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GOING PAPERLESS: SEC PROPOSES E-DELIVERY AS THE NEW DEFAULT

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WHAT HAPPENED

On July 16, 2026, the SEC proposed new electronic delivery rules for issuers, broker-dealers, investment advisors, investment companies and others with obligations to deliver required information under federal securities laws. The proposed rules would:

- Simplify requirements permitting companies to use e-delivery of required regulatory information, eliminating need for investor consent.
- Permit investors to opt-out or request paper copies.
- Supersede most existing SEC guidance.

The SEC believes the proposed approach:

- Reflects the preference of most investors.
- Reduces costs for companies and other market participants.
- Allows more personalized, interactive, and timely communications.

Comments are requested within 60 days after publication in the Federal Register.

KEY DETAILS

Required Steps. Public companies and other covered entities can satisfy information delivery obligations under SEC rules if:

- The recipient has provided an “electronic address,” such as an email or mobile phone number.
  - The term would cover any means of electronic communication capable of receiving electronic delivery pursuant to an electronic delivery method that the rule sets forth and

that alerts recipients when covered information becomes available.

- The company has provided prominent disclosure describing the types of covered information that it will send to the electronic address unless the recipient opts-out.

- The recipient has not opted out of e-delivery.

Transition Steps. For recipients that already receive any covered information in paper (as of the effective date of the rule, if adopted), companies would send two paper notices before defaulting to e-delivery:

- Notice in paper at least 180 days before e-delivery to inform them of, among other things, the upcoming transition and the ability to opt-out.

- Follow-up notice in paper 30 days before the transition.

Methods of E-Delivery.

- Directly to the electronic address, if no personal financial information (PFI) is included.
  - Covered information would be delivered either in the body of the communication or as an attachment – in a widely available format convenient for reading, being printed on paper and being permanently retained.

- If PFI is included, delivery of a statement of availability of covered information to the electronic address, such as email with a link to a website that provides access to the information.
  - That option is also available for covered information that does not include PFI.
  - The proposed rule would specify certain timing, format, content, and manner of delivery requirements.

Other Requirements Applicable to Both Methods of E-Delivery.

- Description of nature of information being delivered.

- Prominent statement explaining the process to (1) obtain a paper version free of charge upon request, (2) the ability to opt-out of e-delivery at any time, and (3) update electronic addresses free of charge.
  - At a minimum, the statement would direct recipients to a website to submit requests and updates.
  - Paper copies would need to be sent by U.S. first class mail or another reasonably prompt means within three business days after request, unless otherwise specified by federal law.

    - The obligation extends to any item of covered information delivered through e-delivery in the past two years.

- Required information must be delivered no later than the date required under federal securities laws.

- Companies using the statement of availability method must maintain a website for accessing required information.
    - The proposed rule specifies minimum requirements for (1) the length of time for availability on the website and (2) the format for presenting information on the website.

    - In the case of PFI, the process should be reasonably designed to safeguard the information.

- Companies must adopt and implement written policies and procedures reasonably designed to identify and remediate failed e-delivery.

- Covered information would be exempt from consumer consent requirements of the E-SIGN Act.

Covered Entities. The proposed rules would be available to anyone required to deliver covered information to covered recipients, including those registered under federal securities laws such as public companies, investment advisors, investment companies, and broker-dealers, as well as third parties with delivery obligations, such as bidders in tender offers and dissidents in proxy contests.

Covered Information. This term would mean any information required to be delivered to a covered recipient under federal securities laws. It excludes instances generally not relevant to public companies, namely Regulation Crowdfunding, Rule 15c2-11, and security-based swap trade acknowledgements; those rules address e-delivery in specific circumstances,.

Covered Recipient. This term would mean any current or prospective customer, client, investor, security holder (including an indenture security holder), counterparty, or similar recipient to whom a covered entity is required to deliver covered information.

Technical Amendments. The proposed rules would also amend certain SEC rules to facilitate e-delivery, such as requirements for disseminating proxy and tender offer materials.

TAKEAWAYS

If adopted, the proposed rules would simplify life for public companies. Currently, companies must first obtain informed consent from investors to deliver required communications electronically, including from employees who don’t regularly use or have alternative access to email in the course of their jobs. The streamlined approach would likely reduce paper, printing and postage costs for public companies and other market participants.

In addition, the SEC believes companies would have the opportunity to increase investor engagement by incorporating online tools such as calculators or hover-overs and using flexible formats, increasing the potential that disclosure documents would be read.

The SEC anticipates providing a two-year grace period from the rule's effective date before rescinding its existing 1995 Guidance and 1996 Guidance and certain portions of its 2000 Guidance that will be superseded by the new rules. This grace period would allow public companies and other market participants time to review their practices and adjust to the new rules, including transitioning recipients from receiving paper copies.

Related Capabilities

- Securities & Corporate Governance

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