AUGUST 2026

Cravath Venture Capital & Growth Equity Insights

H1 2026 AND FY 2026 OUTLOOK

Contents

Market Update

KEY TAKEAWAYS

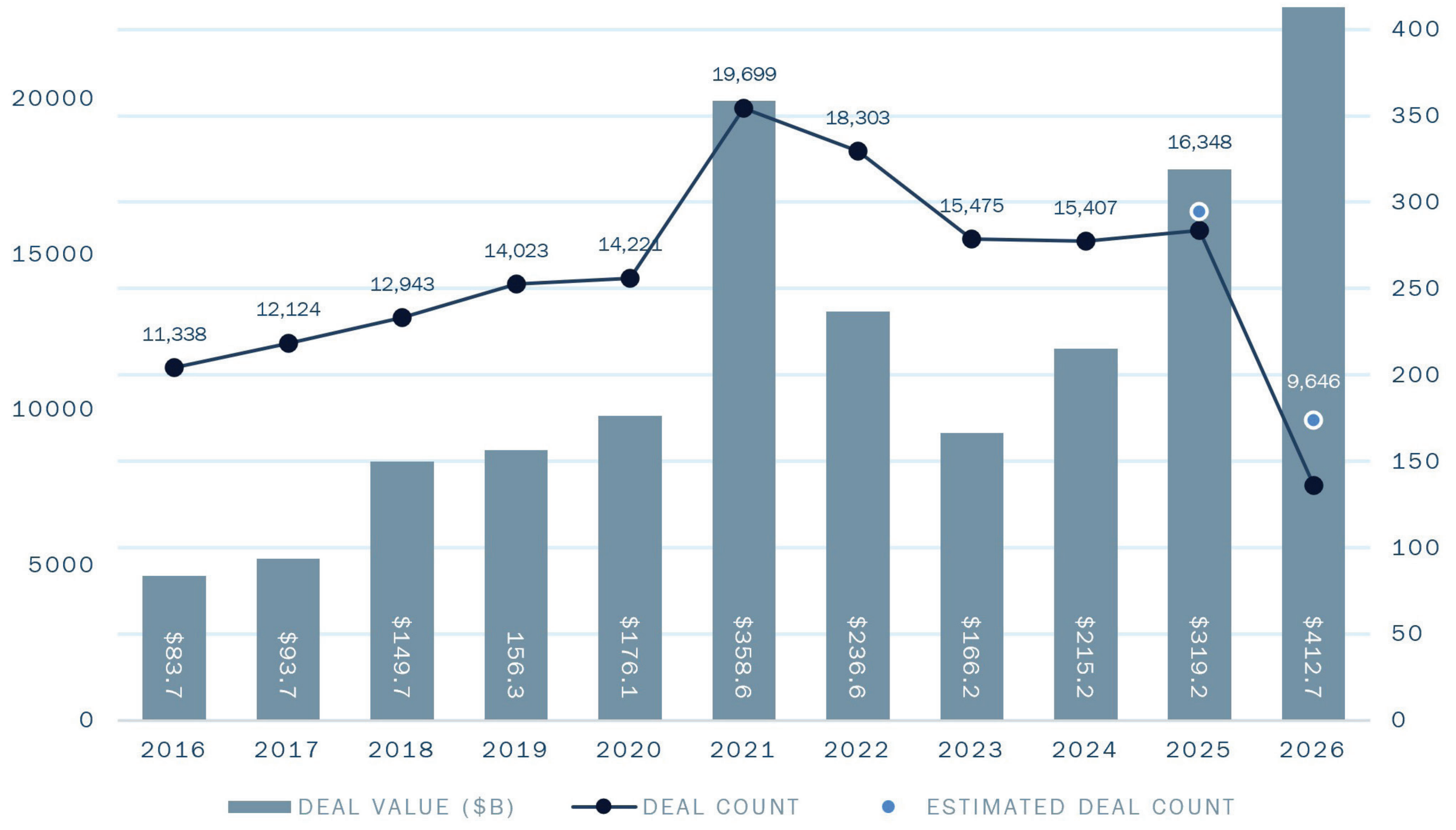
- U.S. venture capital activity reached record levels in the first half of 2026 and remained concentrated in megadeals, with AI deal value capturing the overwhelming majority of total deal value.
- Median U.S. pre-money valuations climbed across every stage of the VC lifecycle in the first half of 2026 from 2025 levels, with AI companies recording significant valuation premiums over non-AI peers at every funding stage.
- Exit activity increased significantly, highlighted by SpaceX's landmark IPO and SpaceX's acquisition of xAI, while secondary market value exceeded public listing exit value for the first time.

VENTURE CAPITAL ACTIVITY

Venture capital activity reached record levels in the first half of 2026, with deal value remaining concentrated in a small number of outsized transactions, particularly in the AI sector. U.S. VC deal value totaled $412.7 billion in the first half of 2026, approximately 88% of which was driven by megadeals (*i.e.*, funding rounds of $100 million or more), exceeding the megadeal percentage for the full year of 2025 (which was approximately 67%).[1] Globally, VC deal value was similarly concentrated at the top of the market, with VC investment reaching $560.4 billion in the first half of 2026, more than double the $256.9 billion invested in the first half of 2025.[2]

H1 2026 deal value already exceeds 2025 full-year figure by nearly 30%

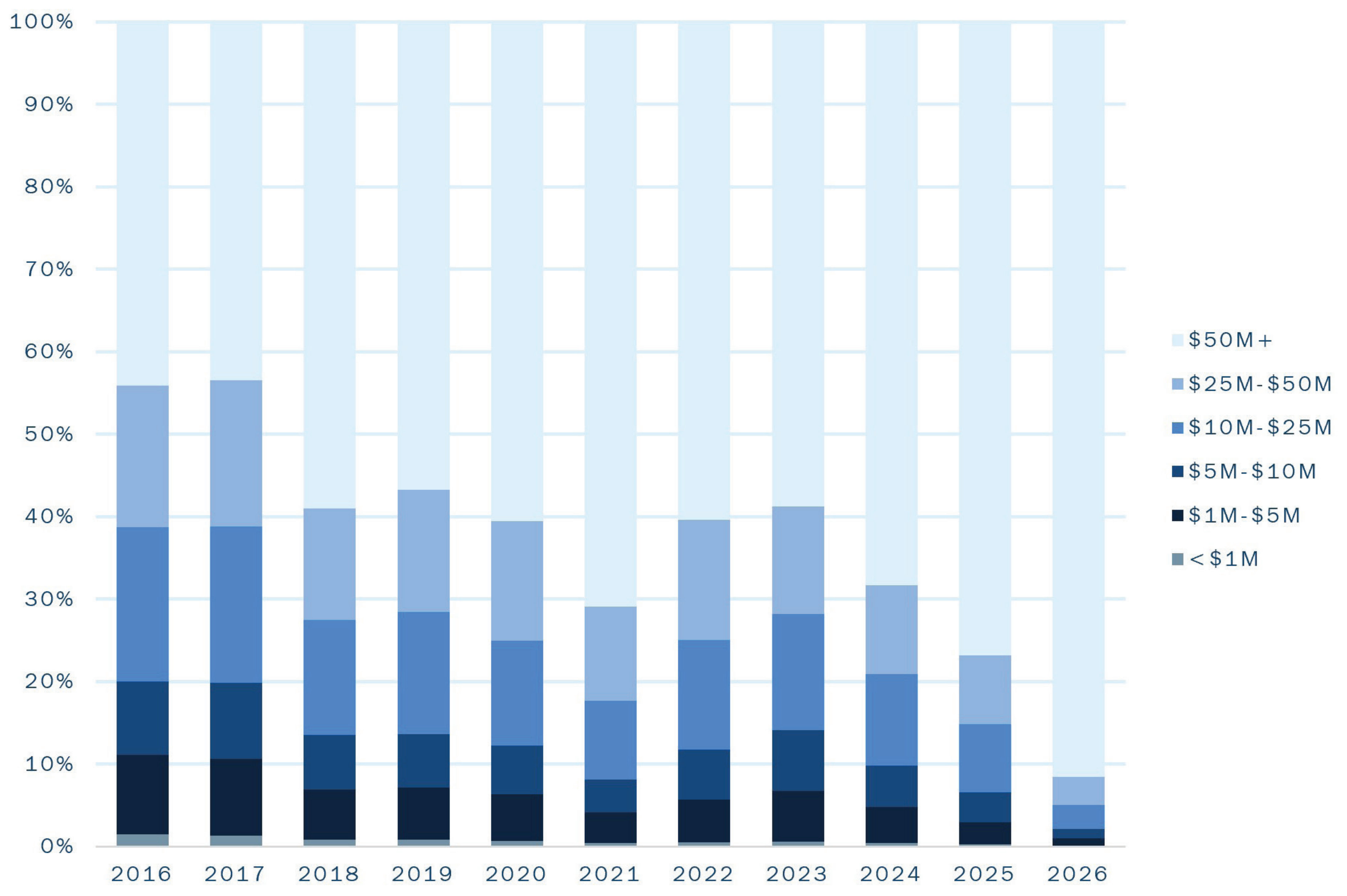
U.S. VC deal activity



Data Source: *Pitchbook-NVCA Venture Monitor • As of June 30, 2026*

Deals over $50 million make up an unprecedentedly high share of total deal value

Share of U.S. VC deal value by size bucket



Data Source: Pitchbook-NVCA Venture Monitor • As of June 30, 2026

AI deal value captured 86% of U.S. VC deal value in the first half of 2026, with notable megadeals including OpenAI's $122 billion raise, Anthropic's $30 billion Series G round and its subsequent $65 billion Series H round, xAI's $20 billion Series E round (prior to its merger with SpaceX), Waymo's $16 billion raise and Project Prometheus's $12 billion Series B round. Beyond AI megadeals, crypto companies, prediction-market platforms and defense technology companies also drew large financings in the first half of 2026, including Kalshi's $1 billion Series F round, Shield AI's $2 billion round (including its $1.5 billion Series G round and $500 million fixed-return preferred equity raise) and Anduril's $5 billion Series H round.

Although deal value has gravitated toward the largest transactions, early-stage dealmaking has shown momentum. First-time financings (*i.e.*, the first round of equity funding in a startup with an institutional VC investor involved) reached an estimated 5,674 deals in the first half of 2026 and are on pace to exceed 10,000 deals for the full year, which would mark a new annual record.[3] This increase in early-stage deals is partly attributable to the development of AI coding tools and foundational models, which has accelerated product development.

This activity has taken place amid macroeconomic and geopolitical volatility, marked by conflicts in the Middle East, rising energy prices, renewed tariff uncertainty following the U.S. Supreme Court's February 2026 ruling against certain tariffs and growing political scrutiny of AI, including rising anti-AI sentiment among the broader public. VC activity in the AI sector has so far been largely unaffected by these external factors; however, a change in AI sentiment could disproportionately affect the market given that capital is heavily concentrated in a small number of AI companies.[4]

VALUATION TRENDS

In the first half of 2026, median U.S. pre-money valuations climbed across every stage of the VC lifecycle, significantly rising above 2025 levels and surpassing their 2021 highs across all series: median Series A valuations reached $64 million (32% above 2025), Series B valuations reached $188.3 million (33% above 2025), Series C valuations reached $546 million (84% above 2025) and Series D+ valuations reached roughly $2 billion (139% above 2025), primarily driven by AI megadeals.[5]

During this period, AI companies recorded significant valuation premiums over their non-AI peers at every funding stage, with premiums widening substantially from the relatively modest gaps observed in 2025. For example, as of mid-2026, the median AI pre-money valuation at Series D has reached $4.2 billion, more than 6.5 times the $644 million median for non-AI peers at the same stage.[6]

FUNDRAISING TRENDS

Venture fundraising in the first half of 2026 nearly matched the full-year total in 2025 despite far fewer fund closes, underscoring a decisive shift toward larger vehicles. U.S. VC firms raised $72.4 billion across 405 funds in the first half of 2026 alone, nearly matching the $74.9 billion raised across 907 funds for the full year of 2025.[7] Funds greater than $1 billion accounted for 68% of capital raised in the first half of 2026, a sharp increase from 37% for the full year of 2025.[8]

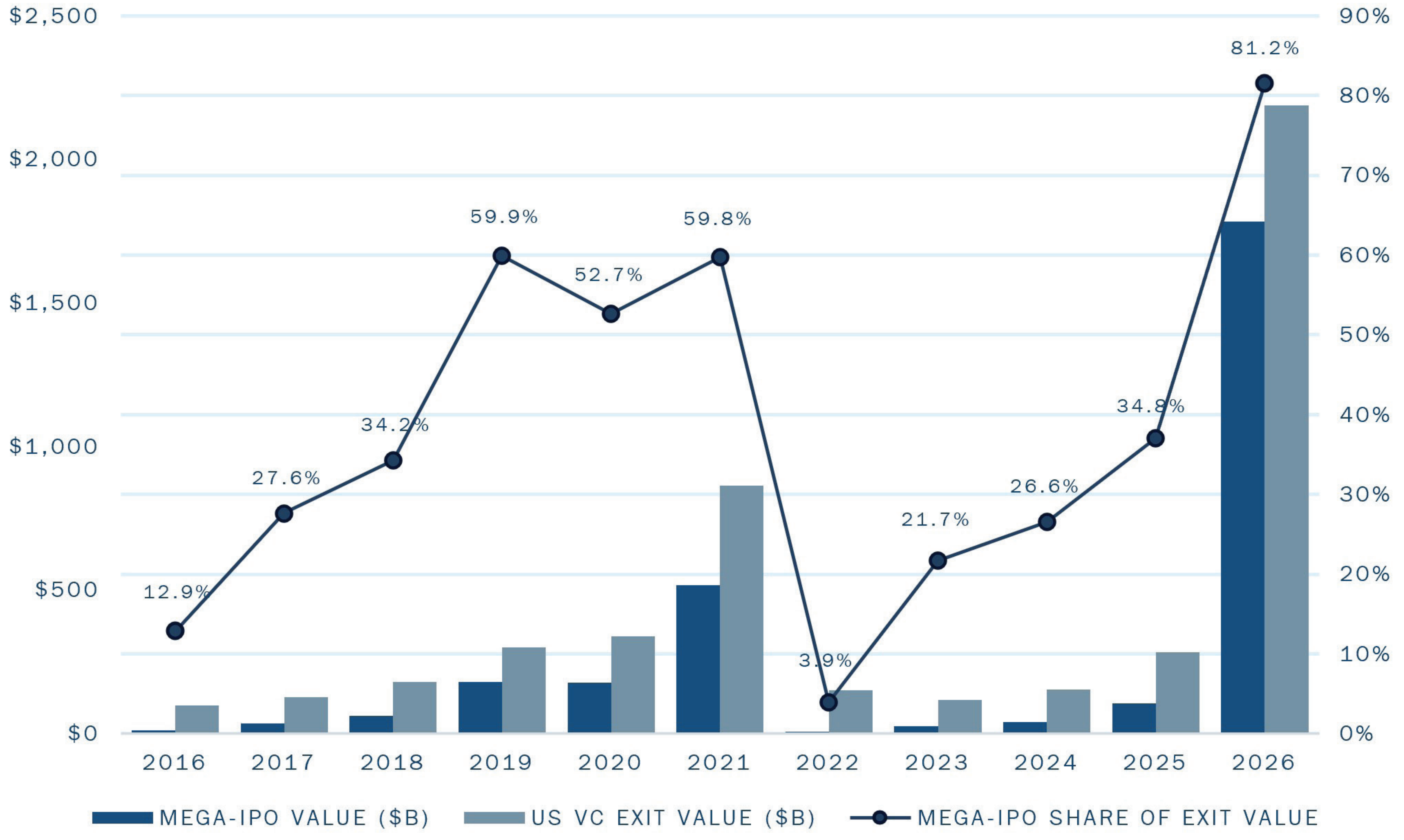
Experienced VC firms raised $64.5 billion during this period, compared to $7.9 billion for emerging or first-time managers,[9] reflecting a continued preference among limited partners for managers with demonstrated track records, particularly in an environment where larger fund sizes and faster fundraising cycles favor firms with existing LP relationships.

EXIT ACTIVITY

Total exit value in the first half of 2026 reached a record $2.2 trillion, vastly exceeding the full-year 2025 level of $284.1 billion.[10] Exit activity was dominated by mega-IPOs (*i.e.*, IPOs raising $1 billion or more) driving 81.2% of total exit value in the first half of 2026.[11] SpaceX completed its IPO in June 2026 at a valuation of $1.77 trillion, making it the largest U.S. VC-backed tech IPO by a factor of 17x and the largest IPO of all time. The offering raised $85.7 billion, accounting for the underwriters' fully exercised greenshoe option.[12] Excluding the SpaceX IPO, U.S. total exit value amounted to $417.6 billion in the first half of 2026, still approximately 47% higher than total exit value in the full year of 2025.[13] Looking ahead, both Anthropic and OpenAI have announced confidential submissions for their own IPOs, setting the stage for additional potential mega-IPOs that could influence the timing or speed of other entrants in the market.

$1 billion+ IPOs drive the majority of annual exit values

U.S. VC exit activity



Data Source: Pitchbook-NVCA Venture Monitor • As of June 30, 2026

M&A exit activity reached record levels, with U.S. M&A exit value in the first half of 2026 reaching a decade high of $375.4 billion, driven primarily by a single transaction: SpaceX's $250 billion acquisition of xAI in the first quarter, the largest VC-backed M&A exit of a U.S. company.[14] Excluding the SpaceX acquisition, U.S. M&A exit value amounted to $125.4 billion in the first half of 2026, still more than double the $54.9 billion value in the first half of 2025.[15]

The U.S. venture secondary market also reached a new milestone, with transaction value reaching $121.7 billion for the trailing 12-month period ended in the second quarter of 2026.[16] Secondary activity remained concentrated among the market's most valuable private companies, such as Anthropic and Databricks. Large tender offers drove a significant portion of the recorded secondary transaction value, with notable tender offers including Anthropic's $5.5 billion tender in February 2026 and Notion's $300 million tender in January 2026.[17] Tender offer activity for VC-backed private companies also accelerated sharply over the last few years, with the average time between tenders on the Nasdaq Private Market falling from 899 days in 2022 to just 132 days in 2025.[18] This suggests that tender offers are becoming an increasingly popular path to liquidity for employees and early investors.[19]

Special Insights

KEY TAKEAWAYS

- State AI laws became more fragmented in the first half of 2026 despite a recent federal preemption campaign, leaving state-level regulatory regimes intact for the foreseeable future.
- Talent acquisitions in the AI sector structured as reverse acqui-hires have prompted recent antitrust scrutiny.
- The Securities and Exchange Commission ("SEC") proposed new rules, Regulation Crypto Assets, which would provide exemptions at different stages of token development and fundraising and a conditional safe harbor for token issuers and investors.
- Recent developments in index inclusion methodology and Texas corporate law, highlighted by the SpaceX IPO, present new structuring considerations for companies contemplating an IPO.

INDUSTRY SPOTLIGHT:
ARTIFICIAL INTELLIGENCE

State AI Regulation

State AI regulation became more fragmented in the first half of 2026, with states pursuing diverging regulatory regimes. Texas enacted the Texas Responsible Artificial Intelligence Governance Act ("TRAIGA"), which focuses on prohibiting the use of AI for certain enumerated harmful purposes such as infringement of constitutional rights. Whereas, California took a broader approach with multiple AI statutes that took effect starting January 2026, including the Transparency in Frontier Artificial Intelligence Act ("TFAIA"). TFAIA requires large frontier model developers (*i.e.*, developers that have trained a model using more than 10^{26} floating-point operations and that, together with their affiliates, had annual gross revenues exceeding $500 million in the preceding calendar year) to create, maintain and publicly disclose a risk management framework detailing their approach to catastrophic risk assessment, mitigation measures and critical safety incident responses, with penalties for noncompliance reaching up to $1 million per violation. The two statutes also differ in how they establish jurisdictional nexus. TRAIGA includes an express scope provision reaching any person who promotes, advertises or conducts business in Texas, produces a product or service used by Texas residents, or develops or deploys an AI system in the state, hooks familiar from state consumer protection and privacy statutes. TFAIA contains no comparable geographic trigger; its obligations attach to any developer satisfying the compute and revenue thresholds, leaving open how the statute reaches developers without California operations, although the concentration of covered developers in California limits the practical significance of that question for now. For companies operating nationally, the result is that jurisdictional exposure must be assessed state by state, as in-state conduct governs under some state statutory regimes while developer-level scale governs under others.

The federal government has supported federal preemption of state regulations. Acting on President Trump's executive order stating that state-by-state regulation creates compliance challenges, then-Attorney General Pam Bondi established the Artificial Intelligence Litigation Task Force in January 2026 with the responsibility to challenge state AI laws that are preempted by existing federal regulations, unconstitutionally regulate interstate commerce or are otherwise unlawful. In March 2026, the White House released its National Policy Framework for Artificial Intelligence (the "National Policy Framework"), calling for Congress to "preempt state AI laws that impose undue burdens" on AI developers and users.[20] The framework identifies three categories it considers better suited for federal regulation than state regulation: regulation of AI development itself, regulation of otherwise-lawful conduct merely because AI was used and penalization of AI developers for unlawful third-party conduct involving their models, while preserving state authority over traditional police powers, zoning and infrastructure siting, and states' own procurement and use of AI. The National Policy Framework is a legislative recommendation and has not been enacted into law, so existing state statutes remain fully operative and enforceable for now. In addition, state attorneys general retain independent authority to enforce state consumer protection and anti-competition statutes even if specific AI statutes are successfully challenged.

Companies developing, deploying or otherwise using AI across multiple states should therefore continue building compliance programs based on the current state-law baseline while monitoring federal legislative and enforcement developments.

AI Talent Acquisitions and Related Antitrust Scrutiny

"Acqui-hires"—acquisitions undertaken primarily to secure a target's employees rather than its business—have reshaped the market for AI talent and technology. These transactions can take the form of a merger, stock sale or, more commonly, an asset sale limited to specific intellectual property. The AI talent market has produced an additional structure, often called a "reverse acqui-hire" or "quasi-merger," in which the "acquiror" hires a "target" startup's founders and key engineers and licenses the target's technology without formally acquiring the company. The underlying corporate entity remains intact while its leadership and a portion of its workforce depart for the acquiror. Between March 2024 and early 2026, Google, Microsoft, Amazon, Meta and Nvidia collectively executed transactions worth more than $40 billion pursuant to this structure.

Pursuant to a reverse acqui-hire transaction, the acquiror typically takes a non-exclusive, rather than exclusive, license to the target's technology, a distinction with real legal and economic consequence for the target's shareholders. An exclusive license covering all or substantially all of a target's assets would typically be treated as a deemed liquidation under most VC-backed company charters, triggering the liquidation preferences, consent rights and other protective provisions held by or benefiting preferred shareholders; a non-exclusive license generally avoids that result.

Consideration in reverse acqui-hire transactions is also structured distinctively, typically split between a compensation pool for hired talent (salary, signing bonuses and acquiror equity) and a licensing fee paid to the target company and its existing shareholders. Allocating a significant portion of deal value to a subset of insiders can raise fiduciary duty considerations for target board members, which may be addressable through cleansing measures such as approval by a special committee or the majority of disinterested shareholders.

Regulators have increased scrutiny of reverse acqui-hire transactions in recent years. In June 2024, the Federal Trade Commission ("FTC") reportedly opened a formal investigation into the Microsoft-Inflection AI transaction, and in May 2025, the Department of Justice ("DOJ") opened its own antitrust probe into the Google-Character.AI transaction. In January 2026, FTC Chairman Andrew Ferguson signaled that the agency would continue to review reverse acqui-hire transactions to assess whether companies were structuring deals to evade Hart-Scott-Rodino Act ("HSR Act") notification requirements. In March 2026, the FTC and the DOJ issued a request for public comment on recent updates to the HSR Premerger Notification and Report Form (the "HSR Form"), in which the agencies stated their intention to evaluate whether additional modifications to the HSR Form may be warranted to address acqui-hire and reverse acqui-hire transaction structures.

Whether continued regulatory scrutiny produces formal rulemaking, enforcement actions or continued case-by-case review remains to be seen. Going forward, acquirors structuring talent-focused transactions should assess HSR Act reportability at the outset of structuring rather than treating the absence of a filing obligation as the end of the antitrust analysis: the agencies have investigated non-reportable acqui-hire and reverse acqui-hire structures, and a determination that no filing is required does not foreclose a post-closing challenge. Target boards, for their part, should carefully document the process by which an acqui-hire or reverse acqui-hire transaction is considered, negotiated and entered into to manage fiduciary concerns.

REGULATION CRYPTO ASSETS: THE SEC'S PROPOSED RULE FOR TOKEN OFFERINGS

In August 2026, the SEC announced proposed new rules, titled "Regulation Crypto Assets," which would significantly advance U.S. crypto asset regulation and convert SEC regulatory guidance into durable, rule-based protections for token issuers and investors. Understanding regulation of crypto assets has become central to transaction structuring for both emerging companies raising capital through token issuances and their investors.

Regulation Crypto Assets proposes two exemptive pathways for different stages of token development and fundraising and a conditional safe harbor from the term "investment contract" in the definition of "security" in the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934. The "startup exemption" would allow entrepreneurs to raise up to $5 million over a four-year period using simplified disclosures, with notices to the SEC when relying on and when exiting this exemption. The "fundraising exemption" would permit raising up to $75 million in any 12-month period but would require audited financial statements and ongoing financial reporting. Finally, the "investment-contract safe harbor" addresses when a token stops being a security by providing rule-based standards confirming when a token is no longer subject to U.S. securities laws.[21]

While the SEC pursues Regulation Crypto Assets through agency rulemaking, Congress has been debating proposed legislation establishing a digital asset market framework, namely the Digital Asset Market Clarity Act (the "CLARITY Act"). Passed by the U.S. House of Representatives in July 2025 and currently under review by the Senate, the CLARITY Act would establish a comprehensive regulatory framework for digital assets and would clarify the division of oversight between the SEC and the Commodity Futures Trading Commission ("CFTC"). Due to the Senate's full agenda and the upcoming mid-term elections, the CLARITY Act is currently not expected to be passed by the Senate in 2026. Thus, for the foreseeable future, current and proposed SEC rules will remain the primary framework governing U.S. crypto markets, which creates less certainty for the market than the creation of a federal statutory framework passed by Congress. In the interim, companies and investors should consider structuring transactions with attention to the SEC's recent crypto guidance and interpretations while building in flexibility as the SEC's rulemaking progresses.

SPACEX: SELECT TAKEAWAYS ON IPO STRUCTURING

SpaceX debuted on Nasdaq and Nasdaq Texas on June 12, 2026, raising approximately $85.7 billion at a $1.77 trillion valuation. In addition to setting a record for both the offering and the valuation size, SpaceX's IPO coincided with the introduction of fast-entry rules for inclusion in the Nasdaq-100 and the FTSE Russell, as well as a dual listing on Nasdaq Texas, which supports SpaceX's enhanced governance protections under recent Texas legislation.

IPO Fast Entry for New Large Companies

Nasdaq adopted updates to the methodology for inclusion in the Nasdaq-100 in March 2026, effective May 1, 2026, including fast-entry rules that made it possible for SpaceX to achieve the fastest-ever inclusion in the Nasdaq-100. Under the fast-entry rules that took effect in May, Nasdaq assesses a newly listed company's eligibility as early as its seventh trading day and permits companies with a full market capitalization large enough to rank among the top 40 Nasdaq-100 constituents to enter the index as soon as 15 trading days after their IPO, subject to meeting other eligibility criteria. This is in contrast to the prior requirements of a minimum three-month seasoning period and a public float of at least 10% of the company's total shares outstanding. Companies outside of the top 40 will still be subject to the minimum three-month seasoning period. Additionally, the minimum 10% public float requirement has been replaced by a 3x float cap that allows companies with public floats of less than 33.3% to be included at reduced index weights. Because funds tracking the index must acquire a position in a company upon its addition, compressing the interval between pricing and inclusion moves that mechanical demand closer to the offering;

research suggests that Nasdaq's new fast-entry rules could allow newly public companies to raise roughly 6% more capital than they otherwise would as a result of mechanical buying by funds tracking the index.[22] As a case in point, SpaceX was added to the Nasdaq-100 on July 7, 2026, 15 trading days after its IPO, and its early inclusion resulted in an estimated $4.3 billion in mandatory passive inflows upon addition from more than 200 products with $800 billion in assets tracking the Nasdaq-100 index. The more relaxed index methodology aims to address the fact that companies stay private longer and list at larger scales with well-known brand names, a shift that reduces the utility of seasoning periods, which were designed to prevent small or little-known companies from prematurely entering the index.

FTSE Russell also adopted fast-entry rules, which went into effect on May 26, 2026 and admit newly listed companies to its U.S. indices just five trading days after their IPOs, provided the issuer's investable market capitalization exceeds the Russell Top 500 adjusted market cap. FTSE Russell left its minimum 5% free float and minimum voting rights requirements unchanged, but it added a grace period permitting IPOs that initially fall below the float threshold because of lock-up arrangements to remain eligible for inclusion in the Russell Top 500 if lock-up expirations within 12 months of the index inclusion date are expected to bring their float above 5%.

S&P Dow Jones Indices took a different approach. Following a consultation that ran through May 2026, S&P confirmed in June 2026 that it would not relax its eligibility criteria: companies must still trade publicly for at least 12 months, report positive earnings under U.S. generally accepted accounting principles in the most recent quarter and cumulatively over the prior four quarters, and maintain a minimum 10% public float. S&P Dow Jones Indices' retained profitability screen means companies with significant operating losses should still anticipate a multi-year gap between IPO and S&P 500 eligibility.

For large late-stage private companies, the divergence across indices may transform index eligibility into a meaningful pre-IPO structuring consideration. Going forward, companies should evaluate exchange selection and anticipated public float in light of each index's eligibility criteria, as index inclusion timing may materially affect post-IPO trading dynamics and shareholder base composition.

Dual Listing: Protections from Shareholder Proposals and Exclusive Forum Selection

Another notable feature of SpaceX's IPO is its dual listing on Nasdaq and Nasdaq Texas. Commentators have characterized the dual listing as largely symbolic, taking the view that Nasdaq Texas is an additional trading venue rather than a separate pool of capital, and have observed that SpaceX likely qualified for the governance protections described below on the basis of its Texas principal offices, without regard to the Nasdaq Texas listing.

The dual listing reflects what commentators have termed Texas's effort to build "Y'all Street," a capital-markets and corporate-governance ecosystem designed to compete with New York and Delaware. Consistent with the broader "DExit" movement (including SpaceX's reincorporation from Delaware to Texas in February 2024), as discussed in further detail in our full-year 2025 newsletter, Texas has been attracting more companies by offering stronger director and management protections, among other corporation-friendly features.

Texas Senate Bill 1057 ("SB 1057") amended the Texas Business Organizations Code (the "TBOC") to establish an opt-in framework under which qualifying nationally listed companies (*i.e.*, companies that are publicly traded on a national securities exchange and either have their principal office in Texas or are listed on a Texas-based stock exchange) may adopt heightened shareholder proposal thresholds in their governing documents. Under SB 1057, a shareholder or a group of shareholders acting together seeking to submit a proposal must hold voting shares that have a market value of at least $1 million or 3% of the company's voting shares (whichever is lower) and maintain that position continuously for at least six months prior to the date of the shareholder meeting and retain the shares throughout the duration of the shareholder meeting, and must solicit shareholders representing at least 67% of the voting power of shares eligible to vote on the proposal.

SB 1057 is part of a broader legislative initiative that includes Texas Senate Bill 29, which amended the TBOC to allow publicly traded corporations (and private corporations with at least 500 shareholders that have opted into the statutory business judgment rule) to set minimum stock ownership thresholds (not exceeding 3% of the outstanding shares of the company) for shareholders to initiate a derivative proceeding and allow companies to designate specific Texas courts, such as the Texas Business Court, as the exclusive forum and venue for such internal entity claims.

Regulatory Developments

KEY TAKEAWAYS

- The SEC meaningfully increased operational flexibility for employee liquidity programs by establishing new abbreviated tender and exchange offer frameworks, including shortening the minimum offering period for qualifying equity tender offers to 10 business days.
- The SEC reinforced its deregulatory stance of reducing the costs of going and remaining public by proposing wide-ranging rule amendments to simplify the existing filer status framework, permit optional semi-annual reporting and reform the registered offering process, and has begun consideration of modernizing IPO communications rules.
- The SEC and the CFTC seek to reduce compliance burdens for private fund advisors through jointly proposed amendments to Form PF that would raise the filing thresholds and streamline reporting obligations.

TENDER OFFER RULE REFORMS

In April 2026, the SEC issued an exemptive order that shortens the minimum offering period for certain equity tender offers to 10 business days, compared to a minimum period of 20 business days that would otherwise apply under the tender offer rules. The change is intended to provide issuers and relevant third parties with transactional flexibility and reduce their exposure to market fluctuations during the pendency of a tender offer. The abbreviated offering period is available for, among others, tenders by issuers for the issuer's own equity securities (*i.e.*, share repurchases or self-tenders) if the consideration offered consists only of cash at a fixed price and certain other disclosure requirements and conditions are met.[23]

Many later-stage private companies routinely conduct self-tenders to support employee retention, reward early investors seeking to monetize a portion of their investment and/or "clean up" their cap tables in preparation for a new investment round. Shortening the minimum offering period to 10 business days reduces the operational complexity of such tender programs. For public companies evaluating strategies for returning capital to shareholders, the abbreviated 10-business-day period enhances the attractiveness of issuer tender offers relative to open-market repurchase programs or accelerated share repurchases, since the 20-business-day minimum period requirement has long been viewed as one of the principal structural drawbacks of conducting tender offers. Notably, this exemption does not extend to third-party tender offers involving non-reporting companies, such as secondary acquisitions of shares of VC-backed private companies from employees, which continue to require a 20-business-day minimum.

In June 2026, the SEC also issued an exemptive order permitting issuer self-tenders and exchange offers for non-convertible debt securities to remain open for a minimum offering period of five business days, superseding the January 2015 no-action letter that had governed abbreviated debt tender offers for more than a decade and expanding the scope of eligible transactions. While this development is primarily relevant to liability management, it is worth noting as part of the broader regulatory trend toward increased transactional flexibility.

SEMI-ANNUAL REPORTING PROPOSAL

In May 2026, the SEC proposed rule amendments that would permit reporting companies to elect, on an annual basis, to satisfy their interim reporting obligations by filing a single semi-annual report on a new Form 10-S in lieu of three quarterly reports on Form 10-Q. Reporting companies would opt into semi-annual reporting by checking a new "semi-annual" box on the cover page of their annual report on Form 10-K to indicate the selected reporting cadence for the upcoming fiscal year.[24] The proposal would not impose any new substantive disclosure obligations and would apply the same 40- or 45-day filing deadline currently applicable to quarterly filers.[25]

For VC-backed and emerging companies considering an IPO, optional semi-annual reporting would reduce potential compliance costs. As discussed in more detail in our memorandum titled "*SEC Proposes Rule Amendments to Permit Optional Semiannual Reporting*" published in May 2026, the proposal raises important practical considerations, including impacts on auditor comfort letters, insider trading windows and underwriter due diligence expectations.

PROPOSED REGISTERED OFFERING, FILER STATUS AND GUN-JUMPING REFORMS

In May 2026, the SEC proposed two companion sets of rulemaking to reform the registered offering process (the "Registered Offering Proposal") and simplify the filer status framework (the "Filer Status Proposal"). The Registered Offering Proposal would (i) eliminate the one-year seasoning requirement and the $75 million public float threshold for Form S-3 eligibility and (ii) create new eligible and seasoned issuer categories extending benefits currently reserved for well-known seasoned issuers to a broader set of registrants.[26] This proposal would allow newly public companies to raise follow-on capital more rapidly and opportunistically and reduce their disclosure and registration burdens. The Filer Status Proposal would consolidate the currently multi-tiered filer framework into two primary categories: (i) large accelerated filers, with the public float threshold increased from $700 million to $2 billion and the seasoning period extended from 12 consecutive calendar months to 60 months, and (ii) non-accelerated filers ("NAFs"), which would benefit from most disclosure accommodations currently only available to smaller reporting companies and emerging growth companies ("EGCs").[27] Compared to the existing EGC framework, this would essentially guarantee a minimum five-year "on-ramp" for many newly public companies during which they would qualify for all NAF accommodations, regardless of how rapidly their market capitalization or revenue grows after going public.

In May 2026, Chairman Atkins also directed the SEC staff to begin preparing recommendations for reforming IPO communications (or "gun-jumping") rules under the Securities Act. This would represent the first update to U.S. gun-jumping rules in more than 20 years. Chairman Atkins simultaneously issued a request for public comment on how to modernize the IPO process and encouraged the public to be "bold and creative,"[28] signaling a willingness to consider fundamental structural reforms to the public offering process.

These measures are aimed toward making going public considerably more attractive for late-stage private companies by reducing the legal risks currently associated with stringent pre-IPO investor communication rules, expanding post-IPO capital-raising flexibility and reducing the cost of compliance with reporting obligations for newly public companies. As discussed in our companion memorandums titled "*The Bold and the Creative (Part I)*" and "*The Bold and the Creative (Part II)*" published in June 2026, emerging companies contemplating an IPO should factor potential Form S-3 eligibility and NAF accommodations as well as possible reforms to the gun-jumping rules into their cost-benefit assessments.

PROPOSED AMENDMENTS TO FORM PF

In April 2026, the SEC and the CFTC jointly proposed amendments to Form PF, the confidential reporting form for private fund advisers.
The proposed amendments would, among other things, raise the threshold for filing Form PF (from $150 million to $1 billion in private fund assets under management), raise the threshold for detailed reporting for large hedge fund advisers (from $1.5 billion to $10 billion in hedge fund assets under management) and eliminate certain reporting obligations. The SEC estimates that raising the filing threshold would result in almost half of Form PF filers no longer being required to file Form PF, while the percentage of private fund gross assets managed by private fund advisers filing a Form PF would only decrease from approximately 96% to 94%.[29]

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6. *Id.*
7. *Id.*
8. *Id.*
9. *Id.*
10. *Id.*
11. *Id.*
12. Certain structuring considerations relating to the SpaceX IPO are discussed in further detail in the "*SpaceX: Select Takeaways on IPO Structuring*" section of this newsletter.
13. Pitchbook and NVCA, Q2 2026 Venture Monitor (July 8, 2026); Pitchbook and NVCA, Q1 2025 Venture Monitor (April 14, 2025); Pitchbook and NVCA, Q2 2025 Venture Monitor (July 14, 2025).
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20. The White House, National Policy Framework for Artificial Intelligence: Legislative Recommendations (March 20, 2026).
21. SEC, Regulation Crypto Assets (proposed rule) (August 18, 2026).
22. Oxford University Press, The Review of Asset Pricing Studies, Volume 16, Issue 2, June 2026, pp. 163–202.
23. For reporting companies, the abbreviated offering period is also available for all-cash, whole-company acquisitions by a strategic or financial acquiror structured as a tender offer pursuant to a negotiated acquisition agreement. Additional conditions include: (i) the tender offer must be made for all of the outstanding securities of the subject class; (ii) the tender offer must not be made in connection with a take-private transaction; and (iii) the tender offer must not be made in reliance on a cross-border exemption.
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29. CFTC and SEC, Form PF; Reporting Requirements for All Filers (April 24, 2026).

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