Dax, due to the lack of quarterly reports.

Quarterly reports have been mandatory in the United States since 1970. At the end of September 2025, SEC Chairman Paul Atkins confirmed that the regulator would propose a rule change allowing companies either to continue reporting quarterly or to switch to semiannual reporting. This March, the *Wall Street Journal* reported that such a proposal was imminent. The plan is to make quarterly reporting optional rather than mandatory—exactly as Atkins had announced.

This brings an old controversy back onto the table: what value do four corporate reports per year provide for long-term equity investors?

Two Levels of Regulation

First of all, it is important to understand that there are two regulatory levels: statutory requirements and the rules set by private stock exchanges and index providers.

The United Kingdom and the European Union, for example, abolished mandatory quarterly reporting more than a decade ago. While it is indeed possible to dispense entirely with quarterly reports on the London Stock Exchange, this is not generally the case in Frankfurt. In Deutsche Börse’s premium segment, the “Prime Standard,” quarterly disclosures are mandatory. Admission to the Prime Standard is a prerequisite for inclusion in one of Deutsche Börse’s selection indices (Dax, MDax, TecDax, SDax).

In practice, companies meet these requirements in very different ways. The most recent quarterly statement by DAX constituent Beiersdorf runs to seven pages and contains only key revenue figures, but no profit figures. Volkswagen’s quarterly report, by contrast, consists of 64 pages and lists all key figures, including profits, cash flows, and balance sheet data.



In the U.S., the two major stock exchanges, the New York Stock Exchange and Nasdaq, are inevitably guided by SEC requirements. As a result, three quarterly reports (Form 10-Q) per fiscal year are mandatory for U.S.-listed companies, in addition to the annual report (Form 10-K).

Whether new SEC rules might prompt U.S. exchange operators and index providers to relax their own requirements remains an open question. Equally unclear is how many companies would actually make use of such leniency by reducing the scope or frequency of their reporting—and what the consequences might be.

More Reports, More Volatility

A U.S. study published in November 2025 concludes that the frequency of corporate reporting (quarterly versus semiannual) is not a neutral operational factor. Instead, it significantly influences how capital markets process information and transmit risk (Ritter and Ugras, 2025).

The study finds that quarterly reporting leads to accelerated information processing by investors. The flip side is heightened price volatility. While quarterly reporting improves market efficiency, it also results in stronger short-term volatility spikes, particularly in response to negative news or during periods of broader market uncertainty. Semiannual reporting, by contrast, reduces market “noise” and dampens short-term overreactions. The cost, however, is slower and more gradual incorporation of information into stock prices.

The study also identifies sectoral differences. Share prices in cyclical industries such as technology or finance react much more strongly to frequent reporting. Stocks in so-called defensive sectors such as healthcare show significantly smaller fluctuations.

More Freedom Is Not a Drawback

Semiannual reporting is therefore not a disadvantage. It would curb short-term quarterly betting and prevent management from focusing every three months on the earnings call. Cost savings would also result.

However, fewer reporting triggers could negatively affect liquidity in the world’s largest equity market. Around earnings announcements, short-term-oriented market participants trade ahead of publications and close positions afterward. These transactions would disappear without quarterly reports.

It should also be borne in mind that newly listed companies have no established track record and only a short reporting history. Leaving investors in the dark for six months makes little sense in such cases. There have always been fast-moving trends and economic upheavals that were quickly reflected in the financial



statements of (U.S.) listed companies—and that had, and continue to have, relevance for longer-term share prices.

Overall, it makes sense to give listed companies fundamental freedom regarding their publication rhythm, as the SEC intends. Everything else should be left to investors. Their requirements and preferences are unlikely to be ignored by U.S. exchange operators and index providers.

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