Proskauer

SEC Proposes New E-Delivery Framework for Investor Communications

Global Financial Regulatory Insights on **July 17, 2026**

On July 16, 2026, the Securities and Exchange Commission ("SEC") proposed Regulation E-Delivery (the "Proposal"), a new rule that would permit issuers, broker-dealers, investment advisers, registered funds, business development companies ("BDCs") and other market participants to satisfy certain delivery obligations under the federal securities laws through electronic delivery, without first obtaining the recipient's affirmative consent. The Proposal would mark a significant shift from the SEC's current guidance-based e-delivery framework, under which required regulatory information generally must be delivered in paper unless the recipient affirmatively elects electronic delivery. The Proposal also includes a rescission of Rule 30e-3 under the Investment Company Act of 1940, which currently allows alternative means for registered investment companies to satisfy shareholder report transmission requirements, and amendments to the rules governing delivery of proxy materials and tender offer materials.

Key Takeaways

- **Proposed default e-delivery**. The Proposal would make e-delivery a permissible default method for delivering required disclosures to Covered Recipients (as described below), subject to satisfying specified conditions designed to preserve investor choice, access, and notice.
- **Broad reach**. The Proposal would apply to issuers, broker-dealers, investment advisers, registered funds and BDCs, and would affect investors, clients, fund shareholders and other Covered Recipients.
- **Comment period open**. Comments on the Proposal will remain open for 60 days after publication in the Federal Register.

Key Aspects of the Proposal

- **Who and What it Covers**. The Proposal addresses the e-delivery of "Covered Information" by "Covered Entities" to "Covered Recipients." Covered Information is information a Covered Entity is required to deliver under the federal securities laws, such as prospectuses, shareholder reports, account statements, and proxy materials. Covered Entities are persons with such delivery obligations, including issuers, broker-dealers, investment advisers, registered funds, and BDCs. Covered Recipients are the persons entitled to receive Covered Information, including investors, clients, fund shareholders, and other recipients entitled to required disclosures.
- **Requirements for Reliance on the Proposal**. To rely on e-delivery to satisfy a delivery obligation, a Covered Entity must satisfy each of the following conditions: (1) the Covered Recipient has provided an electronic address; (2) the Covered Entity has provided a prominent disclosure to the Covered Recipient that it will send covered information to the electronic address provided; and (3) the Covered Recipient has not opted out of e-delivery. The proposed rule also includes requirements regarding timing, delivery method, opt-out rights, free paper copies upon request and website availability where information is posted online.
- **Two Permissible Methods of Delivery**. The Proposal would recognize two principal methods of electronic delivery. For Covered Information that does not include personal financial information, a Covered Entity could deliver the information directly to the Covered Recipient's electronic address. For Covered Information that includes personal financial information, the Covered Entity generally would be required to send a notice of availability, such as an email containing a link to a secure website, together with heightened safeguards to protect the data.
- **Transition Process for those Currently Receiving Paper**. A Covered Entity seeking to transition existing paper recipients to default electronic delivery must send two paper notices describing the upcoming transition and the recipient's right to opt out of e-delivery and continue to receive paper delivery.

Why the Proposal Matters and Next Steps

This Proposal represents a significant step in modernizing the SEC's regulatory framework. If adopted, the proposal would align the regulatory framework with how people receive and consume information today. Investors and clients may benefit from faster access to information, improved searchability, better retention, accessibility features and potentially more interactive disclosure formats. The SEC recognized that electronic delivery may offer a more personalized, timely and efficient disclosure experience than paper delivery.

Additionally, there are several significant operational implications. Covered Entities, especially those with a large investor base, could substantially reduce printing, mailing, and paper fulfillment costs. Further, eliminating the need for individualized e-consent tracking could streamline compliance processes. The SEC noted that the Proposal is intended to generate savings for issuers and market intermediaries and, ultimately, for investors, in paper, printing and postage costs.

At the same time, the Covered Entity may need to develop or update certain internal procedures to ensure compliance with the Proposal. Covered Entities should begin evaluating the following:

- **Onboarding language and disclosures.** Account-opening documents and onboarding flows should be updated to describe e-delivery as the default, explain the opt-out right, and collect valid electronic addresses.
- **Investor/client communications strategy.** Covered Entities should develop a communications plan for existing account holders, describing the change in delivery method, the opt-out mechanism, and continued availability of paper copies.
- **Portal functionality.** Investor portals or websites used to host Covered Information must meet the Proposal’s website requirements.
- **Bounced/undeliverable email processes.** Firms must establish processes for identifying and handling bounced or undeliverable emails, including fallback procedures (which may include reverting to paper delivery for affected recipients).
- **Recordkeeping obligations.** Firms should assess their recordkeeping practices to ensure they can document delivery, notices provided, opt-out elections, and transition elections in a manner consistent with regulatory expectations.
- **Privacy and cybersecurity controls.** Given the heightened safeguards for personal financial information, firms should evaluate their encryption, authentication, and access-control mechanisms.
- **Vendor and third-party arrangements.** Covered Entities that rely on transfer agents, proxy/fulfillment vendors, or hosting providers to support delivery should review those arrangements to ensure they can support the Proposal’s requirements.
- **Paper-delivery request procedures.** Covered Entities should establish clear, accessible procedures for Covered Recipients to request paper delivery or to revert from e-delivery to paper.

Related Professionals

- **Nathan R. Schuur**

  Partner
- **Vlad Bulkin**

  Partner