

Increased risk of another SEC shutdown

January 27, 2026 | Client Update | 2-minute read

Given the reported heightened risk of another government shutdown around the corner, we provide key SEC shutdown practice points for public companies and capital markets transactions.

Reporting last week suggested positive momentum on a path for Congress to pass the remaining appropriations bills ahead of the January 30 deadline. But recent [news reports](#) highlight an increased risk of another government shutdown after this Friday.

Funding for the SEC falls under the Financial Services and General Government appropriations bill. There is bipartisan support for that bill, but it is one of a package of six bills on which the Senate is expected to vote this week, and as reported there isn't bipartisan support to vote for the package as is. It is unclear whether disagreements in Congress will be resolved by the end of the week.

As it stands now, the SEC is funded through and including Friday January 30. The SEC last updated its [operations plan](#) in August 2025 in the event of a lapse in appropriations that results in an SEC shutdown and posted its updated [guidance](#) on October 9, 2025 with more specific questions and answers relating to a potential shutdown. At time of writing, we are not aware of any changes to SEC guidance in the event of a shutdown.

In our recent client updates on the topic, we discussed our views on key questions impacting IPOs and other capital markets transactions:

- [Potential SEC shutdown practice points](#) (September 30, 2025)
- [New SEC guidance facilitates IPOs during the shutdown](#) (October 9, 2025)
- [IPOs and other public offerings during the government shutdown](#) (October 27, 2025)

As a reminder, an SEC shutdown basically means that almost all matters requiring SEC staff action, including reviewing a registration statement or declaring a registration statement effective, would be on hold.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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